

Minutes of the shareholders' meeting of a listed company
REPUBLIC OF ITALY

In the year 2016 (two thousand and sixteen),
on the 23rd (twenty-third)
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:

"Telecom Italia S.p.A."

with registered offices in Via Negri, no. 1 - Milan, share capital 10,740,236,908.50 euros subscribed and fully paid, tax code and registration number in the Milan Business Register 00488410010, registered in the Economic Administrative Index of Milan under no. 1580695 (hereinafter, also referred to as: the **"Company"**),

have hereby drawn up, pursuant to article 2375 of the Italian Civil Code, the minutes of the Shareholders' Meeting of the aforesaid Company held, in my constant presence, in Rozzano (Milan), at Viale Toscana 3, on

25 (twenty five) May 2016 (two thousand and sixteen)

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 is as stated below.

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 11:20 am) appointed me the notary - with the consent of the meeting - to take the minutes also of the ordinary part of the meeting, and indicated that the ordinary shares participating in the Shareholders' Meeting for the purposes of the quorum were 8,164,213,005, in total, including the ones associated with electronic votes. The share capital represented at the meeting was therefore equivalent to 60.48 % of the total of ordinary shares.

Accordingly, the Chairman noted and acknowledged that the meeting was quorate and able to discuss and resolve on the matters included in the following

Agenda

1. *Financial statements as at 31 December 2015 - approval of the documentation on the financial statements - related and consequent resolutions*
2. *Distribution of the privileged dividend to savings shareholders by using reserves - related and consequent resolutions*

3. *Report on remuneration - resolution on the first section*
4. *Special Award - related and consequent resolutions*
5. *Resignation of a Director - redetermination of the number of members of the Board of Directors from 17 to 16*
6. *Addition of the Company name - amendment of article 1 of the Bylaws - related and consequent resolutions.*

The Chairman, continuing, announced that:

- the call notice for the Shareholders' Meeting was published in full on the Company website on 13 April 2016, as well as in summary in the daily *Il Corriere della Sera* and *The Financial Times*;
- the share capital was 10,740,236,908.50 euros, divided into 19,527,703,470 shares, of which 13,499,911,771 were ordinary shares and 6,027,791,699 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, 126,082,374 Telecom Italia ordinary shares were held by its subsidiary Telecom Italia Finance S.A.;
- no postal votes had been received;
- votes representing 497,416 shares had been received electronically, via the Company's website.

The Chairman also stated that:

- the documentation relating to the items on the agenda (with additions made at the request of Consob) has been published in compliance with the applicable rules and is available at the entrance to the hall;
- the answers to the questions received by the date stated in the call notice are available in a printed copy in the hall;
- 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 share capital:
 - Vivendi S.A., with a direct and indirect holding, by way of ownership, corresponding to 24.68% of the capital with voting rights;
 - J.P. Morgan Securities Plc, with an indirect holding, by way of ownership, corresponding to 2.65% of the capital with voting rights (as well as a further 1.87% without voting rights);
 - People's Bank of China with a direct holding, by way of ownership, corresponding to 2.07% of the capital with voting rights;
- no shareholder was known to be subject to a suspension of the right to vote under the applicable regulations;
- there are no relevant shareholders' agreements, in terms of article 122 of Legislative Decree 58/1998, affecting Telecom Italia.

The Chairman, also:

- invited those present to report any situations that would deny them entitlement to vote pursuant to the applicable provisions, as well as

participation in shareholders' agreements not known to the Company;

- acknowledged that the following attended the meeting, besides the Chairman and the Chief Executive Officer Flavio Cattaneo:
 - Directors Ben Ammar, Benello, Calvosa, Cioli, Cornelli, Fitoussi, Gallo, Herzog, Philippe, Roussel, de Puyfontaine and Valerio;
 - all the members of the Board of Statutory Auditors;
 - Dario Trevisan, attorney, common representative of the holders of savings shares;
 - -- Monica Iacovello, attorney, 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 - also in light of the agenda - will take the form of a single debate for all the items on the agenda. As per Regulations, anyone who has spoken at the debate stage will have a right of reply, for a maximum time which is set at 2 minutes;
- considering the large number of proxies which Mr Lombardi, Chairman of ASATI, holds, at his specific request the maximum duration of his speech is set at 10 minutes;
- stated that voting would then take place separately on the various items on the agenda;
- stated 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 was 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 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.

The Chairman then read out the text of the speech reproduced below.

The Chairman then gave the floor to the Chief Executive Officer, who read out the text of the speech that follows.

"Good morning shareholders one and all,

I want first of all to thank the Board of Directors for the trust that they have placed in me. I thank the Chairman for the words that he has spoken in talking about my professional career.

I return to the point only to remark that the distinctive feature of my managerial approach has always been characterised not only by attention to containing costs, but also to the search for stable conditions for growth and creation of value for the companies for which I have been privileged to work. Allow me to say, efficiency and the avoidance of waste must be normal, indeed like an ethic, while development and growth must, at this moment, be extraordinary to recover lost ground and conquer new ground.

Today I will speak to you about my programme: about what we have already set in train in our first few weeks of work, and about how we will relaunch the company, developing a growth strategy which will have innovation and attention to the customer as its founding principles.

Before going into the merits of the programme, let us briefly analyse the starting point together. Looking at the final economic/financial results in 2015 and analysing the dynamics of the sector, it will not be difficult to agree that a step change was necessary.

The final results published in the course of 2015 certainly show traces of the difficult context in which our Group found itself operating, both in the domestic and in the Brazilian market.

The figures continue to show a trajectory of reduction in revenues and therefore of weakening of the company. We come to the competitive scenario and the trend in the industry in Italy.

In the course of the last seven years the domestic telecommunications market has structurally lost about a third of its value, i.e. 10 billion euros, as a result of fierce competition within the industry, some of it senseless.

Our sector was worth over 30 billion euros in terms of customer spend in 2006. In about ten years the competitive dynamics have reduced the value of the industry to little more than 20 billion euros. In other sectors it would have taken much less than that to bring about disruptive changes.

Faced with this, the telecoms sector, however, remains characterised by business models with very intense investment in technology and human capital.

The scenario outlined above requires rapid evolution of our business model, based on two pillars:

- Cost efficiency, and
- Return to growth.

The transformation is necessary and must be implemented quickly.

The BoD has decided that the Group has the potential to aim at better results. For this reason it has charged me with the task of carrying out a rapid step change and a distinct change of direction in management.

We now come to the relaunch programme.

The domestic business needs a turnaround.

In Brazil the situation is more complicated and it is a question of putting a complete restructuring in place.

In these first two months of work, besides starting the strengthening of the management team, we have therefore dedicated ourselves to:

- safeguarding profitability by a cost containment programme divided into more than fifty efficiency projects with clearly-defined objectives, times and responsibilities, and they are producing results which we will already see in the quarter in progress;

- reviewing the framework of the ultrabroadband plan, on which our strategy for return to growth is based, in order to satisfy, with the highest possible quality, our customers' needs for connectivity and service, ensuring faster and more extensive implementation of FTTH/B in about thirty of the most important cities and areas, while at the same time leaving our overall objectives for fibre coverage unchanged at about 84% of the country.

Containment of costs, without subtracting a single euro from development and investment in the core business, and without carrying out any downsizing of the existing workforce, and redefining the UBB strategy, ensuring more speed and depth in coverage where necessary, are the first steps in a credible and ambitious story.

Efficiency is an indispensable requirement for enabling resources to be released for investment in new infrastructures and for speeding up the evolution of the business model.

The programme must ensure the necessary flexibility and speed of reaction to the changes in the competitive context. The recovery plan, recently presented to the BoD, requires a reduction in cash costs in 2018 of 1.6 billion euros compared with the final figures for 2015, i.e. one billion euros more than had previously been envisaged by the 2016-18 Strategic Plan which was approved last February.

This is a challenging plan, but credible.

I am profoundly convinced that the containment of operating expenses is an ethical duty of every manager, to be pursued, however, without accepting compromises on quality, innovation and commercial performance.

We now come to the strategy on superfast networks, both fixed and mobile (ultrabroadband).

As I have already said, the UBB strategy is an inseparable condition of the Plan for return to growth.

We have therefore already redefined the development strategy for our networks in accordance with three guidelines:

- faster and more extensive roll-out of the FTTH plan, to maximise the effectiveness of marketing actions;
- the combined use of copper (VDSL_e) and fibre technologies and of the various alternative architectures (FTTC_{ab}, FTTB, FTTH) with the object of reaching customers in the most efficient way;
- early delivery of 4G coverage and signal quality objectives, to maintain a leadership position in the mobile market.

Besides developing our superfast networks, in order to return to structural and sustainable growth we must leverage our distinctive assets.

We do not always perhaps stop to think, indeed with pride, about the size and significance of some of our figures. In Italy alone:

- we have 42 million customers, fixed and mobile, who each year generate 65 million contacts with our Caring division, in addition to 100,000 employees and suppliers. They make up TIM People, an enormous community. And furthermore:
- we have more than 5,000 points of sale;
- we have the best ultrabroadband infrastructure (we intend to develop it still further and achieve a coverage of about 84% of households with fibre and 98% of the population with LTE coverage in 2018);
- we have over 38,000 square metres of Data Centers;
- we have a structured technological innovation model (our Labs) and business model (start-up accelerators, TIM Ventures, our research laboratories in the principal Italian universities etc).

Thanks to these assets we can consolidate a distinctive positioning in the market and become a natural point of reference for families and companies. Certainly, the service must improve and line losses must be reduced to the point where the trend is reversed in the areas where they have been most frequent in the past, but we will work hard to achieve our targets.

Telecommunications services will remain our core business, but we will also continue to integrate multimedia and ICT services into our offer, and we will develop new multi-utility services, without detracting from our core business, so as to become a "one-stop-shop".

No additional investment is needed to develop these services. What is needed is passion, enthusiasm, a spirit of enterprise and lateral thinking, in order to develop new ideas and collaborative relationships with our partners. This will enable us to engender customer loyalty and increase and diversify our sources of revenue.

On the basis of the evolution, outlined above, of the sector context and of our strategy, our commitment will be directed towards promoting a proactive, not reactive, approach in relation to the system of rules.

We need a clear and predictable framework, valid for all operators, irrespective of their market of origin. We need to be able to play the "attacker" where the competitive conditions require it. We must have the flexibility to be able to do so.

We will work hard to make the rules apply symmetrically to Telecom Italia and the other Telco operators or those coming from other sectors, and equally to ensure that Telecom Italia is allowed access to third party infrastructures in adjacent sectors under conditions of equality.

We are already making a clear contribution in this direction with the implementation of the new equivalence model, aimed at further improving the guarantees of equality of treatment for all operators, and at the same time at ensuring the improvement of service and quality levels.

We come now to Brazil. An important commitment awaits us. The Chairman has already explained the difficulties of the political and economic context which the country is facing.

These difficulties have already had strong negative repercussions on the telecommunications market among others, which for TIM Brasil have translated in 2015 into a reduction of Group Revenues of 12.1%. It is obvious that we cannot limit ourselves to a turnaround, but must carry out a real restructuring plan. This is not therefore the moment to ask questions about the advisability or otherwise of buying or selling. In this context, we do not consider it appropriate to increase our risk profile in Brazil, nor do we believe that the views currently expressed by the market reflect even distantly the value of TIM Brasil. It is, however, necessary for the management to devote its complete attention to rebalancing the business fundamentals. And this and this alone is our priority.

The first step, here too, is the renewal of the management team, which has been started with the appointment of the new CEO. The operative priority is the implementation for Brazil, too, of a cost recovery plan, which we expect to be able to announce shortly, to put the sustainability of the business on a secure footing and release resources for improving the coverage and quality of the network.

Alongside the cost recovery plan, we will have to identify and launch development and innovation initiatives aimed at a stable return to growth. We will do this in a similar manner to the domestic market and therefore in two separate stages.

Shareholders, in the near future we will be facing major challenges. Our energies must all be directed to rewriting TIM's story, a story of credible, ambitious and sustainable growth.

A heroic story through which we will return to creating value for all our stakeholders.

To overcome the challenges which await us, we will need all your support as shareholders and the support of the management team; what will be especially indispensable is the commitment of all our colleagues and all those who believe in TIM.

Good luck to all of us in our work.

As regards the various items on the agenda, the Chairman has already announced that the explanatory documentation is available at the entrance to the hall, and it only remains for me to refer you to it. Regarding the first point of the agenda (Financial Statements as of 31 December 2015 - approval of the financial statements documentation - related and consequent resolutions) I will report that the fee paid to the independent auditor, PricewaterhouseCoopers S.p.A. was:

- 1,219,050 euros for a total of 16,805 hours for auditing the financial statements of Telecom Italia S.p.A. for the year 2015, and
- 257,770 euros for a total of 3,379 hours for auditing the consolidated financial statements of the Telecom Italia Group for the year 2015.

I also inform you that:

- the fees for auditing the internal controls on the process of drawing up the 2015 consolidated financial statements of Telecom Italia, pursuant to section 404 of the Sarbanes-Oxley Act were 846,620 euros for a total of 14,552 hours, and that

- the fees for the limited auditing of the condensed half-yearly consolidated financial statements of the Telecom Italia Group as at 30 June 2015 are 192,380 euros for a total of 3,050 hours.

The amounts indicated are inclusive of certain extra tasks relating to additional auditing procedures carried out by the auditing firm, and work preparatory to the adoption of the new accounting Principle IFRS 15. Out-of-pocket expenses, which must be added to the cost, and VAT, are in addition.

Also with reference to the financial statements, I further state, for completeness, that, as indicated in the recently published quarterly report, available at the entrance, in the context of the Brazil Business Unit the management has identified an accounting error with reference to previous years, which has no impact on the net financial position or on the cash, relating to the recording of revenues from services resulting from the sale of prepaid traffic. Within the aforementioned document steps have been taken for the revision - by non-significant amounts - of the data as at 31 December 2015, for comparison purposes only."

The Vice Chairman Arnaud de Puyfontaine then read out the text of the speech reproduced below.

"It is an honour and a pleasure for me to be here with you. As you know from last December's shareholders' meeting, the company has been through a certain number of changes. As the major shareholder, Vivendi repeats its willingness to support Telecom Italia in its development plans, in particular the one relating to broadband. Our ambition is for the Company to recover its leadership and to perform a top-level role in the world-wide competition between telecoms companies. In other words, it is time to reinvent Telecom Italia and to give it the necessary means to be a strong operator. The time has come to tell people what we do, and to put into effect what we have always said, fixing definite objectives, maintaining them and bringing results, contrary to what has happened for too many years in the past; this is the precondition for success. We have faith in the group and in our ability to succeed, for various reasons: we have a clear and shared strategic vision; we have a team of executives competent to develop it, set up around Giuseppe Recchi and Flavio Cattaneo; we have a recognised capacity to carry it out, enabling us to relaunch the Company. Certainly, transforming a Company requires much willpower, courage and energy, but we have all these. The management and all parts concerned of Telecom Italia can count on our support and our determination to carry forward this ambitious repositioning plan to the best of our ability. In my capacity as a director, I voted for the remuneration package provided for the executive team because it is aligned with the interests of the shareholders. At your side, Vivendi (which in Latin means 'let us live together') will be an active shareholder, vigilant to ensure that Telecom Italia generates growth, creating long-term value. I thank you for your attention, thank you."

The Chairman then again invited those in attendance who intended to speak on the matters on the agenda to book, recalled that there would be a single format for the discussion of all the various matters on the agenda, and urged them when speaking to stick to the topics on the agenda. He reminded them that the maximum time available to each speaker was set at 6 minutes. He then opened the debate.

Mr **Colombi** read the first part (and specifically the paragraphs as far as "Report on remuneration and special award") of the Report by Mr. Lombardi - Chairman of ASATI, as in the next speech.

Lombardi, Chairman of ASATI, read and commented on the speech which was then delivered to the Chairman's desk and is reported below.

"Introduction

Today Asati is attending the Shareholders' Meeting in its own right, and with 3,270 proxies together with the shareholders present in the hall it represents about 0.5% of the share capital. This means that, substantially, we can consider ourselves among the first 20 shareholders of the Company and the most important

Italian shareholder.

The members of Asati represent, however, even more, to be precise 0.93% of the share capital, thus virtually taking their place among the top ten shareholders in the Company. But the systems for collecting proxies - in our view intentionally created precisely to oppose the real minorities - together with the sense of "impotence" against corporate bodies which pay little attention to these facts, have not allowed us today to be able to formally represent all the capital which shares our positions.

I thank the shareholders who have come from various parts of Italy and, in particular, the employees who have come from Brindisi, Bari, Palermo, Naples, Rome, Bologna and Venice, whose far from easy journey has been made possible in part by a contribution from us. For the first time, after seven years, Telecom has not made available a second shuttle service to connect with the central station, limiting itself to providing the shuttle to and from Piazza Affari. Asati has, therefore, decided to make available to employees who do not live in Milan four taxi vans, to connect Rozzano with Linate airport and the Central Station, incurring a significant cost for the association, but which would have been derisory for TI (we are talking about 280 euros).

Certainly, we hope that these are not the cuts involved in the turnaround so much trumpeted by the Board of Directors. In any case, we hope we have contributed to lightening the load on TI's cash reserves, even for the special award of a little over 55 million euros! However, we cannot fail to ask ourselves how many chauffeur-driven cars came to Rozzano today; and why on earth the various directors, auditors and top managers do not come by transport at their own expense? Perhaps there are major league employees who made use of the shuttle/taxi/chauffeur-driven car service this morning? Or did these people travel at their own expense? I imagine that the aeroplane for the four directors who came from Paris was paid for by the Company, or perhaps not? But for the employees, on solidarity contracts, what's more, there are no funds...What an outrage!

2015-2018 Scenario

Group revenues 19 billion euros down for over 5 years.

Net debt of 27.2 billion euros static compared with 2013 (it was 26.8 billion at the end of 2013)

Group EBITDA 7 billion euros down for over 5 years.

Goodwill more than 28 billion euros

Debt/EBITDA ratio 3.9 times

Defensive solidarity affecting 30,000 employees in their pay packet, with a monthly cost per capita of between 100 and 250 euros.

2015 performance bonus: not achieved by employees as a result of failure to achieve the target on EBITDA (90%), while MBO for the executives - which is based on a different calculation of EBITDA, i.e. minus financial charges (as

if the work done by the employees was responsible for the financial charges) - was paid. *SOME FAIRNESS!* Throughout 2016 there has been a lack of clarity. Targets have not yet been given, as of 25 May, to all the executives and personnel; what targets, therefore, has the Board given to the CEO and the Chairman?

This leads us to suppose that the final figures at the end of the year will be arbitrary...

Dividends on ordinary shares: not paid for three years

Report on remuneration and special awards against a benchmark taken from the major European operators (in the table attached to the minutes, which we have distributed): Consob asked for an addition to be made to the communiqué issued by the company, after our comments; and to think that to draw up the benchmark, the BoD called on two consultancy firms...! In the supplement, therefore, we read that the benchmark was apparently not made against the major European operators but against private equity companies... but what do they have to do with it? It seems to us that they are having a laugh...Asati's plans office has carried out a serious benchmark which we have delivered to the hall with the end-of-plan results...(the relevant slides are attached to this minutes, included in annex A).

The targets set for the CEO and consequently for the top managers. Besides referring to Ebitda (of 7 billion euros), costs (of 11 billion euros) and net Debt (of 27.4 billion euros) of the previous 2016-2018 plan, it is only for cost reduction that we can have a numerical parameter, while for the other two (Ebitda, net debt) we did not find any reference to numbers! We are dealing with a unique phenomenon in the world of listed companies: a manager who has achieved a target for one year has his emolument multiplied for three years, in the event of leaving office early. Furthermore, we do not accept to the slightest degree that, even if he is rejected by the shareholders' meeting, he should be paid cash anyway. This is another joke at our expense...

The Board of Statutory Auditors, the Proxy advisor, Asati (individual minority shareholders) and, we hope,

Norges Bank too, will therefore vote against the remuneration and the Special Award.

Appointment of Arnaud de Puyfontaine as vice chairman without delegated powers. Perhaps only because, if he had had delegated powers, he would have had to resign from the Remuneration Committee? But what is the meaning of a vice chairman without delegated powers on the Remuneration Committee...

The division of operative powers between Chairman and CEO is indeed worse than the previous model; what does "supervision of the organisational structure" mean, and how does it translate into the Company's management practice? We are not told, for example, for what obscure reason the notification of output and internal product per employee has been assigned to the Chairman and not to the

CEO.

Enel and Metroweb: how is it possible to value at 820 million euros a company which has revenues of 70 million, an operating profit of 50 million, and 90 employees? The Government has already decided to give it to Enel unless in exchange it is given the whole of Sparkle, hopefully without paying a single euro so that the CDP benefits [NOT CLEAR] for Saipem (which used to belong to ENI) with 1 billion euros. For TI it does not have...

Still disposable assets: Inwit, Sparkle, Tim Brasil; with Inwit, up to 1.8 billion euros can be monetised, although afterwards, with rent being paid on the towers and taking account of the company's excellent operating margin, in the medium term the transaction would be absolutely neutral with regard to Net Debt over EBITDA ratio; Sparkle 35% share on the Stock exchange, realising 1 billion euros (Asati was the first to announce it as early as 15 days ago). Tim Brasil cannot be sold at 3 billion euros, it would be a mortal sin: De Angelis and Labriola, with a new team, are capable of restarting the business and making it grow, but the real problem is to find the resources to make investments. At the Remuneration Committee, from 21 to 23 March, we learn from the press of the almost continual presence of the Chairman. We may have to allow for the secrecy of the invitation, but has there not in fact been a violation of the Corporate Governance rules?

Employees suffer cuts in their pay packets if they do not use Iperself for filling up at service stations: a good initiative, but, meanwhile, the executives use private planes or travel business class, even within Italy and Europe: but would it not be appropriate to specify that executives and top managers should also travel economy class unless they pay the difference? What a bad example! Considerations on the behaviour of the share price at the closure yesterday, 24 May:

Since 21 March, the date of Patuano's resignation, the ordinary shares have lost 22.2% compared with the FTSE which has lost 4.2%, compared with Djstock which has lost 1.3%; since 31 March, Cattaneo's appointment, the ordinary shares have lost 4.4%; since 16 May, announcement of the new business plan, 15.1%; since 24 June 2015, with Vivendi at 15%, the shares have lost almost 31%, a minor disaster. The market, for now, has already rejected the plan on its announcement. Let us look at execution quarter by quarter...

Considerations on the shares at end of plan between Patuano and Cattaneo
Since in the new business plan there are no numbers, but just an announcement of cuts of 1.6 billion euros - nothing about increasing revenues (TI's real problem), nothing about Ebitda, nothing about net debt, nothing about the share value at end of plan, nothing about potential dividends, nothing about an effective business strategy based on development - and since, as everyone knows, cost reduction is the simplest thing because it is a cash out, opex plus capex, we amused ourselves by doing a simulation.

Considering:

- a multiple of 6 for the Enterprise value/Ebitda ratio, typical of telecoms companies and in particular for TI;
- an organic value of EBITDA (net of non-recurring costs) of 8.8 billion euros (currently 8 billion), in other words 800 million higher to take account of the announced reduction in operating costs;
- a net debt of 24.4 billion in 2018 (currently 27.2 billion), compatible with the Net Debt/EBITDA ratio publicly announced as less than 3 at the end of 2018;

the shares are predicted at 1.41 euros in 2018. The Patuano plan, with its corresponding figures, arrived at a predicted listing of 1.3 euros; naturally, with the same current perimeter, incorporating, - let us be clear about this - only the positive effects of the 1.3 billion from the mandatory convertible bonds, and that's all!

No contribution from Inwit, no Sparkle on the stock exchange, absolutely no sale of Tim Brasil. So, Mr de Puyfontaine and BoD, what are we talking about? Jokes, perhaps, or, as Totò used to say, mere bagatelles? Far from a turnaround which, for anyone who understands English properly, means: "the plan for a rehabilitation and profound restructuring of a company in crisis". Is this how you propose to rehabilitate it? You are deluded... The market, which is in fact the real boss of TI, has, like Asati, already rejected this plan. Change it! You have only taken a shortcut, lacking in novelty and significance.

The Government against Telecom, Enel, Sparkle and Metroweb.

The Government's clear position is that the valuation of 814 million euros offered by Telecom has only a political and not a business value. You cannot compare a company of 90 people, with an Ebitda multiple of 15 times, and Sparkle, with a multiple of 11 times and a presence in 34 countries, the fifth largest operator in the world making intercontinental connections. Our position is to give F2i and the CDP a maximum of 30% of Sparkle in exchange for Metroweb: otherwise let's go it alone, and fight it out on the ground with Enel. There is one positive hope: the energy authority is organising itself to rebalance the possible "dual use" of the "Enel" access network for energy+telephone purposes with large discounts on electricity bills, so let's see how the Enel Fiber company copes with that...

Questions:

1. To the Chairman: You have recruited Luca Josi. Please set out for us, in a few words, this gentleman's managerial training, the tasks that he has been assigned, who is coordinating, and whether you have taken on other people? And what is the total in euros of the consultancies reporting to you?
2. For the Chairman: in the previous plan, the communications and advertising budget was around 250 million over three years. For about the last month, we have no longer been seeing advertising on televisions or in the press, while

we see more and more full page Vodafone advertisements in the principal newspapers and on TV. We would like to know if the budget has been confirmed or cut, as a useful contribution to achieve your variable pay target? This would be too elementary and facile an operation.

3. To the Chairman of the Board of Statutory Auditors: the Board of Statutory Auditors was present at all the meeting of the Nominations Committee that ultimately identified Mr Cattaneo as new CEO. Does he think it normal that the Chairman, Mr Recchi was - according to the press - present at all the meetings of this Committee, called in haste between 21 and 31 March? Does this seem good governance practice to you? You were there and you said nothing? Was the phase of negotiations between Telecom's lawyers and Cattaneo's monitored and supervised by the Board of Statutory Auditors? Or who else? Who are the experts who worked on this? And what objections - after the event - which appears to have been 30-31 March - did you make to the BoD? We'd like you to explain, very clearly, to the whole Shareholders' Meeting, called to vote today... And what, specifically, did you report to Consob?

4. To the CEO: ON THE NEW BUSINESS PLAN, "I won't cut a euro from the investments"; on opex: particular attention to property costs; and to customer satisfaction: by 2018, 84% of families with FTTC connections and 20% with FTTH. We don't need anything, no more conversion of the savings shares, no increase in capital... on the 1.6 billion reduction in costs (opex + capex) by the end of 2018... and on the new business plan, turnaround..... these are lovely words, but what are the comparisons with the old plan. For example: if you are building the FTTH fibre network in only 30 towns and cities instead of 100, as in the preceding plan, it is logical that you will invest less and so reach your target more easily with the cash-out strategy, that is, do the same number of homes, but concentrated rather than spread out, which represents a considerable saving in investments. In substance, what is your plan, in numbers, not words? How much will revenues increase by, how much will customer satisfaction? How much revenue will come from innovative services? Please give us some numbers? Otherwise we will think that your plan is just about costs: the only number available, 1.6 billion. If there's nothing else, couldn't even a young graduate do the same thing, put a block on almost everything and ask suppliers for an end of year bonus if they want their contract renewed? So far, just announcements! We will monitor its execution, quarter by quarter.

5. To the CEO: You have taken on Francesco Micheli, Massimo Arciulo, Elisabetta Colacchia, Antonio Caccavale; you've removed pricing from business lines; you've given the job of interim head of People Value to Micheli, the role of your chief of staff to Colacchia ... made up of how many people? Have we taken on a senior executive to coordinate your secretary and your driver? All these executives have been taken on to do what, exactly? Please tell us, to learn perhaps, and then get rid of the current heads? And what must George Nazi do

as head of Technology? He started two months ago.

6. To the CEO: it is beyond doubt that the most important problems facing our company today are due to the very considerable erosion of revenues, to the oversight of Agcom, to the relations with the entire world of politics, openly at war with Telecom, to the high debt. We ask you: in substance, for the purposes of your plan, we're doing the sums. If you want, we can discuss it, because just as you, an architect, also work on finance, so we, as good engineers, know how to add up. Can you give us some information on the share price, the debt, the revenues, the customer satisfaction, because from our simulation with achievable data on EBITDA, debt and EBITDA, it seems a straw plan instead of a considered one that the shareholders can agree to, because an 8.4% plus rise in the share price is not a lot.... over three years, compared to the old plan. You are risking making a stressed plan for a year and then the house will burn down.... give us the numbers if you've got them...

8. To the CEO: the sale of the stake in Inwit to the best offerer, which was undoubtedly Cellnex-F2i, was linked to the negotiations to acquire Metroweb, as we understand it; what do you intend to do? The towers are, by now, a facility. Just think: the buildings that housed the principal telephone exchanges weren't that, and were sold; so what do you plan to do?

9. To the CEO: we are aware that you, particularly in the last year, have been the greatest opponent, on the Board, to the acquisition of Metroweb (estimated by Patuano to be worth around 500 million euros, at the time). So where did the current offer of 820 million come from? And why have you changed your mind? Could you explain that?

10. To the CEO: in the old plan, there was a real estate restructuring project in 10 cities, to bring various premises together. This project would have generated savings of around 600 million euros in three to four years: a great project, without a doubt, with the creation of a TIM citadel in the EUR area of Rome, where around 20,000 employees are dispersed across several sites. We have been informed that this project has been stopped. Is this true, and what are your strategic ideas on this topic, knowledge of which is, moreover, fundamental, especially with reference to the investments in smart working? Contracts for demolition, asbestos and other things are already in place for the EUR towers ... who pays if they are cancelled? What interest would TI have in identifying another headquarters and abandoning the EUR project?

11. To the CEO: can you confirm that, over the lifetime of the plan, there will be no outsourcing of the call centres or ICT, and that redundancies will only happen in Brazil?

12. To the CEO: do you not think, in the current scenario, that it would be advisable to stop the solidarity arrangements, since it only corresponds to double your total remuneration under the plan? Could you give some information about the performance bonus, for 2016, which your employees - who, moreover,

have not received any target for the past year - have as yet received nothing? And we are half-way through the year.... So, to be correct, the targets should also be halved.

13. To the CEO: the people strategy, that was started in 2014 and in 2015 has already achieved a significant amount of changes to the process and models for managing personnel, will it continue in 2016 as well? What will it consist of? BIS: To the CEO: with expansive solidarity, about to be approved by the Council of Ministers, can you confirm that the programme of recruiting 3,000 people in the most innovative sectors will start, given that the average age is over 50? Or will you block this plan to reach the cost target?

14. In 2016, will dividends be distributed to the ordinary shareholders, after three years without one?

15. To shareholder Vivendi or, on its behalf, the Chairman: who will pay the potential damages of 700 million euros due to your sole strategy of not converting the shares and to the whole redundancy plan, new top managers and other things... And if the new plan doesn't work, which is what we believe, you will have caused a potential small disaster..... to date you have caused a disaster.

To the CEO: After the hefty fines imposed on Telecom Italia by the Italian Competition Authority (103 million euros for abuse of dominant position, 21 million euros for collusive behaviour) and the start of Competition Authority proceedings for non-compliance (for which Telecom risks a fine of at least 176 million euros) in order to achieve the much-desired "pax regulatoria", Telecom committed to introduce a new, costly and complex equivalence model (which in itself will require capex of around 120 million euros and opex of approximately 80 million euros per year). The recent decisions by AgCom, which blocked the price changes on the "Voce" and "TIM Prime" offers, illustrate how far off "pax regulatoria" is, despite the massive investments in the new equivalence model. Question: Mr Cattaneo, how do you intend to proceed to put an end to this regulatory "calvary", which for 2015 alone meant making provisions of over 500 million on the Financial Statements for disputes and fines of a regulatory nature? Mr Cattaneo, are you aware that more correct and virtuous respect for the rules of the game would have meant saving a total of close to the cost reductions set out in the update to the 2016-2018 Business Plan, (possibly) avoiding recourse to the defensive solidarity that is having such a drastic impact on Telecom Italia's employees?

Question: Regarding the cost cutting - and the investments to improve cash-flow, we would like some detailed information on the initiatives started in recent weeks regarding suppliers. No-one more than us is interested in an improvement in the margins that enables a dividend to be distributed after years without one. But we have long years of experience of working in the Company - many of us in the Network, which absorbs the lion's share of the investments and costs,

and we are well aware how important the "good health" of our suppliers is, so that all the work they carry out on our plant - activations, installations, maintenance, inspections, is carried out according to our specifications, by qualified personnel, and that the products supplied are excellent. We need a drastic improvement in quality, to recover our relationship with our customers, to accelerate the creation of the broadband networks, and we ask how this is compatible with the discounts - based on our experience, unsustainable - that have been "imposed" on the firms that work for TI (depending on the sector, they range from 5-10 to as much as 20%, and for engineering services they appear to be as much as 45%), not to mention the request for cash contributions already, in 2016. We are not asking that the Company be soft on suppliers, or to leave them more margin than is strictly necessary, but destroying the Italian telecoms supply chain and delivering us bound and gagged into the hands of the Chinese is not the way to bring solid growth that lasts over time to our Company. Can you confirm this initiative?

16. Mr Arnaud de Puyfontaine, you are an important person, and an excellent manager, but your boss - and largest single shareholder in TI - Vivendi, has already lost around 900 million at current stock market prices. I believe that your true strategy is not the one you tell in public: "we want to make TI the biggest media company in Europe", but that you have much broader plans. In substance, you want to do to TI what Telefonica wasn't able to. Namely, to reduce it to impotence in Brazil, selling off Tim Brazil cheap, at 3 billion, which means making it even weaker, chopping it up into bits, because a company in a regulated regime would surely suffer, fighting the government. Implementing this strategy, which seems to me to be not construction but demolition, perhaps you will have a tomorrow with the potential advantage you will become the single largest shareholder of a giant Telefonica plus Telecom Italia. In conclusion, it seems to us that you are not aiming at developing Telecom Italia's business, but at maximising Vivendi's financial investment. Please be so good as to answer this question: is it fantasy to think that by the end of 2016, at most 2017, Telecom will be Spanish? Answer this question or come up here on stage and repeat your fable for kids: we will make Telecom Italia the biggest media company in Europe. I interpret your silence today, compared to your wonderful loquacity on 15 December 2015 in Rozzano, and at the Senate hearing, as assent; clarification by you today would be important. The BOD has potentially been deprived of its authority, but remember that TI is still a public company: 15% is in the hands of individual shareholders, 50% in the hands of foreign funds.... ASATI will watch your strategy closely, adopting the motto of Paul of Tarsis in his epistle to the Romans "HOPING AGAINST HOPE".

Hendrickson, expressing himself in English (which I, the notary, understand) recalled that, with Alex Duran, he was the founder of *Permian Investment Partners*, an investment fund based in New York that manages assets of about

one billion euros, collected from universities and foundations in the United States. He emphasised that *Permian's* choice is to identify the fifteen best *management teams* in the whole world, and invest in the companies they run; the first thing that *Permian* takes into account, when valuing a *management team*, is the presence of an incentive plan that aligns the interests of the *management* with those of the shareholders. Having said that, he emphasised that Flavio Cattaneo's background is a presentation in itself: it is enough to think that anyone who invested in Terna when Mr Cattaneo entered the company would have made a gain of around 200% (against a result for the Italian share index as a whole, of a loss of 30%, in the same period). It was, Hendrickson emphasised, a path to incredible results, which saw the doubling of the cash flow and the creation of great value for the shareholders, aims which Mr Cattaneo is working to achieve in Telecom Italia too. Further, Hendrickson explained the reason why Permian prefers companies that put themselves in the hands of managers from the outside, for its investments: research on the market show that these companies have higher probabilities of improving their performance in the two years following the entry of the new Chief Executive Officer, confirming that top managers from outside are able to produce most value. Finally, he reminded the meeting that the single largest shareholder in Telecom Italia is now Vivendi, headed by Mr Bolloré, who has in turn created "a huge amount" of value in each of the companies he has invested in; finally, he pointed out that the Vivendi investment policy involves aligning the interests of the Chief Executive Officer with those of the shareholders, which constitutes one of the principal factors in the good performance of his investments.

Duran, expressing himself in English (which I, the notary, understand), continued the comments made on behalf of *Permian Investment Partners*, pointing out that the approval of management incentive plans that are attractive and aggressive is important for two kinds of reasons: on the one hand, it enables the company to attract managerial talents such as Mr. Cattaneo, and on the other it aligns the interests of the Chief Executive Officer with those of the shareholders. He then cited Mr. Marchionne as an example of this good practice. He quadrupled the FIAT share price in a period in which the Italian share index saw an increase of 37%. These results, Duran stated, demonstrate that incentives work! Finally, he stated that *Permian* believes that Mr. Cattaneo can significantly grow value for the shareholders, particularly by intervening on the cash flow and improving the net financial position, and he emphasised that the incentive plan prescribes that the variable component is only paid if the results achieved by the previous management are exceeded. In conclusion, *Permian* believes that a vote in favour of the incentive plan is a necessity, and he again emphasised that a good incentive plan is what is needed to attract excellent managers.

Barresi read the speech he then delivered to the Chairman's desk and which is

reported below.

"Chairman, Chief Executive Officer, Directors, Shareholders, good morning. I am a shareholder and National Secretary for the Tim Italia Business of the Cisl Comunicazione trade union, and with this comment I believe I am contributing to provide an internal and operational point of view on the Company. We have analysed the Remuneration system and the Special Award with the support of the specialist departments of our trade union organisation and, at this meeting, we intend to comment on both the specific issues contained in items three and four on the agenda, and on the whole approach to remuneration and labour policies as a whole. The greatly deteriorated general economic and social context has, over the years, led to cost containment policies, with the repeated application of the solidarity measure, to which have been added the continual, empirical, contradictory and disorganised rationalisation policies, which proved to be failures, with the consequence of modest results in terms of savings and productivity recovery.

This has pushed the most valuable and most professionally skilled resources to the margins of work activities, thus undermining the efficacy and efficiency of the workforce as a whole.

In our view, this context is ample evidence of the inadvisability of using these savings generated by the solidarity mechanism for the bonus system for top management, instead of their more advisable use within the Company, with the consequent strengthening of the economic and financial structure of the company.

In addition, instead of motivating the workforce, and engaging it, in the context of achieving the aims of the company, this inadvisability increases the abyss of division and demotivation, due to the aforementioned disorganised and empirical rationalisation policies, which together with the presence of the solidarity mechanism have aggravated the inefficiency and ineffectiveness of the whole workforce. So we consider that this context requires everyone to respect rules and behaviours of restraint, cost containment and alignment with best international practices with regard to the payment of the variable components to the actual powers delegated to officers, as, for example, we do not perceive to be the case for the role of the Chairman.

A signal of this kind, together with a rational and logical policy on the recovery of productivity and a more relaxed workforce policy, would lead to a recovery of costly professional skills and motivation in the whole workforce, with a notable recovery of efficiency and effectiveness in the Business. We are therefore voting against the Remuneration Report presented, and against the Special Award, and in relation to the non-binding vote on the Remuneration Report, we hope that a less "political" signal is expressed by this meeting, and that management and supervision adopt a policy inspired by the greatest rigour in guaranteeing adequate monitoring of overall governance costs and

individual remuneration, starting with renunciation by the Chairman of at least some of the amounts linked to the variable component that do not reflect the powers assigned to him.

Finally, Mr. Cattaneo, we would ask you a question that affects the workers of TIM Italia:

The BoD has declared 1.6 billion euros in cost containment.

In welcoming this aim, we are, however, wondering if the cost containment will be concentrated on the various cost components as you have planned, which are not labour costs, apart from the banning of overtime, or if in the end you will give in to the temptation to follow the simpler short-term route by acting on the labour costs, falling back on the previous modus operandi of empirical and disorganised actions to produce, at the last minute "a little something" to keep the Shareholders happy?

We are of course concerned about the dividend, but even more so about the capitalisation of the value of the business, which translates into stability of employment!

Thank you for your reply".

Corneli, read out and commented on (also by projecting the slides annexed to these minutes, contained in annex A) a speech which was then delivered to the desk of the Chairman and reproduced below.

Mr Chairman, attendees of this meeting
Remuneration and Special Award (agenda items 3-4)

Point 1) Picking up on the comments made by the Chairman of ASATI, Mr. Lombardi, I would emphasise further critical aspects of the rationale for and determination of the Special Award for the CEO and his co-workers.

The table above shows the European telephone companies (+ Vivendi) referred to as the "reference group" by Telecom in its Remuneration Report (point 8). For reasons of homogeneity non-EU companies, or companies from totally extraneous sectors have been excluded: in the US system the variable components have a very considerable impact, since the fixed part represents just 10% of the remuneration, compared to 50% of Italian pay (Mercer report, 2016). The Special Award has been included on an ordinary annual basis. All the variable pay amounts have been included at maximum level.

As you can see, the amount without the Special Award (in green) already appears to be clearly higher than the average (4.5 million compared to 3.07 million euros); adding the Special Award, TI goes to first place ... or last... depending on your point of view!

The result is even more evident, and is confirmed, if we then make the data truly homogeneous and comparable, in accordance with the basic principles of set theory and statistics, calculating the pay not in absolute values but as percentage of revenues (one of the indicators most widely used to "weigh" a company).

So in the diagram on the bottom - where the height of the column represents the level of revenues, the green line represents pay without extraordinary bonuses, the horizontal line the mean of these pay figures and the red line the value of remuneration including extraordinary bonuses - TI is, again, in first place....!

At the request of Consob - also following the initiative of Asati, which pointed out that not only are the amounts incongruous, but that there is a total absence of comparative "data" in a remuneration report - Telecom issued a second document in which it explained that this was an extraordinary bonus, linked to exceptional circumstances, such that there was not necessarily any need for alignment with the pay of other CEOs; in any event, again, according to TI, a possible comparison could be with private equity funds (and so - we must deduce - no longer with the companies cited in the Remuneration Report). In addition to the debatable change in progress, these are obviously enterprises so different to TI that they cannot be used as indicators of the amount.

Point 2) I cannot understand what is so extraordinary about the intervention: if the strategy is to reduce costs, aim at "controlling" the dissemination of fibre (a strategy which, moreover, seems to be failing), and open synergies with the media, then these are not only policies that have been discussed in Telecom for some time, they are also, primarily, issues of ordinary governance and policies that have already been extensively explored by other, more known, operators in the sector.

Instead, bonuses or incentives of such a size - as found in an analysis by Mercer (published in *Corriere Economia* on the 23rd of this month) - are paid for exceptional performance linked to one-off events such as IPO, mergers or acquisitions: none of which, so far as we are aware, applies to TI.

A substantial lack of reasons and the inadequacy of the opinion on the economic conditions supplied by the Nomination Committee were not only found by the board of Statutory Auditors, but also by the principal proxy advisors; and then there was also the market's broadly negative opinion of pay policies of this kind, which is emerging day after day; shareholders' meetings are rejecting the remunerations proposed for their CEOs with considerable majorities (see Renault, pay 7.2 million euros; Goldman Sachs, pay 22.6 million dollars....). Again in the document disseminated at the request of Consob, an opinion by Credit Suisse supporting the advisability of the Special Award for TI is annexed. It's a pity, though, that Credit Suisse warns (page 3): "the analysis is only illustrative, and there is no guarantee that the value of the potential incremental growth in capital will be achieved, even if TI exceeds the financial targets in the business plan". Which therefore means that the targets identified might not serve the purpose...

The strategy or justification that a special bonus is needed to "convince" the CEO to act in the interests of the company in the long term is a technique

designed to affiliate the directors to a broad-based share ownership, which is not capable of deploying other types of effective control or conditioning of the corporate bodies. But this does not seem to be the case of the current TI... !

Point 3) The motivation adopted by the BoD and the Nominations Committee - namely, to incentivise the CEO to accomplish an extraordinary task, and the need, through this bonus, to align the interests of the CEO with those of the company and the market - appears wholly meaningless, unless one wishes to admit that the opposite eventuality is plausible, i.e. of a C.E.O. who does not pursue the interests of the company and the market.

Point 4) The Special Award is presented as a long term bonus; but in reality it is a sum of short term bonuses (more easily achievable), given that the bonus, and its crystallisation, are done on an annual basis. To be a long term bonus, it is not sufficient for it to be paid after a couple of years, but it has to be calculated solely on the results at the end of the period.

Further reasons to vote against it are:

- point 5) because - according to the document released at the request of Consob - the BoD committed the Company to define specific bonuses or "indemnities" whether or not Mr. Cattaneo continues after the expiry of his current mandate. In our opinion, this represents a serious breach of the separation of powers between the directing body and the shareholders' meeting, which conditions, or even binds, with legal consequences, the decisions of a future and different BoD that might, for example, agree on Mr. Cattaneo's remaining as CEO but differ on the remuneration policies;

- point 6) for having provided, in case of early termination:

- a) an indemnity for the Special Award, as already extensively illustrated in earlier comments;

- b) good leaver even in case of resignation "determined" by change in control of the company, meaning, even if Vivendi is no longer the relative majority shareholder.

But - we are wondering - if the CEO is called on to pursue solely the interests of the company, how can resignation be considered legitimate when a single shareholder changes? Is this condition, too, in the interests of the Company, in the Committee's view?

Proposal to reduce the BoD to 16 members (item 5 on the agenda).

If a member of the BoD should cease to hold office, according to the Italian civil code (art. 2386) and the Bylaws of TI (art. 9.9), the only way forward is to co-opt and then appoint at the first useful shareholders' meeting; apart from co-option, according to the Bylaws (9.2) the BoD is only entitled to submit a slate when the board is to be renewed. So would it not be proper and, in any event, more advisable to put the appointment of the missing member on the agenda, without adding any counter-proposal, by some shareholder, to redetermine the

number of members, as happened at the shareholders' meeting in December, to not interfere with those rights that pertain to the shareholders, not the BoD? And an even number of members evidently makes the possibility of deadlock on decisions more likely, since the TI Bylaws do not provide any criterion to be applied in case of a tie. But the BoD probably considers this such a remote eventuality that it does not need to consider the issue. It is one thing if the board, accidentally, meets with an even number of members in attendance (due to justified absences), and another if this happens because of the ordinary composition of the board.

Finally, this would be an opportunity to "open up" the governance, not accentuate its current entrenchment. On this point, we were very disappointed by the negative response of the BoD, communicated informally, to our request to open a joint working party to review the TI Bylaws, so as to facilitate and make provision for the participation of minorities, and the various components of the share ownership in general, in the governance of the Company.

On 27 April last the BoD appointed one of the Directors, Arnaud de Puyfontaine, as vice-chairman, without conferring any powers on him. This appointment, which was not necessary from a formal perspective (since the Bylaws envisage mechanisms for the Chairman to be temporarily replaced even in the absence of a vice-chairman), may be interpreted as a (NOT CLEAR) move on the governance by the reference shareholder. While Vivendi and TI cannot be considered competing enterprises in the strict sense, it is still the case that any agreements made by them could have restrictive effects on competition, particularly in the media sector. We therefore invite the BoD and the Board of Statutory Auditors in particular to exercise their powers to ensure that TI does not risk complaints to and fines by the supervisory authorities on this point.

Before moving on to ask some questions, I would like to conclude by expressing my appreciation for the attention that the proxy advisors and, through them, several funds, have been paying to the governance issues, and hope that these can lead to synergies, including operational ones, given the upcoming appointments.

Questions

Financial statements and governance 2015

To the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors:

In 2015, Consob, in its resolutions no. 19296 (lack of oversight by the Statutory Auditors, in breach of art. 2391 of the Italian Civil Code) and no.19316 (inadequate supervision of a mandatory convertible bond), inflicted two fines, of 432,000 and 275,000 euros respectively, for omissions by the Statutory Auditors in office in the years 2012-2013, and required TI to take recourse against them.

Telecom was very quick to ask Asati for the sum of 14,352 euros for the order to pay the legal costs, after the judicial appeal for the non-admission of the slate submitted for the renewal of the board of Statutory Auditors. This sum was paid to Telecom, in a bank transfer made on 29 April last.

We hope that the efficiency and efficacy with which the company dealt with Asati was also adopted - or will be adopted, at the end of the legal proceedings - towards the statutory auditors affected by the fines mentioned above.

1) I would ask what the current status is of the 2015 Consob fines of 432,000 and 275,000 (resolutions no. 19296 and no. 19316 of 2015)

2) Having received no formal response, despite a reminder, we would like confirmation, by the Chairman of the Board of Directors, that the company does not intend to open discussions with Asati on the Bylaws, and to be informed of the reasons thereof, given that, on the BoD, there are 4 members from an enterprise that recognises broad participation in its governance to its employees and to its shareholders in a broad sense.

To the Directors chosen by Vivendi, who are present today:

2B) I would ask if you agreed with the refusal of our request for a working party to be established for the review of the Bylaws.

Remuneration and Special Award

To the Chairman of the BoD and the members of the Nomination Committee present:

3. what criteria and comparison indicators you adopted to deem fair the remuneration, given the different information provided in the two TI documents presented above, and what made the situation exceptional?

4. If the shareholders' meeting should vote against the proposal what would the scenario then be: a review of the agreement, or would the BoD go ahead, despite the rejection?

To the Chairman of the Board of Statutory Auditors:

5. if, in light of today's events, you believe that it would be advisable to introduce into the Bylaws the determination by the shareholders' meeting of the total amount of remuneration for the directors, including the remuneration of those directors with particular roles, pursuant to art. 2389 of the Italian Civil Code.

To Mr Cattaneo:

6. If the shareholders' meeting should reject the proposal, would you consider the option of continuing without the Special Award, or would you resign?

7. Was it you who specifically requested the clause about a good leaver in case of resignation due to a change in the reference shareholder?"

Davalli, who described himself as a saver with a few shares, who as such hopes that the value of the shares will increase, and that a dividend will be distributed, complained that this does not happen with Telecom; he then recalled speaking at the shareholders' meeting to debate with Mr. Lombardi, whose experience he appreciated, and with the management. Having said that, he stated

that he had previously expressed, at the last meeting his appreciation for the entry of the French shareholder, hoping for a change; as for the remuneration of Mr. Cattaneo, he pointed out that it would be welcome if the Chief Executive Officer really is able to grow the value of the shares, the only factor of interest to the shareholders. He expressed the hope that the management focus on the aim of growing the company, also through commercial agreements with Enel, in which the Prime Minister might also be involved. He believed that there should be no response to any of the controversies stoked by the press about Mr. Cattaneo (such as, for example, his links with Caltagirone), although he accused the latter of having talked about a generalised fall in the telecommunications market, although some foreign operators (such as France Telecom and Deutsche Telecom) had experienced no fall in their results. He concluded by reiterating that he hoped the management would focus on growth, by, for example, concluding an agreement with Enel, and acquiring mobile networks.

Frasca read the speech that was then delivered to the Chairman's desk which is reported below.

"I am Giovanni Frasca, employee, shareholder and member of the governing committee of ASATI. I greet the Chairman, Mr. Recchi, the vice-chairman, all the Directors, the shareholders who are present, and I welcome the new CEO, Mr. Cattaneo.

Issues raised:

- *Change together to relaunch the company.*
- *Human resources, people strategy*
- *Savings*
- *Insourcing*

Changing together to relaunch the company.

I am addressing the Chairman and the Chief Executive Officer. During your first video-meeting on 9 April last, the message you launched was clear: Telecom needs to return to growth, both in terms of turnover and EBITDA. The direction that you, Mr. Cattaneo, are moving in consists of efficiency recovery, waste-cutting and eliminating suprapositions. I hope that your challenge is to reach the target without causing heavy repercussions on the personnel, and since in your next video message, on 16 April last, you, chairman Recchi, said that the workers are the soul and backbone of the company, I would like to remind you that souls feed on spirit, non-material things, but us workers don't.

Mr. Cattaneo, in your presentation, you stated that "The targets cannot be achieved without the support of all the employees of the group", but, according to the report of the Telecom Italia corporate governance committee, your annual remuneration, if the year's targets are achieved at maximum level with the pre-established targets, linked primarily to savings, will increase considerably, while us workers will not get even the crumbs of the bonus, like the shareholders, who won't see even the shadow of a dividend. So we ask that,

if you achieve the targets, and the Special Award is OK for you, maybe trimmed a bit, as we think the numbers are excessive, then, given that we have all contributed to achieving them, I think that us workers should also be entitled, proportionally, to a meritocratic part.

I would also like to point out that the employees and managers are already making sacrifices with the defensive solidarity initiative, so why not try to change this? With a new meeting with the representatives of the government to turn it into an expansive initiative, and thus give us as a company the possibility of new jobs, generational change, new lifeblood for what must be considered the true added value of a company, its human resources, because equipment is bought (today suppliers compete with those who offer us new devices and new technological solutions) and so are services, but people have to be employed and nurtured inside a company to make it a leader in its sector, as it was a few years ago.

Questions:

- But can a savings-oriented company guarantee that the service it offers is high quality?*

- What actions will we deploy to find the right trade-off between savings and quality supplied and perceived by the customer?*

Human resources - People strategy

I feel it is my duty to recall the onerous and extraordinary team work carried out with the introduction of a new strategy to manage and enhance human resources, of which Mr. Di Loreto and the whole PV team were the precursors and actuators, the "people strategy", with the creation of so-called "work sites" which, from 2013 to 2015 have considered major topics and targets on organisational design, total rewarding, process renewal, new performance management and smart working, to mention just some of those actually aimed at. We trust that Mr. Cattaneo and the new head of PV will ensure that they appreciate the work done by the whole People Value team, and continue it, offering at least a real opportunity for the youngest and most promising employees to grow, given that they have worked on enhancing human capital within the structure.

The People Strategy remains one of the few appreciable signs of renewal received by almost the whole of the great family of employees of Telecom Italia - TIM, as pointed out several times, including to our Association, and we think it advisable to not relegate it to the background or, worse, eliminate it altogether.

Questions:

- What are the principal targets aimed at, and what do you envisage for the three year period, the adoption of this new internal model/process on the topic of the management of human capital?*

- Will there be further concrete effects in 2017 too?*

Will the Work Sites programme and its active oversight continue?

- In relation to the overall efficiency programme, with 1.6 billion in cuts over the three year period 2016-2018, do you think you can foresee impacts on the "Smart Working" project that, with the pilot programme up and running, already allows people to work in satellite offices or from home, and thus in economic conditions that are good for both the employee and the Company?

- Is the SW project going to be extended to other cities?

- How many workers will be leaving the company, using the criteria of art. 4, between now and 2018?

- How many of them will be taken on?

Savings - Vehicle pool

As part of the rationalisation of structure costs, the initiative regarding the "Iperself/do it yourself" arrangements for company cars is good, although it prompted a lot of comment in the national press. But the question is why wasn't it done before. I will not comment on the arrangements for informing the employees. I want only to analyse the financial part: from the published data, for last year, we can save over 2 million euros a year.

Kilometres driven*: 308,809,797; Km per litre**: 18; Litres consumed: 17,156,099.33; Saving per litre**: 0.12; Total annual saving: €2,058,731.98

* The number of kilometres driven is taken from page 143 of the 2015 financial report.

** The consumption data are taken from the Fiat site, and compared with the data reported by customers: 18 km per litre is the average estimate.

Without considering: administrative charges, ordinary and extraordinary maintenance, on which more work is needed.

Questions:

- Is there going to be a framework agreement with the fuel supplier for a better price, using the card provided, obviously ?
- Are there going to be other agreements with suppliers, for ordinary and extraordinary maintenance of the vehicle pool?
- Is a programme to optimise the timings for activities assigned to external technicians being developed, to reduce the distances they travel and avoid, for example, two technicians finding themselves in the same building to repair two faults, or install two fibre connections?
- For cost optimising purposes, we would also ask you to monitor the costs of all work-related trips, including hotel prices and means of transport advised by the companies that provide these services to us. .

Insourcing - Ultrabroadband

The activities to install fibre services at the customer's premises have maximum visibility in the company's targets, and are for the overwhelming part carried out by external companies. In this case, insourcing of this activity would be opportune. ASATI's central office continues to receive reports of cases all

over Italy with testing activities carried out by external companies. They also report to us that our company does not have sufficient equipment and tools for testing and maintenance work. In addition, to guarantee the best fault management, and to ensure an adequate and efficient response to service failures, to put the customer at the centre, the company needs to re-engineer the spare parts management process.

Questions:

- Will the programme to insource activities - the decommissioning project, for example - actually be finalised and monitored? How are you planning to do this, in what ways and with what timescales? Do you think it will still be necessary to go outside the Company? In light of the news that other competitors have entered the field for fibre, is it necessary to accelerate the technological change project, decommissioning services linked to the old technology and going ahead with more profitable technologies, FTTC and FTTH, so as to be able to offer advanced content and above all our characteristic quality, which, in the end, our customers want, to a higher number of customers with fibre connections?
- In addition to those already mentioned, what activities are scheduled to be insourced?
- To increase the customer target and offer the services on the TI list, what are the plans to improve and extend the fibre network over the country, apart from those mentioned earlier?
- With regard to the energy saving project, where are we on switching off unused equipment in the various transmission, switching and data rooms throughout the country?
- To insource activities, the company could consider a targeted recruitment plan, limited to certain company areas and processes, among the external workers who currently work for us, obviously, all of this would happen only and exclusively after a careful assessment of the resources Telecom Italia already has.

Broad-Based Share Ownership Plan

- *The Broad-Based Share Ownership Plan:* we would ask what the timing and arrangements are for rolling out the new plan from as early as 2017, and a structured programme every year, considering the European context, regarding which share ownership by TIM - TI employees represents just 0.5% of the capital.

Proposals

Having analysed the experiences and professional attributes of many of the members of our Association and industry experts, such as former and serving managers and middle managers of the company, and over 500 professionals, we propose that you create a permanent work group of a few people, who could meet every two months, with some operational, technical and commercial proposals, to exchange and discuss ideas of common interest to the minority shareholders, employee shareholders, the voice of loyal customers who can give suggestions

that are useful to the company also in the development of services, thus constituting a privileged return channel for new services in the field and the related experimental price plans offered: do you think this may be useful for the Company?

And given that the words of Seneca which I quoted in May 2015 have been repeated more than once, I say them again, to bring good fortune to the future activities that await us: "No wind will do much good for a navigator who doesn't know where to go".

Rencurosi, before his speech, remembered and thanked Mr. Patuano, who proved a competent manager, honest and focussed on the many issues that Telecom Italia has, who this shareholder wished all the best. As for the 2015 results, he pointed out that, notwithstanding revenues of 19,718 million euros, and the sale of the towers in Brazil, the year ended with a 2.5% loss in Italy and a 12.1% one in Brazil; the most shocking figures, he continued, was the debt, increased by 627,000,000 euros, and the loss of around 72 million on the year. He stated that after the presentation of these results to the financial community in London, and the declarations made by Mr. Peluso on the absence of dividends, the share price fell 6.45% in a single day; after just two days, Nomura's analysts reduced their target price from 1.02 to 0.74 euros, and now rating companies such as Fitch and Moody's consider Telecom's debt "junk". He then spoke about the role of the French shareholders who - present since June 2015 - seem to have very confused ideas on the choices of an industrial nature to be made; he therefore asked for clarification on the future strategies, particularly with regard to Brazil, any aggregations with other subjects such as Metroweb, and the sale of the towers that Inwit owns. The shareholder then referred to the recent 360,000 euro fine imposed on TIM for serious shortcomings in the services provided to customers and complained about the faults in the 119 service, recalling that he had raised this issue in previous shareholders' meetings. He went on to state that in his view the current Board of Directors, which does not reflect the share ownership and has not been able to create value for the shareholders, should resign; he also stated that the value of the savings shares had fallen 10%, after the entry of the French shareholders, and that of the ordinary shares had fallen over 30% since December 2015. He then commented on the Special Award, which provides for the payment of a total amount of 55 million euros, equal to 30% of the total dividend paid to the savings shares, if certain results are achieved; all, he emphasised, in a year in which the trend - confirmed by analysts specialised in remuneration - is to reduce bonuses, which in 2016 will have fallen by up to 20%. Addressing the shareholders, Rencurosi asked if they thought it was normal to pay so much attention to bonuses for senior managers (which account for two of the six items on the agenda) in a company like Telecom Italia, with debts totalling 27 billion euros, which has lost 10 billion in turnover in the last five years, and which

had not paid out dividends for the last three years (while Telefónica is paying a dividend of 7.8% in 2016). On the same point, he complained that the proposal for Mr. Cattaneo's variable remuneration (which could be as much as 3 million euros, on a fixed salary of 1,400,000 euros) had also been rejected by the Board of Statutory Auditors and that it appeared to be anything but parsimonious. He therefore expressed his total opposition to the Special Award, and the payment of these sums of money, inviting Mr. Cattaneo to "put his hands in his own pockets". He concluded by calling attention to the news of the wizard's hat received by Mr. Cattaneo as a gift from his collaborators in NTV, and pointing that, in his view "where there's a wizard, there's a trick"; he therefore invited the Chief Executive Officer to demonstrate his capacity to create value for the company, in the certainty that if he should do this the shareholders would be grateful.

Savina read the speech reported below, which was then delivered to the Chairman's table.

"Chairman, Chief Executive Officer, Shareholders and Colleagues, good morning. We ended our meeting in December 2015 by welcoming Vivendi, the closing of the Shareholders' Meeting, the barely disguised concern of the executive directors and the impassive distance of almost the entire BoD which had, in the meantime, grown to 16 members. In this "slow becoming", the direction of our company is assuming a form that is more structured around the reference shareholders and the interests of its political-financial entourage, both French and Italian.

At ASATI, which, as has already been stated, is the "association of minority shareholders of Telecom Italia and sole bulwark of Italian-ness in the new French-driven Telecom", we must continue our action of careful observers, and must draw everyone's attention when we get an inkling of operations that could give rise to a loss in value and, evidently, also when the value is human capital, because we have the responsibility and the honour of representing thousands of small shareholders, outsiders and employees, and may even presume to think (or be aware) that Telecom Italia is still an Italian Company.

A couple of issues: the alliance between Vivendi & Telecom and the "Special Award".

Thoughts on the union between Vivendi & Telecom and on the business prospects, on which we would welcome a reply by our Vice Chairman Arnaud de Puyfontaine, as well. He may want to share with us, in this meeting, some extra detail on his European vision (and more), considering also the excellent relations between Vivendi and Telefonica. We can say that pages of history and financial reports have been written on this model of a union between telco-media/content companies and its effectiveness; many journalists, economics and technical experts continue to act as attentive observers, and maybe some of them who we follow, and who follow ASATI more closely, may recognise themselves in the

points we are about to make.

So, while at the moment they escape us, there are evidently still major competitive advantages if Vivendi (with Mediaset) takes over 100% of Premium and buys control of Telecom Italia; with his Vivendi, Bolloré thinks he can grasp opportunistic marketing advantages by combining customer offers, selling them a nice "package" of connectivity and content; while Telecom, with TIM Vision, was already doing this through agreements with Netflix, Sky and Mediaset. So we can only hope for a content offer that gets richer and richer. What is happening between the telcos and the media companies appears like yet another attempt to follow a difficult and awkward path, to try and get back revenues that were lost more than a decade ago, with the OTTs lording it over the networks that had to be maintained and made more powerful by the telcos. We seem to be witnessing some skirmishes, while awaiting for destiny to be fulfilled, and favour such a plan. The telcos will continue with their consolidation (in Europe, in Italy), because, together, the telcos can save: sharing infrastructure, combining costly call centres, which can be used for more customers, and using this "rational" approach on many other company divisions and departments. This has always been the way, in mass industry: merging to reduce costs and to try and earn more. We are convinced that Telecom Italia can and must grow internally, and through the Network, not outside it, and this is possible through major investments with authoritative institutional partners, with the new governance model that recognises the value of participation, involving the minority shareholders and the employee shareholders.

Thoughts about the Special Award: we have written and said a lot on this issue (and not just here at ASATI); the topic of the CEO's pay evidently deserves particular attention, and it becomes controversial for readers and investors when the company is a listed one, particularly when one shareholder, which only owns a part of the share capital, is calling the shots. In this case, those who decide are paying with other people's money, too, and there is a risk that the controlling shareholder, whoever they may be at that point, will offer 6 or 7 figure salaries to buy the loyalty of the management, and will focus on operations that damage the minority shareholders (which we have seen in the past): the problem, and the insult, is that the minority shareholders are paying to cut off the branch they are sitting on.

So, to show the "break with the past" that TIM/TI needs, and because of the new common front with shareholder Vivendi, the company looks for a successful executive, and pays him adequately. Naturally, we hope that Cattaneo achieves his targets, and therefore heals our Company.

The facts we have been told about the remuneration package, approved by the BoD but not by the Board of Statutory Auditors, is not in line with the market, out of kilter both in the parameters of the bonus and for the "parachute" it

provides in case of early exit. In the meantime, here we are at the shareholders' meeting, and the outcome of the voting will give us a sign on the remuneration issue, including from the institutional investors.

There remains just one consideration, of an "ethical" nature to be added; we say that, given the context of great economic uncertainty and sacrifice for everyone, the issue of remuneration/bonuses/super-awards could have been dealt with differently. In 2012, unless we have miscalculated (check in the remuneration report), and even though people talked even then about seven figure sums, while the sacrifices made by the employees were increasing, with the start of the first cycle of solidarity contracts, executive chairman Franco Bernabé decided, on his own, to reduce his bonus by 66%, with a total reduction of 19% in his pay, and Marco Patuano's pay was reduced by a total of 28%.

Participation in Governance by employee shareholders and the Broad-Based Share Ownership Plan: In Europe over 10 million employees own shares in their own company; the increase in shareholding must proceed at the same rate, with more possibilities for employees to fully exercise their rights as shareholders. The spread of a new culture of participation, a new company democracy, the affirmation of a strategic shareholding group of employees can contribute to the financial results.

During 2015 (in the shareholders' meetings) we learned that the Company wanted to proceed with the activation of a new broad-based share ownership plan from 2017; could you please tell us about the timing and arrangements for implementing the 2017 plan, and schedule these initiatives to take place annually in a structured way?

To end, we would like to show you a picture (annexed to the minutes, included in annex A) and some information we have collected on Twitter, one of the most widely used social media channels, and one of the biggest OTT operators: here is our amazing Chairman, on Twitter, and his profile message is even more amazing: "Chairman of Telecom Italia since 2014, working with 53,000 colleagues to connect the Country".

Apart, obviously, from giving prominence to one of his most recent tweets, which is evidently a source of pride for us all, because it represents a tangible sign, the stable, industrial and structural memory of our Company, let's go back to the sentence from the profile, and the symbolic value it transmits, to share a couple of suggestions:

- 1. the first is about the 53,000 colleagues, a number which we really hope will be able to stay more or less the same, while considering a natural and welcome change and renewal, that a big and healthy company must anticipate; we ask Chairman Recchi if he expects to change his Twitter profile;*
- 2. the second is directed at our CEO; so far as we are aware, he doesn't have an "institutional" Twitter profile. What is important for us and for you, Mr. Cattaneo, is that the essence of that phrase, expressed also*

in Chairman Recchi's profile, the human capital that the 53,000 colleagues represents, the value expressed through commitment, participation, belonging, constitutes an element that enables this renewal, also during your "cure", and remains unchanged as the symbol and strength of TIM - Telecom Italia.

And so, Mr. Cattaneo, we know you will work really hard and that you will achieve your targets. We are certain of your ability and sensitivity, and so, as occurred in 2011, when Mr Lombardi, a quarter of an hour before the shareholders' meeting, asked Mr Bernabé to reduce his bonus by 50% (as also happened with Mr Patuano), that you will set an example, allocating 50% of your special award to reducing the solidarity contracts of TIM's employees! We are waiting for a sign from you".

Martinez read the speech which was then delivered to the Chairman's desk and reported below.

"Chairman, Chief Executive Officer, Directors, Shareholders, good morning. I am Mauro Martinez, Chairman of the Telecom Italia CNQ (Coordinamento Nazionale Quadri) the professional association that represents the middle management of the Telecom Group, and I have been a Telecom Italia shareholder since 2013. I want to start my comments by reading a phrase reported recently in the press, which we wholly share: "It is necessary to make the costs efficient, and to relaunch the business to increase revenues, which in recent years have fallen sharply...."

You said this, Mr. Cattaneo, during a recent meeting with our trade union representatives.

We repeat it here because we agree with it, as we do with the approach and strategy that seem to emerge from this new direction, another new direction, I would add, that we hope can finally guarantee stability and security for TIM. TIM, "our" company, because, over the years, shareholders and chairmen, top managers and financial backers have changed, but us, the professional workforce, are here, day after day, to talk to our customers, develop products and services, guarantee professionalism and presence, as we always have, and, I would add..... despite everything. Despite the much-heralded changes in the perimeter of the Group (the Network inside or outside, Caring inside or outside, IT inside or outside), and despite, on the one hand, the fines meted out by the regulator, and on the other the Government's plans for Enel to take over our traditional role; despite the repeated solidarity contracts that have undermined our salaries and despite, finally, the multi-million euro salaries and severance payments made to our managers, and not just the top ones. On this last point, we would like to clarify that we can also be in favour of hefty salaries ("monstrous" ones, as our friend Franco Lombardi of ASATI likes to call them), if the people getting them are able to guarantee higher revenues, more jobs and make all the employees better off.

You see, we are here, because, for us, this is not just a company we are "passing

through". This is our company, the one we work in, have grown in, in both professional and human terms.

In other words, "we" are the company, or, rather "the soul and backbone of the company".

And if we are the company, maybe the time has come to discuss strategy together, not only with the shareholders, the regulators, the trade union, the banks. Because it is true that a company like TIM is made up of towers and customers, fibre and products... but none of that would be going anywhere without us, the mid-level professionals, always there to get things done.

Our professional association itself, CNQ, is not made up of representatives, because I myself am an employee, a middle manager of this company.

And since, like me, in this company middle managers and junior staff work alongside one another, day by day, and know its potentials and issues, we believe that the time has come for the Top Management and Shareholders to sit down with us to talk about policy and the future of this company of ours.

We are placing our faith in the new direction, willing to understand, and then judge.

But in this meeting, we would like to say precisely to this new direction, that we know the company, the things to improve and those to change. We know our customers well, as we do the connections of our technological networks and the processes of our commercial ones.

Commercial strategy, the Metroweb issue, the drastic cut to internal events and to professional consultants and services, the trips and logistic expenses and the supplier contracts: this is the calling card of the new Top Management, and we hope that it really does bring the efficiency sought.

But the strategy for development, transformation, the strategy that is always focussed on innovation, how is that being built in these new scenarios? Telecom has always been a company at the forefront of new business: will it still be? Or will the high professional know-how of my colleagues, who I am here today to represent, be dispersed, or even just under-used, because it is considered no longer strategic in the new Plan? And if that should be the case, why develop a plan for investment in technology, at least 60% of which represents innovation and which supports the development of the latter?

So many questions that today, in this meeting, have the aim of expressing the feelings of the middle managers, who have always been the connection to other colleagues, able to translate strategic policies into facts, processes, services, to the Top Management and the Shareholders.

And so, I would finish with a request to the Directors, Chief Executive Officer and Chairman: do you think it is possible to strengthen dialogue with our professional association for it to make an effective and concrete contribution to the construction of the future strategies, and to guarantee, to this company of ours, to all of us, that the targets will be achieved?"

Stancapiano, firstly, highlighted how shortcomings in the call centre are considered one of the principal problems of the company, as he himself was able to confirm from the very many complaints he has received from friends, relatives and acquaintances, both on the treatment of the employees (considered the "new slaves") and for the disorganisation of the database; he expressed the hope that Mr. Cattaneo would publicly commit to improving the call centre service, in the interest of Telecom's image. Moving on, he referred to the new Communications Department, headed by the excellent professional that Mr. Dompé is, and asked the reasons for spending on advertising testimonials, which in his view did not contribute to increase the sale of the products; he expressed the hope that it would focus on advertising campaigns that did not resort to costly testimonials. He ended by suggesting that for the future the documents for the shareholders' meeting should be delivered on electronic media.

Testini read part of the speech he then delivered to the Chairman's desk and which is reported below.

"Good morning Chairman, good morning Chief Executive Officer, good morning everyone, I am Mario Testini, small shareholder, employee, ASATI member. In this meeting I am acting as spokesperson of thousands of small employee shareholders who, through the ASATI secretariat, ask questions about issues such as the People Strategy, the atmosphere in the company and the management of Human Resources, and Solidarity.

Today, in particular, we wanted to thank Mr. Alessandro Fogliati, who had served as chairman of ADAS, the Associazione Dipendenti Azionisti STET since 1995, for his contribution.

Questions to the Chairman Giuseppe Recchi

1) Has the BoD, appointed by Telco and the investment funds, apart from Findom (ref. ReGoSo, page 27) and the Executives with strategic responsibilities, achieved " the priority objective of creating value for the shareholders with a medium-long term perspective" (ref. ReGoSo pages 8, 28-30 and ReRe page 89) in their deployment of the available resources?

The following elements would imply that they did NOT!

1) In the last 5 years, revenues have fallen to 2/3rds, the EBITDA margin by 37%, and the net equity by 10%, despite the contribution made by the labour force (reduced by 3%) and conspicuous investments, almost 25 billion euros (Ref. ReFi pages 13-14).

2) Although it is in line with the average values in 2013-2014, the current share price is decisively less than the former Pirelli prices (over 2.5 euros).

3) A dividend was only paid to the savings shares in the three year period 2013-2015.

4) The resignations of Mr Patuano and other senior Managers ... a change that is still underway, and the explicit labelling of the company as in Turnaround phase.

Against this, the company has significant human resources, potentially almost 66 thousand people, 52.5 thousand of whom in Italy (ref. ReFi page 13), and solid digital and non-digital technological infrastructure: 10.4 million km of fibre network and 115.6 million km in copper cable (ref. ReFi page 27) in Italy and abroad (Sparkle and Tim Brasil) and significant levels of "coverage" at December 2015: UMTS 99.10%; HSDPA, 96%; LTE, >88% and Next Generation Plan for the fixed network, >42% (ref ReFi page 133). Sparkle alone has over 500 thousand km of fibre optic cables.

2) Turnaround: what does this mean, in reality? It is reductive to talk about OPEX (to be cut), EBITDA and reducing net debt, but they are the targets of the top management remuneration policy (Ref. ReRe pages 3-4 etc.) and of the Special Award.

In our view, the company can "turn over a new leaf" and do things differently:

1) bring forward the investments planned for the three year period, financing them in part with an increase in capital and, finally, with the conversion of the savings shares into ordinary shares.

2) consider the long term policies of Vivendi.

For weeks, other explanations have been provided for the Turnaround, only causing negative results. It is enough to consider the speculative estimates of job losses and the negative trend in the share price.

Having set up a Pricing Steering Committee is a signal of a "change of direction" that improves the organisational approach: it is important to leave behind a "cascade" structure that, with proliferating levels, reduces the effectiveness of professional and operational action. Another area of activity that could be optimised is research, development and innovation, also because of its positive effects in the international context, given the major commitments assumed by the European Union (e.g. the plans for Horizon 2020), where Telecom could play a prominent role!

3) Has the company created an imbalance in distributing the economic value produced to the Stakeholders (ref. ReFi page 132)?

It certainly has, so far as the shareholders are concerned (see point 1). The financing organisations are satisfied (we are paying our debts, with interest, an average of 5.5%), as are our customers, who have more services with more performance at falling prices (in 5 years we have invested 25 billion euros, with a similar spend in the pipeline). The regulators absorb financial resources (a share of revenues), human resources that could be used otherwise, and other "heavy" resources connected to the "fines". The Top Management has not made sacrifices. But the employees HAVE. We are in the second phase of defensive solidarity and awaiting the early "redundancy" packages, provision for the costs of which was made in 2015, without our being able to appreciate the reasons for this.

4) Why do we give greater value to the consolidated financial statements than

to those of Telecom SpA?

We are shareholders of Telecom Italia SpA, and so we must focus our attention on asset structure and finances (greatly imbalanced), on its economic management. But in the meantime, the items on the assets side: "intangible" are still high, while "fixed" assets are not particularly significant (depreciation has in fact cancelled out the 25 billion euros of investments made in the last five years), and the value of equity investments is also pretty small. The figures for Tim Brasil and Sparkle, for example, do not seem to reflect their true value. And we are also wondering why the links with Luxembourg-based companies continue. The cash reserves are worrying.... The items on the liability side are debt heavy, and critical on the net equity. Only capital in circulation is positive.

The 456 million euro loss of 2015, in part due to non-recurring charges (where we were embroiled in costly "regulatory" reprimands, and then advance provision for labour costs), and the dividend to the savings shares, remains of the 622 million euros in equity (Ref. ProDel pages 5-6)!

The resumption of "defensive" solidarity. The start of Smart Working was a positive signal. It should be extended and broadened.

54% of the Assets (60.74 billion euros) offset by debt, a net worth of 26.5%. Intangible assets 51%, fixed assets 19%, equity investments 20%. Cash and cash equivalents, 916.35 million euros, 1.3 billion at the end of 2014 (ref. ReFi pages 338-339). At Group level, this last item is 3.56 billion euros, the year before, 4.8 billion (Ref. ReFi page 168): the effect of the Luxembourg companies! while the loss falls to 72 million euros.

Other data from the financial statements (in millions of Euros). "Organic" revenues, 19,718, -4.6% (SpA, 13,797, -2.5%). Brazil (% weight from 28.5% to 23.5%). EBITDA (operating margin): 7,004 -18% (SpA 5,266 -14.7%). Investments 5,197. Employees: 65,867 people, 52,555 in Italy. R&D: 0.7% of GDP, 1,300 people, costs and investments 1,700 million euros. Group: Finance: adjusted net debt 27,278, +627, cash flow on 1,974, -1,200; Balance Sheet: Assets 71,232, covered by: equity 21,333 and liabilities 49.899. At the end of 2015, the adjusted net financial debt, as a ratio of EBITDA, was critical, 3.9. In 2011 it was 2.7 and in 2014, 3.0. (ref. ReFi pages 13, 73, 76, 95, 138).

5) Don't you think the current organisational structure needs to be greatly simplified? The entrepreneurial future of Telecom Italia depends on this.

We could agree to the simplified idea that success is achieved by combining the three "M's": Men (in-house human resources) , Money (monetary resources) and Materials (investments, external contributions). Man is the artifice of success, adapting his action to the external variables.

How is Telecom placed:

- it must reconcile different aspects, the aspects linked to the corporate structures (ref. ReFi pages 326-330) with subsidiaries, including cascading

investments, bodies, processes, structures;

- aspects linked to the "mission", departments, responsibilities (internal committees and non-board committees, business units, special projects(Ref ReFi page 124 and ReCoGo); to the processes and the organisation, areas, levels, including hierarchies(Ref ReFi page 126);

- trade unions: senior managers, junior managers, regular employees. Change has started, it should be continued with clarity of intent, aimed at simplification, transparency and with the human resources fully on board.

6) Does attendance at these meetings by the individual shareholders, including the employee shareholders, still have any meaning? What are the initiatives started in 2015, and what further initiatives are planned? Do you have any intention of using the significant international experience, in particular the experience in our shareholder Vivendi? Why have our proposals for the updating of the company bylaws not been accepted yet?

Shareholders' meetings should not be a "liturgical celebration", they should instead be an opportunity to make proposals, connected to precisely those aspects of the company that are currently critical.

The current governance and bylaws of the company assign a low profile role to the shareholders' meetings (ref. ReGoSo pages 18 and 46), although the "Principles" indicated are clear. The topics on the agenda should be broadened, and those already included should not be subjected to "limitations" (ref. ProDel page 7 and ReRe page 12).

We refer here to the Special Award and the remuneration policy: there is no doubt, the pay ratio is far too big. The company should avoid creating a self-referential elite, which in turn generates a middle management that cannot foster the necessary cohesion between/with the people who work.

But there are so many shareholders, over 450 thousand, they could "count", defend their savings. But they don't vote! Nor do the majority of employee shareholders vote: they are conditioned, not stimulated enough, have no trust. The company has introduced electronic voting, but the prerequisites, including the cultural ones, to appreciate its results are not there.

And in addition, to be able to express an informed vote on the issues on the agenda, shareholders must examine complex, repetitive and exceedingly weighty documentation (over 600 pages): a letter to the shareholders summarising the most important elements, could induce them to vote.

So an initiative addressed to the individual shareholders and employee shareholders, about how to read a financial report, and their rights as shareholders, would certainly have an adequate return, also in terms of keeping their shares or even acquiring the shares of other savers.

For the employee shareholders we are confident that other offers to subscribe will be launched in the next year (ref. ReRe pages 13-14). A new system should be adopted, in line with the one used at Vivendi: a consistent increase in

capital, reserved to employees and former employees, put in a Savings Fund that through a MAP (monthly accumulation plan) type mechanism confers units of the fund, where one unit represents an ordinary share and has the same voting right in the shareholders' meeting.

The rules for the election of the BoD should be changed, making them more proportional to the share ownership structure: no more 2/3rds to the slate that gets the highest number of votes, at least one place on the BoD to each slate (although a "disbarred" limit could be established). It is actually absurd to specify 0.5% to submit a slate and then be excluded, a "seat" for the employee shareholders and one for the Shareholders Association that receives most votes in the shareholders' meeting. This would have avoided the farce that occurred at the election of the current BoD.

7) In accounting and legal terms, the financial statements are thorough. This is attested by both the Board of Statutory Auditors and the external audit firm. The analysis of operations, such as the "scalar" profit and loss statement is commendable. Don't you think that the analysis should be extended to also include productivity and profitability?

Productivity of the factors involved in creating the "Product", not just as "Revenues", to be separated into "quantity" and "price". There are 3 factors: in-house human resources, external resources, the resources generated by new investments (technical quantitative elements, customer coverage, quality and breadth of services). These factors can be used to obtain a weighted overall datum, and then this can be used to derive elements about profitability as well. Questions for Vice Chairman Arnaud Roy de Puyfontaine:

Are you going to support, on the BoD, initiatives like those that you have adopted in Vivendi:

- 3% of the shares to the employees, put in a Savings Fund, an employee representative on the BoD?
- And a better approach to the individual shareholders (ad hoc committee, meetings in different Italian cities, etc.)?

Don't you think there needs to be a recapitalisation of Telecom:

- to cover the investments and start rebalancing the asset and financial structure (also with the conversion of the savings shares to ordinary shares)?

References to the documentation cited in the various questions:

- a) 2015 Financial Report: "ReFi",
- b) Report on corporate governance...: ReGoSo",
- c) Report on Remuneration and on the "Special Award": "ReRe",
- d) Report of the Board of Statutory Auditors: "ReCoSi",
- e) Proposed Resolutions: "ProDel"."

Marconi read the speech he then delivered to the Chairman's desk and which is reported below

"Chairman, Chief Executive Officer, Directors, fellow shareholders, attendees

at the shareholders meeting.

Greetings to you all, and in particular to the Chief Executive Officer and the Vice Chairman, at the chairman's table for the first time in these roles. This is an important day, the shareholders' meeting after the announcement of the turnaround by the Board of Directors. A radical change of direction that I believe could fulfil the expectations of the shareholders and the workers of Telecom Italia, provided it develops along certain lines, which I would like to focus on.

Firstly, to defend the historic leadership role in the Country system, for the creation and management of the telecommunications infrastructure and services. I wholeheartedly agree with the words of chairman Recchi at the recent Internet Day: "Our commitment for the digitalisation of the country is very real. The Telecom Italia Group has written the history of telecommunications, playing a fundamental role in the creation of fixed and mobile network infrastructure". However, now as never before, Telecom Italia's leadership in the technological and industrial development of the Country must be consolidated and defended. Development that is actively taking the form of Network Transformation, within the framework of the objectives of the European Digital Agenda.

I experienced a sense of dismay, which I think many stakeholders and colleagues in this company shared, when on 6 April the Prime Minister presented ENEL's "Super-fast broadband" project, with the participation of our historical competitors. Our company, a community of capable and serious professionals, which is what we believe we are, has been eclipsed by a brilliant marketing operation on the institutions of our Country, with the announcement of a plan that still presents weaknesses and uncertainties. It is to be hoped that our top management re-establishes and maintains relations with the government that are fruitful for the Country System and lucrative for our company. It should respond positively to the Prime Minister's invitation: "We are ready to present other projects, too, with the same characteristics promoted by competitors, other than those present in the room". Our company does not represent a problem for the Country System, with the fines and the recourse to welfare support measures, but a precious resource for the success of the super-fast broadband programme, continues with the path of investments it has already started, and affirms itself in the arena of services for the digital economy, exploiting its typical quality of service, security, and proximity.

It is undoubtedly auspicious for there to be a turning point, out of the negative spiral of fines, also in line with the implementation of the planned new full equivalence model. We appreciate that the company has displayed an attitude of collaboration with the market regulation authorities, also in the express words of the Chief Executive Officer, to guarantee maximum transparency to customers and work in a spirit of fair competition with its competitors.

Another important element of the turnaround would be to overcome the differences

we have recently seen between the Board of Directors and the shareholders on the conversion of the savings shares. But above all we would like the change of direction to regard the revenues of the company and our share price, becoming attractive again, as it was a year ago, in a period when it was of great interest to European and global capital.

The efficiencies. It is without doubt important, and agreed, that skills should be brought back in-house, that resources be found inside the company, where possible, bringing back those activities that for various reasons have been outsourced, in the past. It would be advisable to give renewed vigour to two initiatives, pushed by the preceding human resource management regime, as part of a strategy inspired by the value of people:

1. the rationalisation, in an agile sense, of work processes, also useful to harmonise the relations between our digital telco and the overall ICT supply chain;
2. a structured process of internal recruitment and job rotation, which we are certain could give renewed value to the company optimising the sourcing of people, skills and professionalism, in-house.

Questions

I have 7 questions for the Top Management: To the Chairman

1. Good corporate governance and finance reasons led many shareholders to support the conversion of the savings shares in the shareholders' meeting on 15 December last. Do you think it advisable, for this issue to be reconsidered by the Board of Directors, and if you do, under what conditions?
2. What ways to enable employee shareholders to participate in the governance of the company, for example, representation in the Supervisory Body envisaged in Vivendi's bylaws, could be adopted in Telecom Italia? Are there plans to change the Bylaws in this sense among the Board of Directors?

To the Chief Executive Officer

3. Do you intend to take advantage of the capacity of company staff to undertake job rotation? Will a process to do this start, commencing with an updated mapping of the skills of the workforce?
4. In what company sectors will the plans to insource skills and business activities be focussed on? In this context, how do you intend to take advantage of the skills of the Information Technology department, with reference to innovative topics such as Cloud Computing and Big Data? How does the topic of insourcing reconcile with the "Non-strategic IT branches outsourcing" item that we find in the policies for controlling Domestic costs (page 17) in the financial presentation dated 16 May?
5. While we have seen an emphasis on efficiencies, what are the strategic indications and objectives to increase revenues, which have been falling for many years, apart from the inversion of the trend in ARPU that we have noted in the data on the first quarter of 2016?

6. *What are the impacts of the prospected purchase of Metroweb on the 2016 financial framework?*

7. *In the context of the national Super-fast broadband plan, and in light of the presence of other competitors laying fibre, what initiatives do you intend to activate to optimise the capillary spread of fibre and avoid superpositions and diseconomies, taking advantage of the central and historic role of Telecom Italia in the development and the management of the telecommunications infrastructure of the Country?*

Thanks to the Chairman, the Chief Executive Officer and all of you, for paying attention."

Gola presented himself as a historic minority shareholder of Telecom who "had lost a load of money" and as a recent shareholder of Inwit, referred to his speech made at the shareholders' meeting of the latter, during which he compared the financial statements of Inwit with those of EI Towers, a listed company that carries out the same business. The comparison showed substantial similarities in some aspects, and Inwit's clear superiority in others (in particular, in terms of turnover, net profits, dividend and net profitability), to the point that the comparative lack of interest in Inwit among institutional investors is surprising. On the same point, the shareholder pointed out, however, one aspect that is deeply penalising for Inwit, compared to its competitor. This was the trend in its share price, which was one twelfth that of EI Towers; he therefore expressed the hope that any sale to third parties of the stake in Inwit would happen at a value at least three times the current share price, and asked for an update on the current progress of the negotiations to dispose of it. He concluded by expressing the hope for the future of mechanisms that would provide a good balance in the shareholders' meeting between speeches by the employee shareholders and the other shareholders, and gave advance notice that he would be voting to approve the financial statements, only as an act of faith in the new Chief Executive Officer, who he hoped deserved the very high remuneration he was receiving, rightly disputed by ASATI.

Zarillo read the speech that was then delivered to the Chairman's desk and reported below.

"Chairman, Chief Executive Officer, members of the board of directors and shareholders, I have been an employee of TI since 2001, and a shareholder since 2010, thanks to the company share ownership plans, and I am part of the governing council of the Asati association.

I think I am privileged, since from my entry into the group I have been lucky enough to gain experience in several sectors of the company: technical, innovation, marketing and currently for around a year, I have been working as a sales agent, with a portfolio of customers assigned to me - in the business area.

I am the face of TI and TIM that deals with the customer, who expects from me

everything that a great company like TI can offer its customers.

In 2012, at the shareholders' meeting, I talked about "360° assessments", with the possibility for everyone to assess their colleagues and their manager. This year I experienced some satisfaction thinking about that comment of mine, when in the assessment I was able to express my opinion of my manager and colleagues. So I want to make a small contribution to this meeting, based on my working experience and also the fruit of discussions with other colleagues in my sector. I said I work in the sales sector, and my role is to develop the customer, understand their needs, transform them into good contracts, and then seek new opportunities. What customer ask of us is to be efficient, effective and above all fast. They turn to us to develop their business, and it fills me with pride when they tell me they see TI as a partner, not a supplier. But it isn't always like that. We work in a very competitive market context, and we are not fast. Sometimes we are not effective. Sometimes the customer is affected by our internal complexities, and we achieve efficiency with great difficulty. There are surely aspects to think about. The competitive pressure is high, and if it is very difficult to transform an opportunity into a contract, then transforming a contract into income must be a priority. We need to recover efficiency in this sphere. It's what our customers ask of us, and what our company needs.

I want to bring to the attention of this meeting small ideas, even if they are based only on the tiny area I work in every day, and I hope that these points are picked up, analysed and above all, if confirmed, transformed into areas of improvement. There probably are projects and activities with these aims already, but if they have been activated, they need to speed up, and if they aren't, they need to be started. What are the areas of possible improvement? Conversion of contracts into income as quickly as possible, simplification of the internal authorisation processes (there have to be checks, but we must focus on the business, not the process). Finally, a thought about the sales force: this is organised directly and indirectly. The direct one focusses on high value customers. If the customers are valuable, then the sales force must also be valuable. I know that there has been a major turnaround in this area, and this has definitely been a good thing, but we also need this sales force to be less burdened with bureaucracy. A sales agent who spends more than half his time in the office on company systems instead of with his or her customers is not a sales agent, but a clerk who also does sales. Thank you for your attention". **Mitri** read the speech which was then delivered to the Chairman's desk and reported below.

Good morning Chairman, good morning to everyone, welcome to Mr. Cattaneo. I am Tonino Mitri, minority shareholder, employee, member of ASATI. As at every shareholders' meeting, for years now, we are here with ASATI to try and represent the concerns of the small individual shareholders.

Our commitment has been and will continue to be a civil commitment, to TI as a company and to our country, to contribute to build an Italy that is at the cutting edge, not only in terms of technology, but also in the spread of economic/financial awareness, and best corporate governance practices (the aim of ASATI as a not-for-profit organisation)

ASATI and its Chairman (Mr. Lombardi), as champions defending the small individual shareholders, ask for a change in the corporate governance of TI which enables this category of shareholders, fundamentally long-term investors, to be represented in the BoD and the Board of Statutory Auditors.

A

A few months have passed since the Shareholders' Meeting on 15 December 2015, but the things that have happened have completely changed the reference scenario and greatly weakened, but not extinguished, the hope that TI might grow as a great public company.

Vivendi, with less than 25% of the capital (the threshold for a mandatory tender offer), has provided a demonstration of strength and de-facto control of TI, as reported in the media:

By voting against the conversion of the savings shares to ordinary shares, preventing TI from pocketing around 600 million.

By the election of 4 representatives on the BoD, 3 of whom are the senior executives of Vivendi itself,

so, in potential conflict of interest

With Mr. De Puyfontaine (CEO of Vivendi) as Vice-chairman of TI)

With the request to apply impairment to the TIM Brasil accounts

With the request of a further billion's worth of cuts to the approved business plan

With the de facto replacement of Mr. Patuano with BoD member Mr. Flavio Cattaneo

With the mega-bonus (Special Awards) for the Top Management agreed by a majority of the board and essentially rejected by the TI Board of Statutory Auditors, most of the international proxy advisors and the ethics policies of major international sovereign funds.

Parliament should consider the issue of de facto control of a company, as opposed to control by right. The best thing would be a Consolidated European Law on Finance and Corporate Law that made the legislation uniform and reciprocal in all European countries.

In France, to defend companies, and the country system in general, the "Florange Law" was introduced in 2014: in practice, companies are given the possibility to assign double voting rights to longstanding shareholders, and so it takes years to get control of a company unless a tender offer is made for all the shares.

Having said that, going back to TI, we need to look ahead, and we want to do it with optimism, continuing to think that with Vivendi many positive things

could be done.

What has happened may be a turning point, we will only be able to judge that in a year's time, when we will weight things up when the formal period of service of this board ends.

In the meantime, we will continue to make our constructive contribution, in any place and any situation that might arise, but, as in the past, we will also be vigilant and intransigent, in particular if we again live through films that we saw in previous management regimes, which impoverished TI and clipped the wings of our country.

There follow some questions from among the minority individual shareholders who delegate ASATI (to act on their behalf):

Please, a question for Mr. Cattaneo, whose previous experience and great professionalism is known, could we know more about his vision for TI, the competitive context and his turnaround plan:

On the subject of revenues - the Over The Top operators (such as Google, Facebook and, in general, the major non-European internet companies) are, without rules and reciprocity, attacking the most profitable parts of the value chain of all businesses, including the businesses of the telcos, by using infrastructure for free. Do you think it is possible and necessary to find a national or European model whereby these transnational companies pay the telcos fees for transporting and carrying their data?

On the subject of investments, from the slides of the presentation of your plan to the financial community, there will be a major intervention on the Capex component, among others: what are your intentions regarding the "10 cities" property project, the EUR Towers and the related work on smart working?

On the subject of cost cutting - for the Labour Cost component, there is talk of:

- Outsourcing the non-strategic sectors of IT - does this apply to the SW Development component, the production (Operations) component or to sectors of both?

- of an Administrative Shared Service Centre - who would be part of this ? Is it the prelude to spinning off and selling Areas of TI?

Do you think a separation of the commercial part, T.TIM, from the technical component (Network) might be considered, meaning creating a very lean quadplay multimedia company, to radically resolve the problem with the regulatory system and maybe, with separate listing, significantly reduce the debt hanging over TI's head (at the end of the day it is the tender offer for the former TIM that led to a significant chunk of the debt) ?

To Chairman Recchi, please, with regard to the Governance Issues:

Do you think that in this year before the board is renewed the Corporate Governance of TI might evolve to include, obligatorily on the slates, representation of the Individual Minority Shareholders on the Board ?

Do you think it is to be hoped that for the next elections of the BoD all the slates include at least 50% minus one candidates for the number of directors envisaged, or that slates that might potentially win that assign themselves the minority role should present an adequate and non-minimal number of candidates for directors on the slate?

To conclude, my best wishes to the new management, in their work. We will see one another again next year, hopefully with excellent results and without situations of conflict that are damaging for the company and our country. Best Wishes for the Future to Everyone and Thank you for the Attention".

Barzaghi, having presented himself as a pensioner and long-standing shareholder of Telecom Italia, expressed his nostalgia for the company that, in the historic moments that followed one another, generated added value for many shareholders, but at the same time created the basis for an economic management that preyed on its assets and valuable to the advantage of the "usual suspects" of politics and finance, instead of acting for the good of the company and in the interests of its employees and minority shareholders. He referred to the pay of the chief executive officer (who in some cases also acted as Chairman) over the 1990s, of around 100 million Lira per month, plus a variable component that totalled no more than 3/4 of this. All, he recalled, in years in which the company generated profits for its shareholders, had no employment issues, and, indeed, had an in-house supplementary welfare system that was the envy of all; the economy of the company increased the revenues and was looked on as an economic miracle. And it was able to invest in training and research with the Reiss Romoli centre. Today's proposals regarding the remuneration of the Chief Executive Officer, he went on, increase our nostalgia for the past: these are proposals that the shareholder defined as "immoral", and they risk being abused, irrespective of the management capacity of the individual. He recalled that the employees have, for a number of years now, been living with solidarity contracts; the minority shareholders have not seen the distribution of dividends for years; the financial statements are always negative, and the share price, after performing fairly well last year, had lost 40% since 31 December 2015. He emphasised that many employees, including himself, who had invested some of their pension pot in the company now find themselves with an investment worth half of what it was. So in that context, he considered the Board's proposal of a millionaire's contract, not in line with the market, to be offensive and provocative. It would inevitably cause discontent and opposition inside and outside the company. Continuing, the shareholder complained that there were no new proposals that could return the company to competitiveness in a market that was more and more aggressive and determined, and stated that cutting operating costs would not be enough: the equipment pool needed a revolution, and work needed to be reorganised; he emphasised that, according to many observers, the government and politicians were deploying the "Enel plan" for

broadband, which would probably relegate the Telecom Group to the corner, outside the synergic paths with other partners, depriving it of benefits and investments; he also expressed the opinion that the Metroweb proposal should be looked at again. He then asked some detailed questions, asking: (i) for updates on the proposal for the conversion of the savings shares, the terms of which the new management (and Vivendi) had committed to review; (ii) what the future would be of the company shops and Tim shops managed as single and multibrand franchises; (iii) how many multibrand shops had been closed during the year and how many had, instead, been opened. He concluded expressing his best wishes to the new Chief Executive Officer.

Bossi, presenting himself as a customer first and a shareholder second, stated that he had had difficulty finding the external auditors' report on the company website. He then asked who would be responsible for paying the fines that had been levied on Telecom by AGCM and AGCom from March 2015 to March 2016 for 2,983,000 euros, pointing out that they regarded many customer complaints translated into sanctions, and that among the problems raised there was, in particular, the problem that the shareholder himself had experienced, of services activated without the consent of the customer (for which most customers had not been able to recover the sums taken abusively); he expressed the hope that this *modus operandi*, which damaged the good name of the company, would stop. He also complained that messages sent to the customer service email address had been unanswered, and that to date a request of his sent in November 2015 to obtain information on the Internet key had still not been dealt with; he then expressed his dissatisfaction as a customer, as well as his surprise that the former Chief Executive Officer, Mr. Patuano had for 2015 been paid the sum of 140,000 euros, gross, for achieving 100% of the customer satisfaction indicator. He concluded on this point by pointing out that Telecom cannot do without customer satisfaction. In relation to the third item on the agenda, he asked for clarification on the non-binding resolution prescribed in the law. In relation to the fifth item on the agenda, he considered it advisable that the following sentence in the explanatory report: "*The Board of Directors has appointed Director Flavio Cattaneo to the post*" should specify that the post to which he had been appointed was CEO. In relation to the sixth item on the agenda, he stated that he had found, in a collection of legal cases on corporate operations by Mr. Busani, a notary at law, a note stating that it is not lawful to indicate alternative names. He concluded by thanking those people in Telecom who work to satisfy the customers.

Arini read the speech he then delivered to the Chairman's desk and which is reported below.

"A) Management and human resource aspects, the "rotation" of managers.
As an association we receive many reports about aspects of management, for example, many people ask us to hypothesise the application of rotating managers

from level 7 upwards, not just of the senior executives. The comments that we have received talk about unpleasant situations with friendships, connivance, favouritism, exchanges of favours which, we know, are not good for the workers as a whole and thus not good for the whole Company. They bring us examples of managers who have been managing departments for over 20 years, and situations in which a worker can have the same manager for more than 15 years.

Questions

1. Is it possible to devise and then implement organisational planning that includes rotation, in the strategic functions at least (for example, in procurement, PV management, etc...)?

2. Could the company consider one rotation every 5 years? For example, an executive has 5 7q levels and 15 7 levels: 30% should be gradually changed.

B) Revenues and profits situation

In the last 10 years, revenues and profits have fallen sensationally and drastically, year on year.

In absolute terms, revenues have gone from 30 billion to around 20 billion. The share price has fared far worse!

The natural fall in the revenues and profits of traditional telecoms companies has not been offset by new businesses, whether in the consumer market or in the business one. In the consumer sector, inadequate top managers have alternated. The same applies to the business sector, for the last 5 years.

Questions:

- what strategies and what acts will the company set in motion to increase revenues and margins? By how much? In what spheres? In the ICT and VAS segments?

- could the company consider the possibility that a top manager who loses between 5% and 10% of revenues every year ought to be replaced? Could the company choose the first lines and assess the results in object instead of self-referential terms? Will the CEO make a commitment in this sense?".

Invidia read the speech she then delivered to the Chairman's desk and which is reported below.

"Are people perhaps afraid of change? What can happen without change? Is there maybe something that nature's universe loves more, that is not a feature of that universe? I start this speech of mine with a phrase of Marcus Aurelius, taken from his "Meditations" because in this most recent period TI (now TIM), our company, has experienced profound changes, which have affected the structure and composition of the shareholders. In a telecommunications market in which competitive interactions are destined to become more and more intense, and more and more frequent, in which we are witnessing a sharpening of the conflict between the various operators, a continual breaking of the existing balances and a systematic overturning of the positions achieved, through a change in the rules of the game, change is necessary. There is a need to change the structure to increase its operational efficiency and reduce its costs.

Operational efficiency regards the search for the best result for every single activity, and TIM does a lot of activities. The combination of these activities, meaning the way in which these activities link together and strengthen one another, can produce a competitive advantage for the whole company. Change is the normal condition of living organisms, and a company can be compared to a living organism, in fact it is born, develops and adapts to the environment it lives in. Every change represents a risk, a potential hazard for the pre-existing balances, but at the same time it represents an opportunity for the individuals and groups involved.

But change is anything but simple, indeed, it often requires sacrifices of various kinds from those who are involved in the change.

Men are not machines, to be turned off, unplugged, and connected somewhere else, to resume working like before.

For change to be effective, it must be described and explained, not just imposed. And above all it must be right, coherent, and organised. It is not enough to move people from one organisation to another within the company to resolve the problems that the organisation has.

The change must affect all levels of the company hierarchy: those with responsibility for managing an office, department, etc. should look with fresh eyes at the reality of the company to seek to improve it, should have a forward-looking basic perspective, be oriented to seek to act in the interests of the company, to conceive and play the role of company boss, nurturing the growth of all the workers.

And, further, he or she should build on whatever is good and valid in legacy of the earlier history of the company, in terms of resources and skills, protecting against danger, whether of destructive actions or of shutting out the need to innovate. Those who have the power in the company should be careful they do not lose, with drastic and indiscriminate cost cutting, precious resources and skills vital for the relaunch of the company. Sometimes knowledge and skills are undermined, tacit and complex path-dependent understanding of the path is fundamental for the proper functioning of an organisation. The overall change of the company depends on the change of each individual part of it, and thus on the way in which the boss of the company exercises his guiding role, on his leadership style, on his capacity to assess his collaborators objectively and with depth of judgement, looking after them, encouraging them to grow, equipping them to do a good job. The change must be based on respect for people, and on the conviction that human capital is the most important asset that a company has. The principal purpose of an enterprise is to create value. To reach this objective, it is not sufficient to improve the company's productive activities, or reduce costs, what is needed, instead is to leverage company resources so as to offer better performance to the customer, create a better organisational atmosphere and guarantee higher flows of revenue for

the shareholders.

To achieve such results the company must define a very ambitious long term strategic intent that can create a tension between the present and the future, that originates from the key skills its people possess, and must involve, and motivate, all levels of the organisation.

In this phase of the life of our company as never before, there needs to be an "energising dream" that can provide a common destiny for all members of the organisation to share, a destiny directed towards launching a competitive challenge and reach the future they desire.

This energising dream, in my view, could be the elimination of the solidarity agreement. I am convinced that if that should happen the benefits that would result, for the company, would be far greater than those generated by the solidarity contracts themselves.

We need to again trust the technicians, put them in the conditions to work to their best capacity, providing them with tools and procedures that work. In these last few years the company has introduced process innovations to make technicians autonomous; unfortunately, the procedures that the technician must use, through his or her mobile phone, don't work properly, or don't even work at all. And in any event these new platforms are still too unstable, and so the technician is forced to continue to depend on the controlling structures, meaning those structures that are able to solve his or her problem.

But since these structures have been cut back, in terms of their workforce, they have very long response times.

As mentioned earlier, value creation also depends on the productive activities and the reduction of costs, that is, on the primary and support activities carried out in the company. Primary activities comprise incoming and outgoing logistics, marketing and sales, and services.

Support activities comprise the management infrastructure, the management of human resources, the development of technology, and the acquisition of human resources. How much value could emerge from all these activities, considering also the size of the company!

For example, the management of the activities carried out by the technician happens sequentially, they take responsibility for an activity, let's say the activation of a new line for a customer of some operator, they carry out the activity, complete it, and only afterwards can they take responsibility for the next activity.

However, in some situations it may be more appropriate for activities to be managed in parallel. Meaning that the technician should have the possibility of taking responsibility for more than one activity at the same time, this would avoid the need for back and forth journeys, saving on mileage.

If every technician saved one euro's worth of petrol per day, this would produce a reduction of around 2.5 million euros per year in operating costs, considering

a total of ten thousand technicians.

In this latter period there has also been another major change, the change to the brand.

Unfortunately, I do not believe that using the TIM brand will, on its own, slow the constant fall in revenues (over 7 billion euros less).

What is the explanation for this fall? Is it only the result of the crisis, and of increased competition inside the sector the company operates in, or is there something else? Why do customers who do not have problems spending choose other operators? Is it only a cost problem, or have we lost credibility in the eyes of customers?

On this point, I would quote some comments said to me during my work visits. Business category: "I'm changing operator, after 25 years, because the TIM service people called to tell me that the cost of the bill would be increased. In exchange, they offered me the possibility of making more phone calls, which I don't need. I called the other operator immediately afterwards".

Business category with different offices: "I'm changing operator because less than ten days after the due date of a bill, the commercial service called me to ask why I hadn't paid it yet".

Business category: "before calling another operator, I called TIM to ask for a new activation, but they told me I couldn't have ADSL". This was a customer in the centre of the city, covered by the service. Business category: "the sales person proposed transformation into fibre with no activation cost, but when I received the first bill I realised that that wasn't the case. I've been calling 191 for eight months to clarify this, luckily I have a copy of the contract that the salesman left me".

Residential category: "I'm leaving TIM because I have realised that the costs of the new offer are not those that were promised".

Residential category: "the sales person assured me that coming back to TIM would happen when the technician delivered the router".

But the activity only involved the technician doing the work at the customer's home, but not the delivery of the modem.

Residential category: "I was forced to leave Telecom and then came back after a while to get a cheaper offer". There is no doubt that the price of a product or service plays a major role in influencing the choice made by consumers, it is no coincidence that it is one of the four components of the marketing mix. So why not meet the needs of those customers who want to save on fixed costs instead of opting to make them leave, and then have to chase after them to get them back?

Acquiring a new customer costs more than eight times the cost of keeping him or her, that's according to Marketing, and, in addition, not all are willing to return, in fact many don't come back. Sometimes I wonder if what we are offering is really able to satisfy customers' needs.

To not impoverish the credibility the company has accumulated over the years, we should only promise what we are actually able to give. The Brits say less is more. Thank you, best wishes for work to everyone".

Ramus, having presented himself as an employee since 1988, currently on a solidarity contract, pointed out that the introductory remarks made by the Chief Executive Officer and the Chairman represent the desires that everyone would like to see fulfilled: a change of pace, incisiveness and quality perceived by the customer, a decreased in the loss of fixed line, an increase in the quality of mobile, the right team, a great commitment and a sharp break with the past. These are all things we would hope for, but they inevitably involve the watchword: "cost cutting". He went on reading the speech which was then delivered to the Chairman's desk and reported as follows.

"The watchword is "cost cutting", which in turn means reducing the labour costs, becoming efficient, reducing opex, and capex too. In other words, belt-tightening everyone, scraping the bottom of the barrel.

Cost Cutting becomes inevitable when the operating results announced to the market on 31/12 show a loss of 72 million euros on the year, net of the AGCom fines, with an 8.6% fall in Revenues, EBITDA down to below 20.3% and gross financial debt, adjusted to 31 March, of 32,296 million euros.

I want to point out that TI has the lowest cost/work hours per employee ratio in Europe; and a number of departments per employee that is the second highest in Europe.

So to improve the prospects of our company, we should set a good example, through the bonus "pater familias", who for the Romans was the model man, not just free and with all his capacities, but also aware of the importance of one's own position and one's own actions. In our law, the legislation specifies that in fulfilling the obligations inherent in the carrying out of a professional activity, diligence must be assessed in relation to the very nature of the activity carried out, requiring, in that case, specific diligence.

I can state that, for some years now, specific diligence for our company and its principal interests has often been inadequate, if not wholly absent.

Here there really are very many examples.....

For many years, colleagues at all levels of responsibility and Executives, have been complaining about the absence of a clear and long term company strategy. The organisation of work comes second to mere cost cutting. Unfortunately, the most recent management prescriptions have been no better, and show that there is no awareness of the sectors of the company they want to manage. This is the real tragedy!

The most total confusion reigns in Open Access (the network). With the reduction of suppression of on-call shifts, and the sharing of vehicles and vans in pools; with the disjointed management of the governing bodies and the reorganisation of the ASA sector (the 187.2 service, for faults), there will be a negative

impact in terms of service quality and efficiency, with the risk of further fines from AGCom.

More fines that will come from complaints to the local labour inspectorates, about the convergence of personnel in sectors where the Solidarity contracts apply. For years, in Telecom, those who make mistakes, when not promoted, leave, and are even well paid!

In the Caring departments (the 119-187-191 services) breaking down the work, while optimising times and a presumed productivity that is an end in itself, has led to the outsourcing of valuable activities. The quality of the service provided and perceived is not satisfactory. A customer who manages to get through to the call centre can receive advice in a call that lasts at most 4 minutes. When the time limits approaches, the staff invite the customer to call back to get any further information. Because of the evident difficulties in accessing the labyrinth of the Call Centre, AGCom periodically imposes fines of 320 thousand euros. And, in the item of inevitable expenses, there is service maintenance on Sundays and holidays when - apart from having IT systems that are not active - there are very few calls, to the point that the staff are taken "off line" to not cause "their productivity" to plummet.

The company productivity policies, bonuses and miscellaneous incentives merit a separate discussion. These appear to have nothing to do with the overall progress of the company. Sometimes they even contradict one another. So the new "phase of efficiency and more challenging targets" announced by Chairman Recchi should set targets that are coherent, with one another and with the whole company, also linking to them the parameters for the definition of the Performance Bonuses. Moreover, to date, it appears than no target has been set, nor have any agreements been signed with the Ministry of the Economy to reduce tax at just 10% on these bonuses.

On this point, the company could cite the example of the pater familias mentioned above, but this would be a contradiction for those who had got a bonus from the reference shareholder merely because they reduced costs, also by postponing them, or are entitled to a special award that could be as much as 40 million euros, irrespective of length of service in the job. A topic placed pointlessly on the agenda for today's meeting, given that the payment, in shares and cash or just in cash, cannot be changed. I shall end by quoting the words of Proxy Advisor Glass Lewis: "performance should be measured over the period as a whole, to ensure that executives are being incentivised for long-term growth, and not temporary spikes in performance".

Finelli, employee, shareholder and member of ASATI, read the speech he then delivered to the Chairman's desk and which is reported below.

"We receive a lot of reports about the atmosphere on the ground: feelings of absolute discomfort and discontent.

A number of colleagues have written to us who on the ground have the role of

designer, and they raise several examples of specific on-site activities for Visits, which produce an immediate economic return (PAID-FOR SPDs), monitoring activities after work has been contracted out, which produce a reduction in the cost of the work itself. Our colleagues inform us that these issues have a significant impact from a cost reduction perspective.

However, in the meantime, the very policy of indiscriminately reducing costs ends up penalising workers and reduces their work tools, for example, the number of vehicles available, which actually prevents them doing their daily tasks and forcing them to book pool vehicles. These arrangements do not square with achieving targets, considering that certain specific activities, such as customer visits for fibre, come with the appointments already made, often without available vehicles.

In addition, the Company has UNILATERALLY cancelled the "Panda project" for all designers on this contract, creating yet another obstacle: see, for example the "almost threatening" email they all received about the obligation to refuel at IPERSELF; living with the solidarity contracts and the requests to give 110%. The difficulties that this solidarity causes for the worker, first and foremost, the pay !!!

On the ground, people are very worried, and the news about redundancies, economic instability and efficiency initiatives create an altar to the policies for the remuneration of the Top Managers.

Questions

We ask what is actually being done to renew trust in the whole workforce which, out on the ground, is in close contact with our Customers, and what can the Company do to eliminate the distance people perceive between themselves and the management".

Buccheri briefly recalled the history of Telecom over the last 20 years, with its privatisation accompanied by a political monopoly which did not promote the development of the company, given that over time the turnover has reduced by one third. He emphasised that Telecom is not "it's own little world", but operates in a national context in which the political class is a constant presence, as the Enel issue demonstrates, today; so it is necessary to finally clarify what role the political class wants to have in an industrial issue that has an impact not only in terms of the turnover, but on employment. The shareholder stated that the political class may well have an interest in favouring Enel, creating a clash between two giants with great international prestige. As for Telecom, the shareholder recalled the many positive initiatives it had launched (the sustainability index, the work of Fondazione Telecom Italia, the Lessons on Progress), and expressed the hope that the government would contribute to improve the image of the Group, repairing the damage done with the Colaninno tender offer. More generally, he hoped for a synergy between Enel, Telecom and Cassa Depositi e Prestiti to solve the problem

of the digital divide, since he considered that everyone must get involved in the digitisation of the whole country. So he invited Telecom to raise its own 100 year plus history, and the professional skills it had developed, with the political class, for it to be allowed to participate in these changes, also regarding fibre. Furthermore, he expressed the hope that greater impetus would be given to industrial relations, involving all the bodies that represent people in Telecom, such as those attending the day's meeting: CISAL, CNQ and ASATI. He concluded by expressing the hope that there would be interventions to support the sustainability index (on which Telecom is among the top companies at European and world level), for example, by supplying employees and managers with vehicles fuelled by natural gas or LPG.

Napoleoni, stated that his speech was the result of many reports from the field, and several videoconferences and meetings; he made clear that he had been working for around two years with Mr Lombardi, and appreciated the greater presence of members of the Board of Directors at shareholders' meetings, as requested by ASATI; he then read the speech which was subsequently delivered to the Chairman's table, reported below.

Decommissioning: Decommissioning activities are part of a long term plan (the plan will continue until 2020): it is advisable to maximise the insourcing of these activities, this activity is repeatedly reported to us; it is a long project that will last 7-8 years, and so bringing it back into TI must be planned and managed! And we have reported even more serious situations, with former employees who work in network companies who access the TI exchanges without authorisations or entry passes!

Ultrabroadband: The activities to install fibre services at the customer's premises have maximum visibility in the company's targets, and are for the overwhelming part carried out by external companies. In this case too, insourcing this activity would be opportune. Reports are continuously being received outlining cases all over Italy with testing activities carried out by external companies. Telecom Italia seems to not have sufficient equipment and tools for testing and maintenance work. Moreover, on the management of faults, and to ensure an adequate and efficient response to service failure, from a customer-centred perspective, an activity to re-engineer the spares management process should be developed (I personally have had 2 non-saleable fibre optic connections installed, and had to go back to ADSL; this is not good). ASATI: there seems to be some sort of discrimination against ASATI, also through inadequate communication and poor visibility of the thoughts and actions of the association itself; for the Shareholders' Meeting there was no communication campaign on the Intranet to promote the participation of the employee shareholders! In previous shareholders' meetings, Mr Recchi had said that he wanted to be part of this team, but then, in reality, he removed our room for documentation, and the shuttle bus.

Employee Share Ownership Plan: The experience of two Employee Share Ownership Plans has certainly been positive in terms of developing a sense of belonging. Based on these results obtained solely through the assiduous action of ASATI, we ask for confirmation of the budget, arrangements, and timing of the initiative due to start in 2017.

Job posting and job rotation: are there any real figures on the cases affected by these initiatives? The need for greater "flexibility" on lengths of time spent in a role or function is clear, and this tackles an "unmoveability" or "suspended animation" where decade-long affiliations form that might have some connection with the historical reports on "meritocracy";

Survey of the atmosphere in the company: When will the new survey be taking place? When was the last survey done? What are the expectations " .

He concluded by asking whether Mr Cattaneo is willing to reduce his MBO by 50% and allocate the remainder to an employee solidarity fund; finally, he read out the concluding part of the Testini report, reported earlier.

Gentili, having introduced himself as a proud shareholder and employee, and member of Movimento Lavoro, highlighted that, over the years, the financial aspect had prevailed over the employment and human one, producing great damage to the company accounts and social fabric: a worker who is not motivated, frustrated and depressed cannot act in the best form for the benefit of the company. In the years following the privatisations, with the various changes of ownership, the terms used in a work context have been spin-offs, redundancies, solidarity contracts and redeployment, all aspects that have appreciably weakened the backbone of the Telecom Italia group. In the face of similar "slimming initiatives", at the expense of the workers, we have witnessed a merry-go-round of privileges, with dubious operations that have damaged the company. While the responsibilities are clear, he continued, there has never been any action against those who caused the damage. It is in this context of confusion and uncertainty for workers that Movimento Lavoro was born: the idea, borrowed from the 5-Star Movement, has the aim of creating transverse oversight by the movement inside various companies, and it originated from meeting different business realities, including Telecom Italia, Inwit, Selex, Finmeccanica and Poste Italiane. It is not exactly a trade union, because a trade union, on its own, is no longer able to safeguard the interests of the workers; it is a different kind of organisation, in line with the modern world. Movimento Lavoro is not an opponent, but promotes the interests of all the employees, and hence of the work that the company creates and provides, extracting due profit; in other words, it is a tool for a change of culture and of the remuneration system that wants to promote the active participation of labour, without useless intermediaries. The shareholder stated that every employee is a fundamental component of the company with which he or she grows and develops as an individual, participating in the work of the company; in

moments of crisis, it is fundamental for all the parts that make up the company to participate, to organise and plan as best they can the activities for the progress of the company; so Movimento Lavoro is open, and anyone can join without having to pay any subscription fee. For the shareholder, the problems of public and private companies are by now evident, due to managers appointed by political and/or economic power, inadequate, in most cases, often only there to carry out orders, who act for a particular interest to the detriment of the realities of the company. There are no strategies, there are privileges for the few and sacrifices for the many. The aim of Movimento Lavoro is to put as a common factor the experiences gained in each work situation, starting from its people, and to safeguard the dignity of work, defending with difficulty the rights conquered by past generations in the interest of their children and all future generations. The waste, he continued, often takes the form of company projects, the only purpose of which is to make unwarranted promotions; (companies) must, moreover, start legal proceedings for liability, and request compensation for the damages against the managers or employees who have caused losses to the company because of corruption or bad management. So he asked if Telecom intended to proceed with the acquisition of Metroweb; the shareholder believed that a swap of Metroweb for Sparkle, with the former over-valued with respect to the second, would be an error that is the fruit of economic-political pressure. As for the Tim logo, the shareholder did not agree with the choice, which appears to be neither revolutionary nor strong (using a name that has existed for about twenty years, and going back to the trigram that goes back to 100 BC), and it has meant very high costs. He then sent his warmest greetings to all colleagues, inviting them to believe in Movimento Lavoro and its representatives, as an opportunity to improve the conditions of our lives as men and women striving for continual improvement.

Volpe, introduced himself as a member of Movimento Lavoro and representative of retirees and employees in receipt of redeployment allowance. Following up on the letter sent to the main trade unions, he expressed his disappointment regarding their absence from the general meeting at such a unique moment for Telecom Italia: it isn't enough to only show your face to the workers when trade union elections are coming up, with the sole aim of getting the job of trade union representative, with all the related privileges, and then "disappear off the face of the earth". Today's trade unions, he continued, do not act in defence of workers' rights: just think of former secretary general Bonanni, who earns 360 thousand euros a year, treating himself to a "weekend on a sail boat". I hope that the Telecom employees understand that it is not worth paying dues to the trade union to maintain people that do not turn up to the shareholders' meeting and he assured the meeting that the Movimento Lavoro would take action to defend the company against the rip-off merchants, and consequently to defend the rights and jobs of workers, but it needs the support of the employees. The

time when the trade unions were empowered to negotiate with the company is over, he continued, because "whoever acts as intermediary takes a fee, keeps quiet and says nothing": workers must have the courage to take on their responsibilities by contributing to Movimento Lavoro (which will soon be on Facebook, Twitter and on the internet with the website lavoro5stelle@libero.it). He asked how, at a time of crisis, the company can propose a bonus that in his view is excessive, which seems almost a joke, and, for the workers, represents an insult, an offence indeed, the company is using solidarity contracts, and so workers are losing pay and contributions, while the company takes the money of the government, and hence of the workers themselves, who are "paying twice". In contrast, for the managers, the state contribution reduces the cost of labour and contribute to them reaching their targets, and hence their bonus. He asked if the 400 million euros received from the government for the solidarity regime will actually be counted in reaching the cost cutting target for which the special award will be payable. Further, the shareholder warned the workers, pointing out that, due to the Jobs Act, if the company declares a state of crisis, it could make as many employees redundant as it wants, and the solidarity period experienced in the last four years would decrease the amount of redundancy pay they would get. He also asked if the company has any intention to make any redundancies, and if so, how many, fearing that the previous solidarity contracts represent a way of shifting government money into the pockets of the Telecom Italia shareholders. He reminded the meeting of the million-plus settlements given to the "captains courageous" who had alternated at the helm of the company (Colaninno, Ruggiero, Bernabé - twice -, De Benedetti, Tronchetti, Buora and, finally, Patuano), and pointed out that on this occasion there is a further exaggeration, also because it will be extremely easy to achieve the results that will be rewarded. He concluded by pointing out that Mr. Cattaneo's pay is equivalent to around 1000 euros per hour, and seems iniquitous at such a difficult time, both for the company and the country; on this point he recalled the principal applied by Adriano Olivetti, who thought that he shouldn't have a salary more than 20 times that of his employees, and he expressed his fear that to achieve the targets the company would resort to activating services that had not been requested, with consequent fines imposed by the Competition Authority, incorrect invoicing, sales of branches of the business, outsourcing service overseas, or job losses.

De Septis, stated that today a colleague of his should also have been present at the meeting, but had been sacked, as he had been accused, along with another ten people, of a fraud to the detriment of Telecom Italia involving SIM cards. These people, essentially, had falsified 7 million SIM cards and caused damages of roughly 2 billion euros to Telecom Italia. The strange thing, the shareholder stated, is that, while these people were falsifying SIM cards, the top

management noticed nothing. All of this to say that when the bonuses for top management are exorbitant in relation to the targets, there is a risk that cases like this one happen, cases which produce negative effects on people like Fabio Sommaruga, and damage to the image, and not just the image, of Telecom Italia. For his part, the shareholder went on, he was actually in favour of the special award, because if a manager brings the company back to health without spin-offs, without outsourcing, without job losses, he is certainly entitled to a payment even higher than that envisaged with the special award. However, in his opinion, a condition needed to be put in place: a Joint Committee of representatives of the company and representatives of the workers and of the shareholders should be set up, to check the results achieved. It was not a question of lack of trust, he emphasised. It was, rather, an opportunity that is in the interests of the management and the image of the Company, because in this way no-one would be able to sustain that there was any understanding between the controlling and controlled parties.

The shareholder concluded by citing a passage from the debate in the shareholders' meeting in 2014, with the Chief Executive Officer at that time, to emphasise how he never formulated "low insinuations", but, rather, spoke on the basis of factual and documented information. Finally, on the question of the Inwit towers, he agreed that this was an operation that shouldn't happen, the only purpose of which, in his opinion, was to refinance a struggling banking system. He asked if the company wanted to start liability proceedings against those who made these choices.

Zeuli, asked for information on legal costs, particularly those regarding the sector of the former CSA, currently DAC (Document advanced center). He briefly recalled the history of this service, which housed a few employees with nothing else to do, including increasing numbers of people with disabilities, which eventually transformed the service into a kind of "ghetto of second rate workers". The premises are awful, he added, and there are continual arguments, discomfort and disorderly behaviour. All, in his view, in breach of the law on disabilities, which prescribes the targeted placement of people with disabilities in workplaces that are suitable for them, and is also in breach of the code of ethics that the company has adopted, which requires respect for diversity in the deployment and enhancement of human resources. He further pointed out that Telecom Italia had joined the Global Compact which, promoting the defence of human rights, is aimed at eliminating all forms of discrimination, including discrimination at work. The allegations, the shareholder further stated, are also in breach of the United Nations' Convention on the rights of people with disabilities, of EU directive 89/391 on safety at work, and of the Nice Charter; furthermore, the work supervisory board of the Rome health authority (Spresal) had made a report on the conditions at the CSA.

He therefore asked what legal costs had been incurred in relation to the CSA due to the demotion and transfer of staff, and how much compensation had been paid for the damage done to workers, and its incidence on the company's accounts. **Albano** read the speech he then delivered to the Chairman's desk and which is reported below.

"My speech is on the much-discussed Special Award envisaged for the new Chief Executive Officer and the management. I state now that I will be voting in favour of the corresponding items on the agenda, and will provide a brief explanation of why.

In the last 5 years, Telecom Italia's revenues have fallen from the roughly 30 billion euros of the end of 2011 to the 19.7 billion euros of the end of 2015; EBITDA has fallen from 12.3 billion to just over 8 billion euros; the net result for the period was negative to the tune of 6 billion euros and the ratio of Net Debt to EBITDA has increased from 2.4 at the end of 2011 to 3.3 at the end of 2015. Today, for the third consecutive year, we are called to approve financial statements that do not include any distribution of dividends to the ordinary shareholders.

From the outside, Telecom Italia is perceived as an inefficient group, and the market is unable to appreciate the intrinsic value of the single assets. Just think of the La7 case. While it was part of the Telecom group it generated major losses, and once sold it was restructured by an operator that in a short period of time was able to cut costs by 50%. This seems to demonstrate that various assets are better managed outside the group than inside, and at the same time it seems to us that inside Telecom Italia, it has traditionally been very difficult to manage to eliminate inefficiencies. We also think that the perception of inefficiency is sharpened by the fact that the company had a share ownership and board of directors that did not always seem coherent in their choices.

We believe that there are still significant inefficiencies to eliminate, and that, to do that, Telecom Italia urgently needs a break with the past, and a major turnaround. The problem with the management regimes of the recent past has been that, for one reason or another, there has not been the courage or interest in carrying out a proper restructuring of this group.

We believe that Mr. Cattaneo - also in light of his track-record and the way in which he has taken the company in hand in just a few weeks - is the right person to succeed in this enterprise in which his predecessors - for various reasons - failed. For this reason we are in favour of the possible payment of a major bonus to the management, and Mr. Cattaneo above all, if he is able to successfully carry out the turnaround of the company. We believe that this tool (the Special Award) introduces the alignment of the interests of the management with those of the shareholders, with regard to the aim of restructuring the group. The creation of major incentives for the management if they exceed the

targets set in the business plan is, in our opinion, a major guarantee that the CEO and his team will do everything possible to achieve this, and to demonstrate that in Telecom Italia there is - as many shareholders have been saying for years - a great value that is not expressed.

We are in favour of this tool, because in our view it permits the delivery of that clear change of mentality that is needed inside the group; a change that progresses towards recognising merit, rewarding, even handsomely, those who, with their work, contribute significantly to the prosperity of the company and all its shareholders. Telecom Italia has been managed as a para-public company for too many years, even when it was no longer such a thing; for too many years the company has pursued interests that are not those that a major listed company such as Telecom should pursue; for too long this has ended by penalising the aims of efficiency, sustainable growth and the creation of value.

Having said that, we are aware that everything can be improved more, and are equally aware that reservations about the Special Award have been expressed from several quarters. So we hope that at least some of these suggestions will be given due consideration by the board of directors, making some changes that, without changing the nature of the approach, or the underlying principle of the tool, enable the company to overcome some of these critical points, from the perspective of greater transparency and good corporate governance. For example, we hope that the targets introduced for 2019 will be different to those for 2018, and that mechanisms are developed that link the bonuses that might be accrued each year, for the Special Award, with the performance of the company over the whole period of time considered".

Marino, after delivering a list of questions to the Chairman's table, to facilitate answers, asked the Board of Statutory Auditors if it did not believe that the issue of the 40 million to be paid to Mr. Cattaneo, which appears to break lots of rules, could be considered to be an abuse of office. He then invited them to consider this possibility, considering that Telecom Italia is a company that operates in the public sphere. In a further comment addressed to the Board of Statutory Auditors, he asked if the control body might therefore be doing the right thing if it sent a formal notice to the Milan Public Prosecutor's office asking that it consider whether or not this offence had been committed. Furthermore, he added, on this point those appointed to public service, and public officials who become aware of potential offences in the exercise of their duties have an obligation: he considers the Board of Statutory Auditors to fall under one of these categories, and although the work done by the Board of Statutory Auditors appears praise-worthy, it could have done more.

On the other hand, the shareholder continued, it never happens that a Board of Statutory Auditors normally nominated by the majority shareholder with the Board of Directors, formulates findings of the type formulated by the Board of Statutory Auditors of Telecom Italia, nor that the Board of Statutory

Auditors expresses itself not in favour of the decision of the Board of Directors: so it was "revolutionary" conduct; on which the shareholder complimented the Board of Statutory Auditors. As for cost cutting, he observed that the Chairman appeared to have already started this work, for example, by reducing the refreshments for the shareholders attending the shareholders' meeting.

The shareholder then moved to formulate his own questions, recalling that there are 70 "managers of themselves" who earn between 200 and 300 thousand euros a year: could this, in his view, be a good way of starting the cuts, and clawing back the 40 million in bonuses agreed on.

Alberto Mingardi, from ENI, a young man who had also worked in the past for the Chairman, works in consultancy Cattaneo Zanetto S.p.A., which has TIM as a client: the shareholder asked how much it invoices the Group for its services. In pre-meeting question number 8, he continued, the question asked was if the Group had actually committed criminal offences, and the response received was that there were no criminal proceedings. However, his question regarded not the ongoing criminal proceedings, but the possible commission of offences without the investigating magistrates being necessarily aware of them, so far. So he again asked if the following offences had taken place: insider trading, unlawful disposal of hazardous waste, false accounting, false corporate communications. Further, he wanted to know the overall amount invoiced by related parties of director Laura Cioli, and the names of the natural and legal persons that are related parties through her. Regarding the Fondazione Telecom, he asked who founded it, and how much the Company had financed to date: the reason for the question, he explained, is that in response to a pre-meeting question he had been told that the Fondazione is autonomous and not controlled by the TIM Group. He then asked if and where the costs incurred for the legal proceedings started by the Telecom Italia Media saving share-holders through their common representative, Mr. Dario Radaelli, and the risk and costs of the risk if Telecom Italia should lose this case were shown in the 2015 financial statements of Telecom Italia, here in the process of being approved. Similarly, he asked about the costs incurred for the legal proceedings started by Telecom Italia against some resolutions made by the meeting of the savings shareholders of Telecom Italia Media held on 30 September 2015, as well as the risk and costs of the risk if Telecom Italia should lose this case. If the correctness of the "office gossip" about the fact that some private savings shareholders of Telecom Italia Media had started proceedings regarding the fairness, truthfulness and certainty of the share exchange ratio is confirmed to be true, he asked where information on this topic could be found in the 2015 financial statements of Telecom Italia, here in the process of being approved; if no information was available on this topic, he asked in any event for a thorough summary and adequate information to be provided to the shareholders' meeting, for example,

on the RG number, the Court at which proceedings had been filed, the amount of damages claimed, and the name of the lawyer acting for the savings shareholders. He further asked if the expense fund pursuant to art. 146 of the CLF is reported in the 2015 financial statements of Telecom Italia and Telecom Italia Media, and where it is reported, or in what item it should be understood to be included, and what amount had been posted, and where the expenses incurred with the use of the fund pursuant to art. 146 of the CLF of Telecom Italia Media and Telecom Italia were reported, and what the amounts were. The shareholder concluded by recalling that Mr. Peluso, chief financial officer and head of the Business Support Office, manages a budget of 1.2 billion and is being prosecuted for involvement in the dissipation of the assets of the Imco Holding company and other matters, and if it was not therefore the case to remove him. **Corato**, ironically stated that, looking at the parameters of the *Special Award* in terms of free cash flow, turnover and price book value, it would seem that Mr. Cattaneo and Bolloré had become engaged to be married. He then read the questions which were then delivered to the Chairman's desk and reported as follows.

“1. *Could we know the financial data (turnover, growth rate, FCF) of the cloud computing business in 2014 and 2015, and what this includes, in the Telecom sense of the term (storage back-up, data transfer, hosting, disaster recovery....).*”

2. *At the end of 2014, if he recalled correctly, Telecom entered the electronic invoicing business: could the shareholder know the developments in business terms (turnover and total investment made) in 2015?*

3. *Have the costs of the new TIM brand project been reported? For clarity, could the shareholder know the costs of creating and registering the brand, the costs of changing the signage in TIM shops and all other costs related to the project?*

- *Was an internal job order opened for the internal costs debited to this project? If it was, how much did the internal job order cost?*

- *In what countries has the new brand been registered ?*

4. *Does a cost centre for the costs incurred for user complaints exist in the Telecom management control system? How many people work on this specific activity?*

5. *How many written complaints are received every year: 2014, 2015 figures. A complaint was delivered to Mr. Recchi, sent according to the instructions provided by an operator, without even obtaining the name of the Office, repeated 3 times without even getting a reply - never mind in writing, not even a telephone reply.*

6. *Is it perhaps not the case, since you can't squeeze blood out of a stone, that the company decide on an increase in capital?*

7. *Why has there been a write-down of the goodwill of Telecom Brasil: even in*

the presence of a market that is momentarily contracting, the goodwill of the company in any event represents the role it plays as the second largest operator of the country.

8. In terms of "content", has the possibility of cooperating with e-commerce companies (Olook, Ozong...) been considered for Tim Brasil? In Brazil, the e-commerce market is expected to be worth 27 billion USD, according to Il Sole 24 Ore (see INDACO, 15 April 2015). What does Mr. Arciulo think about the agreement with A2A? Is he an active part of this?

9. Page 52 of the 2015 financial statements, in presenting the new TIM, features "Government offices" among "Payments". Payments regarding methods of paying bills?

10. What happened to the HEALTH IT service, designed for public healthcare structures?

11. In the document on the "Special Award" that has been submitted to the shareholders' meeting for approval, at 2.3 it states, among other things that it will be paid "on the same corporate perimeter": what corporate perimeter? how does this work?

12. Before moving on to TIM fixed line invoicing on a monthly basis, was a cost/benefit analysis carried out, where the benefit is a financial one? Have late payments increased? And to what extent? Has this had an impact on complaints?".

Radaelli, as an introduction, pointed out that, considering the initial report made by the Board of Directors, and also considering some comments made by minority shareholders, there seems to be a lot of confusion about what the market price of the shares is and what, instead, is the value of the shares. As part of the introduction, he explained that he too was a delegate representing a person who held both ordinary and savings shares, a substantial part of which derived from the Telecom Italia Media share conversion, when the company was incorporated with the merger in September.

Having said that, he formulated the questions transcribed below:

1) "Is it correct to say that, if Persidera wins its legal dispute with the Ministry of Economic Development (and others) currently pending before the European Court of Justice, Persidera, directly and Telecom Italia (indirectly, and for 70%), as the company that had incorporate Telecom Italia Media, would be entitled to the sum awarded by the court?

2) Does the BoD feel it can tell the shareholders what it expects the amount that the court could award to compensate the damage of which Persidera complained might be?

3) According to the BoD, should Telecom Italia share the "fruits of the court victory" with all the (former) shareholders of Telecom Italia Media (and only them)? If that should be the case, how does the BoD intend to proceed to be able to pay to the (former) shareholders of Telecom Italia Media (and only them)

what is due to them? Or does the BoD consider that the fruit of the legal victory should be shared only with some of the (former) shareholders of Telecom Italia Media, for example, only that that have continued to maintain in their possession the Telecom Italia shares they received in the share swap? Where will I find information on this issue in the 2015 financial statements of Telecom Italia?

Does the BoD consider it useful to make any further comments to clarify to the shareholders of Telecom Italia and the (former) shareholders of Telecom Italia Media the multiple aspects of the complex issue raised here?

4) Do you have one or more independent estimates of the "economic value" of Telecom Italia and/or Telecom Italia Media e/o Telecom Italia Media Broadcasting (now Persidera), and on what date were they prepared (recent, let's say, within the last 3 years)?

If you do, could you please explain:

- a) the reasons why these estimates were commissioned;
- b) the date to which each of them refers;
- c) the name of the author;
- d) if a reasonable number of copies of all the estimates could be made available here on the chairman's table, so that the shareholders present today, and interested in doing so, can collect a copy;
- e) if a copy of each of the independent estimates of the "economic value" could be annexed to the minutes of the shareholders' meeting.

5) Given that it is stated in the 2015 financial statements of the Gruppo Editoriale L'Espresso that "in the 2015 financial year the company carried out a €17.1 million writedown of its stake in Persidera, based on the results of the impairment test...", I would ask:

- a) if at a recent date (let's say within the last 3 years) the BoD of Telecom Italia Media (formerly), and Telecom Italia (now) has proceeded to check the impairment tests on the stake held in Telecom Italia Media Broadcasting (now Persidera);
- b) to report on the results of the impairment tests carried out over time;
- c) if a reasonable number of copies of the full text of the impairment test, complete with all its annexes, could be made available here on the chairman's table, so that the shareholders present today, and interested in doing so, can collect a copy;
- d) if you could attach to the minutes of the shareholders' meeting a copy of every check of an impairment test carried out in the last 3 years.

6) The reasons why a goodwill of around 7 million euros as a result of the merger by incorporation of Telecom Italia Media has been posted in the 2015 financial statements of Telecom Italia. In relation to the above request, I would also ask:

- a) if a reasonable number of copies of the full text of any underlying expert

estimate, complete with all its annexes, could be made available here on the chairman's table, so that the shareholders present today, and interested in doing so, can collect a copy;

b) if a copy of every estimate of the goodwill to be posted in the financial statements could be annexed to the minutes of the shareholders' meeting.

7) The reconstruction of how the amount claimed (and its value) in the dispute that Telecom Italia Media Broadcasting (now Persidera) currently has pending before the European Court of Justice has evolved, from the court of the first degree to today.

On this point, I would remind you that this company was 70% Telecom Italia Media owned (until 30.09.2015) and now the same percentage is owned by Telecom Italia, and so I do not see how you can legitimately omit the answer to this question.

8) The revenue, assets and finances of Telecom Italia Media at 30.09.2015, all adopting the principles and criteria, and in a form as close as possible to that of annual financial statements.

9) The book values of Telecom Italia Media that, after the merger, were "translated" into the financial statements of the incorporating company Telecom Italia.

10) The reconstruction of the evolution of the valuation of the stake in Telecom Italia Media Broadcasting (now Persidera) in the financial statements and/or quarterly and half-year reports (individual and consolidated) of Telecom Italia Media and/or Telecom Italia, as well as

a) the documentation on the reasoning behind any changes made to the valuation;

b) the principles and criteria applied for this valuation.

With the occasion I would explain that my primary aim is to understand if and what considerations were made for the estimation of the stake".

Gandola read the speech she then delivered to the Chairman's desk and which is reported below.

"In the certainty that everyone has read the data in the financial statements, if for no other reason than for having invested, like me, in risk capital, and to therefore follow its progress, I do not want to distress or even just embitter my audience with figures, positive and negative percentages, indexes, multiples and so on and so forth, since I am aware that my judgements are subjective. I am primarily an investor in savings shares, because the better spread of the dividend, compared to ordinary shares, makes them more attractive. Moreover, I recognise that at current prices, the dividend - price ratio produces a return that is definitely interesting. Then, unfortunately, it is in the capital account that I must complain about multiple or compound fractures.

I attended the shareholders' meeting on 15 December last, only because of the disturbing topic on the agenda, the "mandatory conversion". Ladies and gentlemen, economic and corporate democracy does not generally recognise

"mandatory-ness", by broad principle, and only a thuggish culture could sustain the opposite.

Furthermore, from the minutes of 17.12.2015 there appear to have been votes in favour of the conversion by over 47%, so why bother to re-propose it as mandatory, what are the strengthening reasons?

I have more to say on this point. Again, in the minutes, it states that de Puyfontaine (at that time) CEO of Vivendi, emphasised that it is not true that Vivendi changed its mind about the conversion at the last minute. Vivendi never said that it would support the conversion operation, and in any event, the position it expressed on the Friday was abstention, with the prospect of reviewing the conditions of the conversion itself.

So I would ask that, if re-proposed, the conversion not be solely agreed with the new Representative, which I will talk about in a minute, but is optional, irrespective of any settlements which, I am certain, no-one will miss.

Returning to Telecom, with the approval of the financial statements at December 2015, the mandate of the Representative of the savings shareholders expires, and I wonder who is responsible for the non-inclusion of "Resolution on the expense fund for the protection of the common interests of the savings shareholders" on today's agenda. I agree that they are payable by the Company, but I would appreciate the Company resolving on their amount every three years. I was the representative of the holders of savings shares for 10 years, and I am willing, in the reply phase, to describe my experience. I emphasise, describe, without offering myself as a candidate (for the moment).

But I want to raise in advance, spell out, that in the future the common Representative must put the interests of the single saver before those of the category, and not the other way round, as, unfortunately, often happens.

Article 145. Issue of shares.

7. Savings shares can be issued in an increase in share capital, complying with the provisions of article 2441 of the Italian Civil Code, or during the conversion of shares that have already been issued, whether ordinary or of any other category; the right to convert is attributed to the shareholders with a resolution of an extraordinary shareholders' meeting.

8. Unless other provision is made in the articles of association, in the case of an increase in capital for payment, for which the right of option has not been excluded or limited, the owners of savings shares have option rights on savings shares of the same category or, in the absence of such shares, or due to the difference, in order, on savings shares of another category, or on preference shares or on ordinary shares.

Definition of Savings Shares

Savings shares were introduced for the first time in law 216/1974 and subsequently were regulated by articles 145-147 of the CLF (Legislative decree 58/1998). Only companies listed on regulated markets, in Italy or in Europe,

can issue savings shares.

Savings shares were introduced to provide an incentive to invest in shares, offering savings securities that better met their needs, when they take the form of a lack of interest in exercising administrative rights, but lay great emphasis on the financial-equity aspect of the shares. In this way a distinction is created between shareholders who are entrepreneurs and shareholders who are savers. They constitute an exception to the principle of mandatory registration of shares that applies in Italy: they can, in fact, be bearer shares, apart from those that belong to directors, statutory auditors or executive officers, which must be registered.

Article 145 of subsection two of the CLF lays down that the articles of association "determine the content of the privilege, (and) the conditions, limits, arrangements and terms for exercising it". The issuer company also establishes the rights that savings shareholders enjoy if trading in ordinary shares or savings shares is excluded. In general, in case of distribution of profits, a minimum annual dividend (calculated as a percentage of the book value) is assigned to the savings shares, and a narrow difference from the dividend of the ordinary shares when there is a reimbursement of capital. If in an accounting period the amount of profits imposes the assignment of a dividend lower than the guaranteed minimum, the difference may be paid within the following two financial years. While they have a financial advantage, the savings shares have no voting rights in either ordinary or extraordinary shareholders' meetings, although this does not preclude to the owner the title of shareholder to all intents and purposes. However, they do permit participation only in the special meetings for the holders of savings shares only, called to protect the rights of the category.

The law also prescribes some limitations to their issue: savings shares or another category of shares without voting rights, or with limited or conditioned voting rights can compose no more than 50% of the share capital. This is to limit the power of the ordinary shareholders, who could otherwise control the company while holding only a low percentage of the capital.

I reserve the right to reply and declare a voting intention. Thank you for your attention".

Martorelli of Amber Capital, after having greeted and expressed his best wishes to Mr Cattaneo, emphasised that the shareholder that he represents was convinced that Telecom Italia had a complex and inefficient structure, and a very high net and gross financial position, which penalised the Company's value on the stock exchange. So he believed that the situation must be changed, and may be changed through rationalisation of the Group and a clearer strategy for the management of the portfolio of businesses it owns.

The principal topic that he wished to address was Inwit, a company that was listed on the market a year ago. He recalled that Telecom Italia had spent months

to build a competitive bidding process aimed at the sale of the controlling stake. It had received two offers: a binding offer from the F2i-Cellnex consortium, and an expression of interest from Ei Towers. Both valuations - in the shareholders' view - are particularly high, about 20 times EBITDA, and the two offers enabled or would have enabled there to be two scenarios for the Telecom Italia shareholders, both favourable. The first, sale of the whole stake, in return for around 1 billion and 800 million euros; the second, a partial sale with the possibility of remaining a minority shareholder within a larger group, with broader shoulders for the development of the towers business. They are aware of the quality of Inwit, of the possibility of growing the company, of developing the business, of the investments that Telecom Italia will make in small cells, for the Internet of Things, for 5G; but at the same time they were conscious of the fact that realistically it would be difficult to exceed the valuations that have been received in recent days. So the shareholder stated that they were in favour of the sale of this asset, and asked the management of TIM to tell the shareholders what the choices are, the state of play with regard to Inwit, so that they can understand, if the company should legitimately decide to maintain its controlling share, what the attitude of the Company will be, both to its commitment in terms of capital and in its management to develop the business and create value greater than that which would be received in the event of a sale to Cellnex or Ei Towers.

Finally, as for the conversion of the savings shares, he acknowledged the fact that according to the Board the conditions are not right at the moment to re-present the operation, both because the share price is very low and because the right of withdrawal would be much higher than the current one, with a financial expenditure that would not be sustainable. However, the shareholder expressed his conviction that the conversion operation should be reconsidered, because it would eliminate the preferential dividend, simply the capital structure and also enable the company to significantly improve its financial position.

Borroni read the speech she then delivered to the Chairman's desk and which is reported below.

"Good morning Mr Chairman, good morning and a cordial welcome to the new CEO Mr Cattaneo, good morning to all the directors and good morning to everyone attending the shareholders' meeting.

May I introduce myself: I am Enrico BORRONI, a small shareholder, but not all that small, since I own over 1 million ordinary shares and over 2 million savings shares. My investment in Telecom started in the 1990s, when the operational company was called SIP, and the financial company for telephone business was called STET. I did not at the time accept the tender offer from Olivetti and the famous "Captains Courageous" and, over the years, have always increased my holding of Telecom shares, with my savings, and have never sold a share or

done any trading.

So I am honoured to belong to the well-known category of long-term investors, which in the case of Telecom are much more numerous and widespread than for other Companies of comparable size.

I can also tell you that, over the years, I have always been a fan of Telecom. I considered Telecom a jewel, in both financial terms and in ethical terms, because of the serious attitude and the rectitude of the legal principles which have always inspired our Telecom, and with which it has always complied.

Unfortunately, in recent years, Telecom is much less of a financial jewel, and I certainly was not happy about this, but I justified it because the responsibilities lay elsewhere.

So I cannot tell you how disappointed I was last year when Telecom had the courage to propose to the market a "mandatory" conversion of the Savings Shares into Ordinary Shares, against payment of a monetary settlement! A proposal that, let me tell you, was truly indecent, the kind any small company of buccaneers might have made!

Mr Chairman, Directors: when Telecom proposed, years ago, that I subscribe to Savings Shares, it also signed an agreement with me! It sold me shares without voting rights, but gave me a guarantee of a better dividend. How dare Telecom now come to me and make me "mandatorily" convert my Savings Shares into Ordinary Shares, and, even ask me to "return" the dividend it had guaranteed and paid? But do you realise what this operation could be considered to be? Do you realise that this operation, as devised, looked to have aspects that were actually unlawful? I'm not a lawyer, and I may well be wrong, but isn't this a serious contractual non-compliance?

Have we really fallen so low?

Please: do not try and hide the features I have described above behind fig leaves provided by the various consultants engaged and, I believe, handsomely paid, to try and justify the unjustifiable! Save the money of the so-called "Representative of the Savings Shareholders", who washed his hands of things and in no way defended or represented me! You know just as well as I do, and if you haven't thought about it, I will remind you, that it is intrinsically wrong to refer to market prices to determine the price of an exchange of Savings Shares for Ordinary Shares.... ... if this EXCHANGE is imposed MANDATORILY! Market prices could at most be used for VOLUNTARY operations!

But for MANDATORY operations, you have to refer to the Telecom by-laws, and the Law. And both the Telecom by-laws and the Law state that the "Portion" of "Enterprise TELECOM" that a Savings Share represents is exactly the same as the Portion that an Ordinary Share represents!

Indeed, I will say more: the Law also prescribes that in case of dissolution and liquidation of the Company, "Savings Shares" must be remunerated first, and only after that, Ordinary Shares can be remunerated with what is left.

Quite the opposite of what was proposed in the infamous operation proposed during the Shareholders' Meeting of December 2015! The Savings Shares that the Company wished to remove from the market should therefore have been offered a "premium", not a penalty!

Fortunately, and I am not saying this just for myself, but also for Telecom itself, that operation, miraculously, did not come to fruition, thanks -primarily to the abstention of Vivendi, our new shareholder, whom we must thank for this!

Vivendi, perhaps unwittingly, but perhaps precisely because it had understood what would happen if the proposal were to be approved, prevented Telecom from making a serious mistake, which would have ended up with the loss of a class action suit that the thousands of Savings Shareholders who would have felt "cheated" by that unfair operation would surely have brought.

Water under the bridge: ... now, let's look to the FUTURE!

And for the future, I would like to suggest the following: if you again want to save at least some of the money you have to pay out in extra dividends to Savings Shareholders, go ahead with all the conversion for payment operations you want (even one per year!), so long as these operations are OPTIONAL: only those Savings Shareholders who consider the operation appropriate and worth their while would sign up to it, but all others must be allowed to continue holding on to their own Savings Shares, without any odious "forcible expropriation" operation.

I thank you for your attention and I trust that you will want to take into account the constructive criticism of an old and faithful shareholder.

I also take this opportunity to thank the full Board of Directors for their efforts in the interest of "our Telecom".

Braghero commented with bitterness on how the shareholders who had spoken so far identified with the Company, as opposed to what in his view, is the disinterest displayed by the Board of Directors; on this point, he greatly appreciated ASATI, and acknowledged its great sense of responsibility.

In the Shareholders' Meeting held on 15 December last, which had been referred to in other contexts by many shareholders, Braghero continued, on the conflict of interests for which exemption pursuant to Article 2390 had been invoked, The Board of Directors had written that if the shareholders' should approve the proposal, it would in any event have charged said Board to consider the aforementioned problems, which had arisen after its appointment, and report any critical issues, to the Shareholders' Meeting. In the end, the exemption was never approved, and no mention has been made of this since. The Report on Corporate Governance (Paragraph 12) offers an entirely theoretical explanation, but says nothing about what actually happened, if indeed anything did: in short, in the shareholders' view, we are quite far away from what the Board had promised it would do.

Again, he remembered how, in a pre-meeting question, the Company was asked what the cases that were thought to be conflicts of interest actually were: the response was that the information requested pertained to the inner workings of the Board and is not public, and also commented that neither the law on the directors' interests nor that on transactions with related parties prescribed that a director with interests outside of the company should absent themselves from the meeting. This means, the shareholder stated, that when any topic that conflicted with Vivendi's position had to be discussed, Vivendi's directors could stay and listen: it is highly doubtful that this is best practice, the shareholder emphasised.

Finally, he observed that the contents of the initial remarks by the Chairman, Vice Chairman, and CEO had been comprehensively "dismantled" by the comments made by Mr Lombardi.

Since nobody else asked to speak, the **Chairman, Mr. Recchi** moved on to providing a series of initial responses to the questions asked during the speeches of the shareholders.

Referring to a series of questions asked by ASATI's Chairman, Mr Lombardi, the Chairman stated:

- that bearing in mind that the discussions in meetings of the Board of Directors are not public and, therefore, that the origin of certain information is not clear, that in contrast with the points made by the shareholder in his speech, all the directors had, in Board meetings, expressed themselves in favour of having a controlling majority in Metroweb, without sharing control with Vodafone or other OLOs;
- that Luca Josi's responsibility is to carry out tasks and exercise powers granted by the Chairman in the following departments: Institutional Communications, Public Affairs, Brand Strategy & Media; he was a former professional journalist, and had been writing articles for Italy's main newspapers and weekly publications since 1994. He had worked for two Prime Ministers. In the second half of the 1990s, he founded and was Chairman of the Einstein Multimedia Group, which was the biggest private content production group, with which he won 5 Telegatti awards for creating 5,000 hours of prime time television for major broadcasters, with a turnover of over 50 million euros per year in the production of TV content, , advertising, telephony content and events;
- that the staff of the new CEO is being assembled based upon new upcoming changes in the organisation;
- as to the complaint of inappropriate actions by competitors, that whenever it believes its rights have been harmed, TIM seeks redress in the appropriate fora and in a manner consistent with the specific events at issue;
- the Board of Directors defines the general policies for management bonuses,

sets the specific targets for the Executive Directors (the 2016 targets being listed in the Remuneration Report), and defines the targets for the control departments.

Moving on to some questions asked by Gianpiero Bossi, the Chairman:

- with regard to the fines from AGCom levied on TIM between March 2015 and March 2016 for the activation of services without customers' consent, explained that whenever an administrative fine such as the kind discussed here is levied, the Company considers whether or not it can be appealed. After this step, if appropriate, there are reviewed to determine if there is any internal liability connected to individual behaviours or to the failure of processes and systems can be ascribed to specific company personnel, although the facts on which any fines are based are always examined internally for the purpose of continuous process improvement;

- recalled that, pursuant to the Consolidated Law on Finance, the first section of the report on remuneration, relating to the Company's policy on remuneration, and to the procedures used to adopt and implement such policy has to be put to a vote at the Shareholders' Meeting. The vote of the shareholders' meeting is not binding, in the sense that failure to approve does not make it impossible for the Company to still adopt or apply the remuneration policy. However, it is true that a majority of those voting should dissent, this would send a strong signal, which the Company might take into account in the concrete development of its remuneration policies;

- on the change of the company name, he commented that there is no obstacle in passing resolutions such as those proposed here, but, indeed, it is standard procedure to allow extended and concise names, such as in the case at hand. Concerning shareholder Francesco Colombi, Mr Recchi then recalled the targets that the Board of Directors set for the CEO and Chairman, which are those described in the report on remuneration.

The President then spoke about the comments by Francesca Corneli, and pointed out:

- that the company is not willing to start talks with ASATI on the Bylaws, for the reasons already stated at other meetings. Moreover, the reference legal framework does not contemplate a solution of the type proposed;

- as to the agreement of Vivendi directors and the Chairman of the Board of Statutory Auditors with the decision not to start talks, the decisions of the Board of Directors are made by the Board as a whole, and the decisions of the board are made by the Directors and not by the Statutory Auditors;

- the reasons why the Board considered the CEO's remuneration to be fair are set out in the report on remuneration;

- the agreements with the CEO and the related resolution by the Board of Directors do not contemplate that the award itself no longer applies, if today's Shareholders' Meeting does not approve the proposal to pay the special award

in shares, where such circumstances are warranted, but that it be paid in full but in cash;

- as to the good leaver clause in the event of resignation for any change in reference shareholder, this is an issue generally regulated in agreements of this kind. The issue has been addressed and dealt with in accordance with market practices during the extensive negotiations that induced the Chief Executive Officer to accept the job at Telecom Italia, giving up his previous employment at another company, and to the associated pay deal. In particular, resignation as a result of change of control typically represent a good leaver hypothesis, which as such was included in the agreements with the Chief Executive Officer and the related resolution of the Board of Directors, where employment termination scenarios are indeed distinguished according to whether or not they are attributable to facts or responsibilities of the Chief Executive Officer. The Chairman pointed out to shareholder Francesco Marconi that the relationship with the Government continues, particularly in the context of the initiatives the latter is taking on the Italian broadband strategy, aimed at meeting the targets of the digital agenda. Telecom Italia is a primary actor in this process, thanks to its significant investments in the development of fibre networks. Telecom Italia's Bylaws - he continued, referring to a question asked by Tonino Mitri - provides for shareholders who, alone or with other shareholders, hold a total number of shares representing 0.5% of the share capital with voting rights in Ordinary Shareholders' Meetings to submit slates, in accordance with the law and the Consob regulations. Currently, there is no intention to propose any changes to this. Nothing prevents small shareholders' working together to exercise the right to submit their own slate. For process to appoint the next Board of Directors it will not be possible to make provision for all slates presented to contain a number of candidates equal at least to 50% minus one of the number of Directors to be elected, given that the rules adopted are those contained in the current Bylaws, he added.

Mr Recchi, returning to questions raised by various shareholders, including Walter Mario Rencurosi, emphasised that the special award is commensurate to the achievement of the targets which will be guiding the Company towards a significant recovery in cash flow generation, and, as a result, debt reduction. The special award will only be activated if this change of pace is achieved. It is, furthermore, a non-recurring measure, as is explained thoroughly in the report on remuneration. Payment of the award will only happen if the targets in the business plan presented last February are exceeded, and, therefore, only in the event of over-performance. He further added that the compensation of the CEO is now subject to a claw-back clause.

The use of advertising testimonials (the Chairman continued, with reference to a question from Stancapiano) should increase recollection of the communication and the effectiveness of the message. All operators in the

telecommunication market use this approach, although, in the future, the company will consider from time to time what the best strategy might be.

With regard to questions asked by Mario Testini, the Chairman:

- invited the attendees to refer to the report on remuneration with regard to the achievement of the 2015 Performance Targets;
- pointed out (in relation to a question on the role of the sustainability report) that all the reports are equally important and should be read together: the sustainability report completes the overview of the Group, providing annual updates on all non-financial issues, including those of a socio-environmental and governance nature.

Finally, referring to several comments that alluded to the need for a change pace to be introduced, the Chairman stated that this is an objective he agrees with, and how, indeed, it was this objective that inspired the decision to make a major break by appointing Mr Cattaneo as Chief Executive Officer.

Mr. Flavio Cattaneo, CEO, continued with his replies.

Regarding a possible agreement with Enel (Devalli), he replied that, first and foremost, the Company was not opposed *a priori* to identifying synergies with Enel, where there is scope for this.

As to the cost-cutting programme (Barresi), he explained that the Board of Directors, also on the basis of previous initiatives, had identified a number of short-term structural actions that would produce a significant reduction in the cost base compared to 2015, worth 1.6 billion, or 1 billion more than the previous plan. It was a broad and capillary plan for cost transformation that would provide greater financial solidity and sustainability, composed of many efficiency measures applied to all business processes, without sacrificing resources for the development of infrastructure or the business, which remain the Company's strategic priorities. He emphasised that they are structural not occasional cuts.

People Strategy (stated Mr. Cattaneo referring to the comments made by Mr. Lombardi, (ASATI Chairman) would continue the work set in motion by Di Loreto with the goal of increasingly enhancing human resources: the plan would be analysed, and worthwhile initiatives would go ahead. On the real estate project, he underlined that the Company would proceed with a careful analysis of overall costs that are not within budget, without allowing any favouritism.

On the payment of the MBO to managers (Colombi's question), he pointed out that the MBO in April 2015, setting targets related to corporate strategies. The award is a contractual commitment and, when the targets were achieved, we paid the MBOs, as provided for in the contract. While the process and the determination relating to the 2016 targets were still ongoing.

After confirming (Mitri) that the 10 cities project will be reviewed carefully in terms of the actual costs and savings, Mr. Cattaneo stated that possible deals to outsource non-strategic IT areas are currently being considered;

outsourcing projects that are selective, therefore, unlike what happened in the past, and, in any case, in line with ongoing discussions with trade unions. On the other hand, concerning the hypothesis of spinning off the network's commercial structures with resulting incorporation and market listing, the Chief Executive Officer pointed out that, at present, there is no active project in this regard. More generally, in the face of questions relating to the establishment of an administrative share service centre, the he emphasised how the company evaluates each possible organisational solution aimed at increasing operational efficiency and effectiveness. Currently, service facilities such as the Real Estate and Logistics Service Centres, Administrative Services and Human Resources Services are already in place at Telecom Italia.

Referring to a remark by Frasca, according to whom a company oriented to saving could hardly grow, Mr. Cattaneo stressed that efficiency was indispensable to be able to free up resources to invest in new infrastructure and new services, and to accelerate the evolution of the business model. He added that presenting a recovery plan in a month was not easy, but, nevertheless, it had been done precisely in order to give new impetus to and also support market expectations. The Company was working to develop its new industrial plan, which would focus much more on revenues, which he considered to be the most challenging aspect. The primary goals, he again emphasised, were cost efficiency and return to growth.

Continuing with the answers to the questions submitted, he stated that there were currently 200 employees eligible to leave the Company. But it was difficult, today, to say when hiring could be resumed, given the current context, in which the Company is focussed on cost saving by in-sourcing, among other measures. To date, there had been no new employee share ownership plan, while the company intended to develop the smart working project, currently being tested. As for the completion of the fibre project, he reminded attendees that design activities were carried out internally, while development had always been outsourced: in any case, the company would be determining how much of this sector too could be insourced.

As for the questions asked by Mr. Rencurosi, Mr. Cattaneo made the following points:

- the smart working project, as already mentioned, was being extended;
- on TIM Brasil, the priority, today, was its return to health and recovery of profitability, given that today it was still a strategic activity;
- the sale of Inwit was part of a series of assessments to determine whether to allocate the investment costs to Telecom Italia or to Inwit, a choice which, obviously, implied significant differences in terms of future profitability. Certainly, the choices would be based on the most comprehensive pursuit of the interests of all the shareholders;
- regarding possible mergers, other than with Metroweb, the Company would

explore all opportunities for both organic and inorganic value creation. The Chief Executive Officer then discussed the call centre situation (Stancapiano), emphasising that TIM was working to improve the accessibility of the call centres by defining a simplified and clear routing model, with option designed to investigate the type of need and allow as targeted and timely as possible an answer to be provided to queries ; in parallel, the Company was developing server and digital assistance services.

Mr. Cattaneo insisted on this point, stressing how essential it was to focus on quality of services rendered, improving customer service processes, while avoiding burdening customers with internal inefficiencies such as, for example, those relating to fibre installation.

Continuing, he confirmed that the intention was to enhance the capacity for job rotation: quality and capacity needed to be increased, through a mix of people from outside and growth of young people, trying to make sure that every manager could make informed decisions on all aspects, technical, commercial or administrative.

Mr. Cattaneo then returned to the topic of revenue growth, commenting how several dedicated working groups had already been created. Certainly, line losses needed to be reduced, but ARPU also had to be increased, the company needed to sell more and better. The Chief Executive Officer again emphasised, that people should not believe that the company needed to just focus on cost efficiency. We started precisely from there, because it is important to free up resources and recover operational efficiency; he stressed that, in his own past professional experiences, good results had always been achieved from the measures he had adopted by combining cost reduction and revenue increase.

On the possible purchase of Metroweb, he stated that, if it indeed came to that, the company would still be able to rely on cash flows that could cover the purchase cost. To protect the historic leadership role of Telecom Italia for the creation and management of telecommunications infrastructures and services - he added, always referring to a series of questions raised - it is necessary to ensure that the core business has priority, supporting investments in NGN and LTE. In this regard, more than 4.5 billion had been allocated, and other investments had been accelerated where the company was convinced it could acquire new market shares.

More generally, he stressed how Telecom Italia would be defended by its commitment to network transformation, to the digital agenda, to research activities and the development of production and patents in TI-labs, which would drive development, introducing to the network the best technologies available on the market, while at the same time facilitating the decommissioning of obsolete services and dispose of parts of analogue networks. In the context of initiatives to be launched, he added, the company could also assess whether the change of equipment in existing stations could allow cost savings, even

if only in terms of energy; which, however, would also result in very significant returns in absolute terms. The saving processes underway also imply a general review of the processes and technological capabilities that TIM already has, and which must be brought to the fore.

Referring to some of Arini's questions, Mr. Cattaneo reiterated that a revenue strategy was currently being developed that would see TIM "on the attack", to increase ARPU, naturally without pushing too much on the prices. The idea is to offer more services and more quality, including for landlines. On whether or not it was natural that a traditional business witnessed a decline in revenues and earnings, he reminded the attendees that Telecom Italia was a former incumbent, and, thus a downturn in concomitance with the entry of newcomers to the market was natural. But it was not normal for the decline to continue for so many years, and so the trend had to be reversed. Likewise, it was not natural that there was no adequate recovery, restoration, and innovation plan, aimed at compensating for the fall in revenues, and so the Company was also focusing its attention on this.

Commenting on the question of whether, in the face of negative performance, the Chief Executive Officer could commit to taking adequate action, Mr. Cattaneo stressed that everyone who worked in the Company had to account for what they do and had to produce results, the Chief Executive Officer above everybody else. So everyone must be determined to achieve their targets, and, where there are reasons to do so, measures could be certainly taken.

On other questions, Mr. Cattaneo stated the following:

- in 2015 and 2016, no shops were opened or closed;
- no conversion of the savings shares was planned at present;
- on the question of the activation of services without the consent of customers (question asked in particular by Mr. Bossi), the Company acts in a way that is fully consistent with the current law, and the guidelines issued by the competent authorities. Just recently, the Company had actually avoided being fined and the risk of a class action in connection with TIM Prime by discussing the issue with the Authority beforehand, and reaching an agreement prior to launching the offer;
- he noted that the 2015 target for customer satisfaction was, for Mr. Patuano, correctly calculated, based on the indicators established last year.

With regard to confidence in the entire workforce (Fanelli), Mr. Cattaneo recalled that with the mid-April message, the Executive Directors had confirmed that the employees' contribution would be fundamental to achieve the company's goals, and to create value and innovation quality. Again in response to other questions that had been put, he then stated that:

- Telecom Italia had submitted a non-binding offer for Metroweb, and he could say nothing further on this issue;
- the Company was not remaining inert towards those who deliberately and

maliciously cause harm, and this principle holds true for all damages and all those who unjustly cause them;

- the costs incurred for the new TIM logo campaign in 2016 amounted to nearly 11 million, plus the costs for the shops and the logo changes, totalling over 40 million.

Returning, however, to Inwit (Gola's question), the Chief Executive Officer recalled that the assessment should be considered in a much broader context, which reflects both the financial requirements and the industrial aspects; the negotiations for the sale were, however, still in the analysis phase.

He then moved on to some questions asked by Martinez, emphasising that human capital was certainly fundamental, and this capital more efficiently, in the interest of all the shareholders, but also in the interests of the employees themselves. As for the solidarity contracts, he pointed out that most of the cost is covered by INPS. Furthermore, he reminded the meeting, there had already been meetings with the workers' representative bodies and, therefore, there nothing was precluded in that sense. Regarding the request to start talks with the employees as well, Mr. Cattaneo recalled that current legislation does not prescribe consultations of this kind; however, thanks to video communication systems, during the business plan definition process, presentation sessions could be organised for all employees, so as to involve the workforce more directly. On the feared changes to the perimeter of the Group, he reiterated that TIM's core business remained the same, and any opportunities for insourcing services currently outsourced would be evaluated. Further, he ruled out the notion that the employees' professional know-how was no longer considered strategic in the new plans.

Still on the scenarios for the future evolution of the group, the Chief Executive Officer emphasised that innovation represents an important element of the strategy, since it is indispensable to ensure growth. Innovation is therefore at the base of the existing plans, and nothing, in this regard, had been changed; the research labs, acceleration programmes for start-ups, laboratories, co-innovation programmes, and the development of a Big Data platform would remain. The ultimate goal was essentially to change the inefficient present and the inefficient future. Finally, on some of the questions raised by Mr Martinez, Mr Cattaneo stated that TIM had long been engaged in a continuous and constructive dialogue with CNQ, which represents the company's senior leadership.

Again in response to questions that had been asked, the Chief Executive Officer made the following observations:

- at present, (Napoleoni's question), as already stated, no employee share ownership plan is envisaged; instead, the surveys of the corporate climate, regularly carried out every two years, will continue, scheduled to take place during the last quarter of the year;

- about the search for the right trade-off between savings and the quality provided to and perceived by the customer (Savina), had to be reiterated, yet again, that quality was at the base of the company's relaunch. Caring, availability and services are core profiles: TIM could not be based on price, it must be based on quality. The mobile signal itself is not only a technical matter of coverage, it is an essential element of the market, the business: being able to receive an efficient signal in every part of the city is undoubtedly an element of choice, which also allows the company to ask for an economic premium;

- about the fine recently imposed by AGCom, it should be understood that it regarded the accessibility of the 119 customer service, and concerned the case of a single customer reported in July last year. In the meantime, TIM, in a logic of continuous improvement, has carried out a series of specific actions on telephone assistance services, in order to raise levels of care and accessibility to the services;

- when we talk about the need to begin a turnaround (Testini), we mean a reversal of the trend in relation to what has been done so far, to bring the Company's performance back to growth. This is what the shareholders want, and this is what employees must also strive to do, because working in a successful company is a success also for those who work there;

- Telecom Italia (again in response to questions raised) will continue to be a leading-edge company, focusing on services, and on ICT and new multi-utility services. This certainly does not mean proposing bundled service offers: rather, there is, for example, the belief that having 5,000 stores is an important commercial asset from which we must draw more revenues;

- the management is affected by interventions similar to solidarity contracts;

- as to the importance of consolidated vs individual financial statements, it should be noted that all the financial statements are equally important, and serve very different purposes. The S.p.A. financial statements refer to Telecom Italia, as a separate legal entity, while the consolidated financial statements provide an overall view of the Group;

- the Luxembourg companies are fully active entities controlled by Telecom Italia, and play an important role in the financial management of the Group. One is the international treasury centre, while another has in the past placed bonds in the US market, bonds that are still outstanding.

Moving on to comment on some of the observations made during the meeting (in particular by Volpe) about a hypothetical Metroweb - Sparkle exchange, the Chief Executive Officer reiterated that TIM made a non-binding offer for Metroweb; this offer proposed the option of acquiring Metroweb for cash, or by swapping the shares of minority stakes in subsidiaries; clearly, no operation that would be to the detriment of shareholders would be carried out, so the valuations must be market-based. When asked whether the 400 million euros received from

the government for the solidarity contracts contributes to achieving the special award, Mr Cattaneo replied by reminding the meeting that the special award is based on the over-performance achieved in each of the years considered. He emphasised as follows:

- the employment-related issues have been addressed with the trade unions and enabled the solidarity contracts, early retirements, and professional retraining; all the agreements to manage staffing levels were confirmed and are fully operational;

- the special award (he explained, in response to a specific question from De Septis) is one component of the variable incentive systems, for which specific arrangements have been put in place to check and control the results, by certification bodies, both inside and outside the company. These control systems ensure that the performance levels reached are correctly ascertained, are suitable to guarantee the accuracy of their financial value, and, in addition there is the claw-back system;

- the Company is well aware that at the right market conditions, a conversion of the savings shares could generate value. Today, however, these conditions do not exist, considering the mechanism specified in law for withdrawal. The operation (he added with reference to Gandola's comments) would therefore be re-considered if and when the right market conditions should arise.

To Corato, Mr Cattaneo then explained that revenues from cloud services in 2015 totalled 166 million euros, an increase of 26% compared to 2014, with a free cash flow/revenue ratio between 15% and 20%. These services include infrastructure, services and IT applications deployed in cloud mode by the data centres, including monitoring, management and security services. The goodwill of Brasil Telecom was written down by 240 million euros after the impairment test process, which essentially reflected the deterioration of the macroeconomic environment in which local companies operate. For the same reasons, after the impairment test on the Telecom Italia S.p.A. financial statements, a 902 million euro writedown of the value of Tim Brasil was posted, since the Parent company controls it through Telecom Italia International. As for the Health IT service, it is still offered through a suite of three products: Nuvola Italiana, Home Doctor, Image and Digital Clinic. The reference made to the agreement with A2A mentioned during this debate was not clear.

Finally, Mr Cattaneo clarified that, for the special award to be paid, the performances would have to be organic, since changes to the perimeter of the Group or in exchange rates could not affect them.

At this point, at the invitation of the Chairman, **Vice Chairman Arnaud De Puyfontaine**, took the floor. In reference to a question posed by Napoleoni, Mr De Puyfontaine pointed out that France is not Italy. The laws the shareholder referred to do not exist in Italy. He added, with reference to the question on whether a recapitalisation of Telecom Italia was necessary to cover the

investments and restore balance to the economic and financial structure, or if a savings shares conversion was also necessary, that does not require recapitalisation.

The Chairman. Mr. Recchi took the floor again; in reference to Marino's questions, he made the following comments:

- the costs of the disputes and, in particular, for external legal services, are recorded as purchases of consulting and professional services; in accordance with accounting principles, the Company posts contingent liabilities in relation to the estimated risk of an unfavourable evolution of the disputes. At present, such risks are not anticipated, in relation to the dispute to which the Shareholder was referring;

- for Telecom Italia S.p.A., the provision under Article 146 of the CLF as of 31 December 2015, and excluding the TI Media component, amounts to approximately 1,831 million euros. The figure for the provision, pursuant to Article 146 of the CLF, is included in the report prepared by the common representative of the savings shareholders for the special category meeting to be held on 16 June 2016, and available at the Company's registered office and on the website, in the Meetings section. Moreover, the report prepared by the common representative of the savings shareholders for the next special category meeting also contains a summary of the activity carried out by the common representative and the expenses incurred. The document is available at the Company's registered office on the website, in the "Meetings" section;

- Alberto Mingardi is not from ENI, is not employed by the company Cattaneo and Zanetti S.p.A.; with regard to advisory activities carried out by the latter for the Group, the total amount is around 300,000 euros;

- Fondazione TIM was established on 24 December 2008 by its founder, Telecom Italia; total funding for the 2008/2015 period was 25 million euros.

Referring to some comments made by Savina, the Chairman stated that the dynamics of the Group's workforce can't not be related to profitability, which the Group itself will be able to improve as a result of the plans it has developed. Conversion of the savings shares (Marconi) would be considered if the conditions should again present themselves. The Chairman explained to De Septis Gaeta that there is no intention of starting any liability proceedings against the members of the Board of Directors still in office at the time of approval of the real estate operation involving the EUR towers.

The Chairman then provided the following further answers:

- to Gandola, he again stated that there is already a common fund for the protection of the interests of Telecom Italia's savings shareholders which, according to the report of the common representative, amounts to approximately 1,831,000 euros, a sum that the representative himself considers sufficient for future expenses. A report on the use of the common fund will be submitted at the Savings Shareholders' meeting ;

- the Chairman told Radaelli that all the issues to which he referred in his speech (and which the Chairman summarised) were the subject of a dispute with him, and obviously it is not possible to disclose information and details which are and must remain confidential;

- to Marino, the Chairman firstly explained that no offences of insider trading, unlawful waste disposal, false accounting or false corporate communications had been committed in the Group. With regard to the opinion on the fairness of the share-exchange ratio for the incorporation by merger of TI Media, the Chairman pointed out that there is a pending dispute brought by certain savings shareholders of Telecom Italia Media, seeking compensation of less than 300,000 euros. The dispute in question is in its early stages. Again with regard to Marino's questions, and, in particular, those expressing his concerns about the advisability of removing Mr Peluso, who manages a budget of 1.2 billion euros and is on trial for contributing to the dissipation of the equity of the IMCO holding company, the Chairman referred to the answers provided prior to the Shareholders' meeting;

- to Radaelli, again, Mr Recchi explained that if Persidera should win its case against the Ministry of Economic Development and others (which the shareholder had referred to), then Persidera would be entitled to receive the cash directly. As for the question about the Board's expectations regarding the amount that would be awarded by the court to compensate the damage alleged by Persidera, the Chairman reiterated that Mr Radaelli had an ongoing dispute with Telecom Italia, which he had initiated while he was the common representative of the savings shareholders of TI Media now merged into Telecom Italia. The Chairman added that the questions asked by the shareholder related to the ongoing dispute, and, that the shareholders' meeting was not, therefore, the right place in which to raise such issues, which, moreover, were not relevant to the matters being discussed.

Mr Cattaneo, provided further answers, pointing out (in response to a question from Corato) that several cooperation and partnership possibilities were being considered for TIM Brasil in the world of e-commerce or m-commerce in general, given the expectations for strong growth worldwide. TIM Brasil is in any event also evaluating specific initiatives with potential e-commerce partners. With regard to the presentation of the new TIM on page 42 of the financial statements, he stated that the image is meant to illustrate the centrality of TIM as enabler and point of contact for the country's digital needs. While as for the questions about the new billing procedure, the Chief Executive Officer explained that the transition to monthly billing had been assessed in terms of its cost-benefit impact and in terms of the greater clarity it would provide for the customer. In the first phase, its introduction had resulted in a predictable increase in both information and complaint calls, and impacts on credit management, although it had no impact on collection capacity. The new TIM logo,

he continued continued, was registered in Italy and in the EU, and in another 53 countries.

Mr Cattaneo also:

- explained that, based on the 2015 financial statements, the Carta Sì Group is a related party through Ms Laura Cioli (Marino's question) until 1 November, billing 4.7 million euros to Telecom Italia. From 1 November, the RCS Group would be a related party, billing 0.4 million euros to Telecom;

- referred to the answers already provided regarding the dispute initiated by the savings shareholders of TI Media through their then common representative, Mr Radaelli;

- reminded the meeting that Telecom Italia (Corato's question), in addition to being a major user of certified electronic invoicing, also offers a Software-as-a-Service formula to small and medium-size companies developed on the basis of the internal service, and, therefore, without additional investments; the 2015 turnover was approximately 20,000 euros and it is growing;

- stated that the amount invested in labour disputes with employees and their legal advisors (as per Zeuli's request) is, in terms of compensation paid, the sum of 220,000 euros, plus 125,000 euros in lawyer's fees;

- on the commercial areas (Zarrillo), Mr Cattaneo pointed out that the Management is aiming to reduce the time required to follow up on the administrative commitments obtained by the sales force, with a range of measures and simplifying processes and operations, including tasks to be completed by the sales force, rationalisation and technological evolution of systems, and specific actions on the delivery front. In particular, review processes are being developed in the pre-sale and delivery areas, for the purpose with the aim of simplifying and minimising operations for greater commercial efficiency; systems for the review of the IT platforms that support all sales processes, with benefits in terms of simplifying the activities of the sales force while on the move;

- the cost-cutting plan (Ramus) does not consist of indiscriminate cost reduction activities, but, rather, is directed towards improving the quality of services;

- as for the prospects for business between Vivendi and Telecom Italia (Savina), Mr Cattaneo reminded the meeting that Vivendi produces and distributes content, while TIM pursues a hub platform strategy open to all content producers. Synergies, know-how sharing, best practices and commercial agreements are possible between TIM and Vivendi, and are being assessed, and in this context shareholders should recall that there is a framework agreement between the two companies that precedes the entry of Vivendi into Telecom Italia's share ownership.

The **Chairman of the Board of Statutory Auditors, Mr Capone**, in response to a question posed by shareholder Corneli, reminded the meeting that the fines to

which the shareholder made reference were imposed by CONSOB on the previous Board of Statutory Auditors; they had been challenged in appropriate fora and the related proceedings were still ongoing. Once these have been dealt with, the Company will, if necessary, implement suitable measures for its own protection. As regards the introduction into the Bylaws of the determination of the compensation due to directors, including the remuneration of directors with special responsibilities, into the Bylaws, Mr Cattaneo pointed out that this is a power that is, in theory, envisaged in Article 2389, Subsection 3 of the Italian Civil Code, provided that an appropriate clause is inserted into the Bylaws. Consequently, the decision had to be made by an extraordinary shareholders' meeting, without any substantive assessment by the Board of Statutory Auditors.

Mr Capone also reminded the meeting that in relation to the compensation package for the new CEO, the Board of Statutory Auditors had resolved, after a long and thorough investigation, to express an unfavourable opinion. All specific references are contained in the annual report, pursuant to Article 153 of the Consolidated Law on Finance (CLF). Finally, he added that the Board of Statutory Auditors was aware of the position it had taken on the point, and believed that it had acted promptly, and done all it had to do, in the way that it had to do it.

The answers having been concluded, the **Chairman**, thanked, in particular, the representatives of the international funds who had spoken at the meeting, acknowledging the largely favourable comments they had made.

He moved on to the rebuttal phase, reminding the meeting that any declarations of voting intentions had to be made at this stage: he would not therefore give the floor to shareholders during voting. He reminded attendees that two minutes are allocated for replies and explanations of vote, inviting once again to meet the time limits.

Corato stated that he had actually submitted three complaints, and recalled that Telecom Italia had recently been fined 350,000 euros because of difficulties encountered by customers in interacting with offices. He said that he had been warned that his telephone line might be cut off if he did not make the payments, and that he had yet to receive a reply to a complaint submitted in February of last year. As for the prospects for development, he pointed out that in the United States, Verizon is trying to purchase Yahoo assets, which include, among others, Yahoo Japan, a particularly profitable company: he believed that this was the way forward. He also highlighted the existence of companies that provide professional consultancy service to check the accuracy of mobile phone billing. Finally, he stated that he believed the company should pay attention to Soft Bank's financial statements.

Marino, acknowledging that he had received an answer on almost everything, spoke

again about the position of Mr Peluso, who holds a dual role and had been committed for trial in Milan. Noting that the Board of Directors had confirmed their trust in Mr Peluso, considering him suitable for a job entailing the management of 1.2 billion euros, notwithstanding the aforementioned ongoing legal proceedings, the Chairman asked whether the Company's Executive Directors would personally trust Mr Peluso, since he was actually on trial for financial crimes of significant magnitude. He believed that, in this context, it would be legitimate to wonder whether one would be willing to entrust one's children to a teacher on trial for paedophilia. Concerning Ms Cioli, the Chairman pointed out that he did not have information about related natural persons who, in fact, had assumed this status through Ms Cioli. Since this was an issue on which no response had been provided, he delivered a note to the Chairman's table at the end of the meeting, formally stating that "the Chairman had refused to name any natural person related through Ms Laura Cioli, Director".

At this point, the **Chairman** stated that the rebuttals of the shareholders would not be replied to, adding, however, that, he personally would entrust his savings to Mr Peluso.

Lombardi - Chairman of ASATI, regarding the Enel-Metroweb case and Telecom Italia's offer of 814 million euros to purchase Metroweb, stated that a review was underway and that the whole of the current BoD might be sued for liability for the potential damage to the business of Telecom Italia resulting from the assignment of Metroweb to Enel. The negligence with which the proposals brought by Mr Patuano and Mr Peluso had been rejected, even eight months ago, - continued Mr Lombardi - had been "reckless". So this could lead to a lawsuit against the Board of Directors, and he emphatically demanded the minutes of meetings and related votes, if necessary through an appeal to Consob, or (hoping it would not be necessary), to the US SEC, or the Board of Statutory Auditors. On this point, he then continued, it would appear that Directors Cioli, Cattaneo and Gallo were actually categorical on this issue, voting against the proposal submitted by Mr Peluso and Mr Patuano. He further added that BNP Paribas, had stated the previous evening that the potential damage caused to the business of Telecom Italia by not having concluded the agreement could be estimated at 8 billion.

Finally, as for the usual "shareholders' votes", he stated that Chairman Recchi had been vague in his responses, although he had conducted the meeting in a positive manner, thus earning the mark of barely 5 out of ten. As for Mr Cattaneo, Mr Lombardi believed that he had "laughed for half the meeting" perhaps because - Mr Lombardi stated - he had already secured his bonus; he also stated that the CEO had answered 3 questions out of 14, thus showing, he stated emphatically, a lack of respect for the legitimate representatives that ASATI brought to the meeting and for the employees who had submitted, through ASATI, 70% of the questions. He pointed out that nothing had been said about the end-of-plan

figures on for the share price, debt and EBITDA, and so he had to give Mr Cattaneo (as per the note submitted to the Chairman's table) a mark of four.

Ramus focussed on the solidarity contracts, pointing out that employees should be treated with respect since, to socialise the labour costs, they had been forced to accept a contract of "solidarity", although, the shareholder stated, this "does not exist". Days without work, he continued, are made up for by "superwork" by employees, because the "solidarity" had been organised in a structural way simply to recover labour costs. The mechanism in use, he further explained, was not the same as that of the previous solidarity contract, but resembles a temporary redundancy/lay-off system, which entails a gross pay threshold, after which the INPS supplement is particularly low. He emphasised that he hoped that the Chief Executive Officer would accept this complaint.

Corneli, after thanking the Chairman of the Board of Statutory Auditors for the answer he had received, stated that he had not received answers to any of the other questions he had submitted. He challenged the position by which the law does not provide for opening to minorities: in the legal system there is no ban, and, therefore, companies could exercise their own discretion on this issue. The question he had asked was therefore aimed at learning the reasons why the company did not exercise this broad discretion. Moreover, he stated that he had not received a reply on the position assumed by Vivendi's directors on the Board, nor had he received details on the criteria and indicators of the plan. Finally, he noted that from the answers provided it was clear that if the shareholders' rejected any of the the compensation issues this would not lead to their re-evaluation by the Board of Directors; which y, the shareholder concluded, is like saying that they are not interested in the opinion of the shareholders' meeting.

Savina asked why they didn't want to propose a new Employee Share Ownership Plan, considering that the Company was, instead, ready to use its own shares for the special award for the CEO. Especially since the employees would buy shares reserved for them. He reminded the meeting of the request made to Mr Cattaneo to contribute to reduce the solidarity arrangements, thus sending an important signal to the employees. He renewed his request that the meeting be held in Rome at least once a year, a choice that would allow many more individual shareholders to participate, and, above all, many employees employees: for instance, the Via Oriolo headquarters would be an adequate venue.

Napoleoni reminded attendees that he had been working with ASATI for two years, and that, like ASATI, would continue to organise events to promote the culture of participation with employee and non-employee shareholders. Further conferences would be organised, which senior management would be invited to attend, and the video conferences would continue, streaming meetings around the country.. He welcomed the idea of video communication with all employees,

and repeated his call for Mr Cattaneo to allocate a portion of his MBO to the employees' solidarity fund.

Zeuli disputed the figure provided for legal costs, pointing out that in note 21 of the Financial Statements, on page 262, legal expenses were indicated to have totalled 425 million. Considering the many current employment tribunal cases, the figure of 220,000 euros seems to be completely inaccurate. Furthermore, he wanted to know how many disputes had been dealt with, how many won and how many lost. More, he asked what the outcome of the complaint filed by Spresal at the Public Prosecutor's Office had been.

Arini appreciated Mr Cattaneo's sincerity about the disappointing performance of recent years, and the rigour with which the next results would be evaluated. But he considered that the shareholders were entitled to know more detail about the targets in terms of revenue, profits, EBITDA, and the share price; he asked for how much longer business and consumer units would continue to lose, and if any of the managers responsible for these results, profits and margins remained in the company. He concluded by stressing the need to quickly take the appropriate measures and initiatives in terms of business strategies and change of management.

Testini noted that ASATI had also played the role of promoting the request for proxies, and provided voting instructions. On item 1) of the agenda ((Financial Statements as of 31 December 2015 - approval of the financial statements documentation - related and consequent resolutions), the promoter proposed to abstain. On item 2) (distribution of the privileged dividend to savings shareholders by using reserves and related and consequent resolutions), the promoter proposed a vote for. On item 3) (report on remuneration, resolution on Section I), the promoter proposed to vote against. On item 4) (special award - related and consequent resolutions), the promoter proposed a vote against. As for the penultimate item (Resignation of a Director - reduction of the number of members of the Board of Directors from 17 to 16), the promoter proposed a vote against. As for the last item on the agenda (Supplementation of the Company name - amendment of article 1 of the Bylaws - related and consequent resolutions), the promoter proposed a vote against.

As a colleague and Telecom Italia employee, **Bava** said that, if at all possible, someone like Mr Peluso should be cloned. He has an international level approach to business issues, in a as has rarely been seen in the Company. The legal proceedings that had been mentioned would be clarified satisfactorily, because Mr Peluso's professionalism was also appreciated at the Court of Turin, in the FonSai case

Buccheri, considering that Telecom Italia is a company that makes use of a significant amount of electricity, asked if the cuts in CAPEX and OPEX costs would also have an impact on environmental sustainability, referring, in this

regard, to the installation of photovoltaic panels in large parking lots, or to the purchase of methane-fuelled cars for the management. He expressed his appreciation of Mr Peluso, also confirmed by ASATI. He then reiterated his proposal to convert the entire fleet to LPG or methane, with consequent significant savings.

Frasca expressed his disappointment over the fact that there was no new employee share ownership plan, especially in light of the willingness to allocate shares to Mr Cattaneo. Finally, he confirmed that ASATI supports Mr Peluso, a qualified and honest individual, who is a victim of political manipulation, both in the Fondiaria SAI and Unicredit cases.

No-one else having asked to speak, the Chairman declared the discussion closed and invited the Notary to explain how to use the televoters, and how to vote, also using slides. I, the Notary, complied.

The Chairman invited then 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.

The Chairman:

- since 8,164,709,358 shares with voting rights were present, equivalent to approximately 60.48% of the total number of ordinary shares, at 5.20 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

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

- *having examined the annual financial report of Telecom Italia S.p.A.;*
- *having taken note of the reports by the Board of Statutory Auditors and the independent auditor PricewaterhouseCoopers S.p.A.;*

resolved

1. *to approve the financial statements of Telecom Italia S.p.A. for the year 2015 (two thousand and fifteen);*
2. *to cover Telecom Italia S.p.A.'s loss for the financial year (amounting to 456,471,515.99 (four hundred fifty-six million, four hundred seventy-one thousand, five hundred and fifteen point ninety-nine) euros), as follows:*
 - *93,408,945.53 (ninety-three million four hundred and eight thousand, nine hundred forty-five point fifty-three) euros, by using sundry reserves*
 - *363,062,570.46 (three hundred sixty-three million sixty-two thousand five hundred seventy point forty-six) euros, through withdrawal from retained earnings*

The resolution was approved by a majority of the shareholders.

For: 7,982,589,036 shares.

Against: 16,662,826 shares.

Abstained 165,457,496 shares.

All as detailed in the annexes.

The Chairman announced the result.

The Chairman then, in relation the second item on the agenda, 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 said vote.

The Chairman:

- since 8,164,591,027 shares with voting rights were present, equivalent to 60.48% of the total number of ordinary shares, at 5.23 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

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

- *having examined the annual financial report of Telecom Italia S.p.A.;*
- *in view of the authority of the Shareholders' Meeting, in the event of a lack of or insufficient net profits resulting from the financial statements to meet the privilege attributed to the savings shares, to meet it by distributing the available reserves, resulting in the exclusion of the mechanism to carry over in the two subsequent financial years the entitlement to the privileged dividend not received by the distribution of profits, as stated in Article 6 of the Bylaws;*

resolved

- *to pay savings Shareholders the privileged dividend in the amount of 0.0275 (zero point zero two seven five) euros per savings share, gross of the withholdings required by law, which will be applied to the number of savings shares that they own at the record date, withdrawing the funds from the "Merger Surplus Reserve" in the amount of 165,764,271.73 euros;*
- *to make the dividend payable starting on 22 June 2016, with a coupon date of 20 June 2016 (record date 21 June 2016).*

The resolution was approved by a majority of the shareholders.

For: 8,027,583,018 shares.

Against: 101,719,820 shares.

Abstained 35,288,189 shares.

All as detailed in the annexes.

The Chairman announced the result.

The Chairman then, in relation the third item on the agenda, after reminded the meeting that by law, the vote is not binding, 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 said vote.

The Chairman:

- since 8,164,596,922 shares with voting rights were present, equivalent to

60.48% of the total number of ordinary shares, at 5.25 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

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

- *given the applicable legal provisions regarding the report on remuneration;*
- *having acknowledged the non-binding nature of the resolution required,*

resolved

to approve the first section of the remuneration report.

The resolution was approved by a majority of the shareholders.

For: 5,027,522,697 shares.

Against: 3,096,481,526 shares.

Abstained 40,592,699 shares.

All as detailed in the annexes.

The Chairman announced the result.

And the Chairman then, in relation the fourth item on the agenda, 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 said vote.

The Chairman:

- since 8,164,596,922 shares with voting rights were present, equivalent to 60.48% of the total number of ordinary shares, at 5.27 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

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

- *having examined the explanatory report of the Board of Directors,*
- *having examined the information document made available to the public in accordance with the applicable regulations,*

resolved

· *to approve the incentive plan called the 2016-2019 Special Award in the general terms described above and detailed in the information document published in accordance with the applicable regulations;*

· *to confer on the Board of Directors all powers necessary or expedient for implementing the initiative, making any changes and/or additions to it that prove necessary for the implementation of what has been resolved, including for the purposes of compliance with any applicable regulatory provision, including authorisation to assign free of charge ordinary treasury shares existing at the appropriate time in the Company portfolio.*

The resolution was approved by a majority of the shareholders.

For: 5,021,477,967 shares.

Against: 3,136,668,123 shares.

Abstained 6,450,832 shares.

All as detailed in the annexes.

And the Chairman then, in relation the fifth item on the agenda, 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 said vote.

The Chairman:

- since 8,164,596,922 shares with voting rights were present, equivalent to 60.48% of the total number of ordinary shares, at 5.29 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

The Meeting of the Shareholders of Telecom Italia S.p.A., given the intervening resignation of Mr. Marco Patuano as Director,

resolved

to redetermine the composition of the Board of Directors, reducing its membership from 17 (seventeen) to 16 (sixteen).

The resolution was approved by a majority of the shareholders.

For: 8,040,565,250 shares.

Against: 84,598,334 shares.

Abstained 39,433,338 shares.

All as detailed in the annexes.

And the Chairman then, in relation the fifth item on the agenda, 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 said vote.

The Chairman:

- since 8,164,596,922 shares with voting rights were present, equivalent to 60.48% of the total number of ordinary shares, at 5.31 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

The Shareholders' Meeting of Telecom Italia S.p.A., having examined the explanatory report of the Board of Directors,

resolved

· *to replace the current article 1 (one), subsection 1 (one) of the Company Bylaws with the following text:*

The name of the Company shall be "TELECOM ITALIA S.p.A."; and it shall also and alternatively be named "TIM S.p.A."

· *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 resolution to be entered in the Business Register, as well as all the powers*

necessary for legal and regulatory compliance consequent on the resolution adopted.

The resolution was approved by a majority of the shareholders.

For: 8,129,138,182 shares.

Against: 474,608 shares.

Abstained 34,984,132 shares.

All as detailed in the annexes.

The Chairman announced the result and, upon concluding the discussion on all matters of the meeting's agenda, and since nobody asked to speak, declared the business of the Meeting concluded at 5:35 pm (five thirty-five pm).

The following documents are attached herewith:

- Bylaws reflecting changes approved at the Shareholders' Meeting, which is attached herewith under "B" (with removal of the transitional provision of Article 20-bis);
- explanatory reports submitted by the Board of Directors at the Shareholders' Meeting, attached herewith under "C";
- list of names of participants in the Shareholders' Meeting, attached herewith under "D", with details of votes.

These minutes were signed by me, the notary, at 1.30 p.m..

They consist of fifty one sheets written using mechanical means by a person whom I trust, and completed in my own hand, making two hundred and one pages and part of the two hundred and second as far as here.

Signed Carlo Marchetti, notary public