



TELECOM ITALIA S.p.A. SHAREHOLDERS' MEETING

APRIL 12-13-14 2008

AGENDA

ORDINARY MEETING

- Financial statements for the year ended 31 December 2007 - related and consequent resolutions.
- Appointment of the Board of Directors - related and consequent resolutions.
- Stock-option plan reserved to the Company's executive directors - authorization to purchase and dispose of treasury shares - related and consequent resolutions.

EXTRAORDINARY MEETING

- Amendment of the following articles of the Company's bylaws: 9 (Board of Directors); 17 (Board of Auditors); and 18 (Shareholders' Meeting) - related and consequent resolutions.

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 - RELATED AND
CONSEQUENT RESOLUTIONS**

Dear Shareholders,

The draft financial statements submitted for approval by the shareholders' meeting show net income for the year of €1,882,420,520.78.

This result makes it possible to propose the distribution of a dividend of €0.080 for each ordinary share and €0,091 for each savings share.

The total dividend amount will depend on the number of shares with dividend entitlement outstanding on the dividend payment day, excluding treasury shares (currently 1,272,014 ordinary shares) and taking into account shares subscribable for in connection with the capital increases provided for in Article 5 of the Company's bylaws and actually issued by that date.

Dividends will be paid as of 24 April 2008, while 21 April 2008 has been set as the ex dividend date.

In light of the foregoing, the Board of Directors invites you to approve the following

Resolution

The shareholders' meeting of Telecom Italia S.p.A.,

- having examined the Company's financial statements for the year ended 31 December 2007;
- having taken note of the reports of the Board of Auditors and the external auditor, Reconta Ernst & Young S.p.A.;
- considering that the shares with dividend entitlement at the proposed ex dividend date will be not more than 13,722,809,598 ordinary shares and 6,026,120,661 savings shares;

resolves

1. to approve the financial statements of Telecom Italia S.p.A. for the year ended 31 December 2007, which show net income for the year of €1,882,420,520.78;
2. with regard to the net income for the year,
 - a. to allocate to the legal reserve a maximum of €37,626,989.18 and in any case not more than the amount necessary for such reserve to be equal to one fifth of the Company's share capital at the time this resolution is adopted;
 - b. to allocate up to a maximum of € 1,646,099,986.88 for the distribution of dividends to shareholders, calculated on the basis of the following amounts per share, which will be applied to the ordinary and savings shares that they own (thus excluding treasury shares) on the ex dividend day:
 - €0.080 for each ordinary share,
 - €0.091 for each savings share,gross of the withholdings required by law. It is to be understood that net income not distributed as dividends will be allocated to retained earnings;
 - c. to carry forward the remaining amount;
3. to authorize the Board of Directors - and on its behalf its Chairman - to determine in due course, on the basis of the actual number of shares for which dividends are paid, the amount of net income distributed to shareholders and the amount carried forward as retained earnings;
3. to pay the above dividends starting on 24 April 2008, ex dividend on 21 April 2008.

APPOINTMENT OF THE BOARD OF DIRECTORS - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

You are called upon to renew the Company's Board of Directors, appointed by the shareholders' meeting on 16 April 2007, whose term of office expires with today's meeting.

Specifically, the shareholders' meeting is called upon to determine the number of Directors (from seven to twenty-three), to establish the term of office of the new Board (up to a maximum of three fiscal years), to appoint the Directors using the slate voting system, and to determine their annual compensation.

The Board of Directors therefore invites you to formulate proposals on the above-mentioned subjects and, in particular, to present slates of candidates, in the manner and within the time limits established by the current version of Article 9 of the Company's bylaws since the proposed amendments to be submitted for your approval in the extraordinary shareholders' meeting are not yet applicable.

In the light of the above, the Board of Directors, having regard to the provisions of law and the Company's bylaws regarding the composition, term of office, manner of appointment and compensation of the Board of Directors,

invites the shareholders' meeting

to adopt the resolutions for which it is competent to appoint the Board of Directors in accordance with the law and the bylaws.

**STOCK-OPTION PLAN RESERVED TO THE COMPANY'S EXECUTIVE DIRECTORS –
AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES – RELATED AND
CONSEQUENT RESOLUTIONS**

Dear shareholders,

We invite you to approve a proposal for the award of stock options pursuant to Article 114-*bis* of Legislative Decree 58/1998 (hereinafter “the Plan”) by means of the purchase and disposal of treasury shares.

For the purposes of the Plan, we also invite you to approve an authorization to purchase and dispose of Telecom Italia S.p.A. ordinary shares (the “Shares”) pursuant to the procedures and time limits set out below (the “Authorization”), in addition to the already existing authorization approved by the shareholders’ meeting held on 16 April 2007 for the award of treasury shares free of charge under the 2007-2010 Plan.

1. Reasons for the request for the Authorization

The objective that the Board intends to pursue with the purchases of Shares is to create the stock of shares needed for the implementation of the Plan.

The request for the Authorization is therefore not part of a plan to reduce the Company’s share capital by cancelling the Shares purchased.

2. Maximum number, class and par value of the Shares to which the Authorization refers

At the date of formulation of the present proposal the share capital of Telecom Italia S.p.A. is represented by 19,406,914,853 shares, of which 13,380,794,192 ordinary shares and 6,026,120,661 savings shares; all the shares have a par value of €0.55.

We propose that you should authorize the purchase of up to a maximum of 11,400,000 Shares (corresponding to 0.085% of the capital of that class and to 0.059% of the total capital) and that it is also to be understood that buy-backs may not be made for amounts exceeding the available reserves as stated in the Company’s latest duly approved annual financial statements.

3. Information serving to assess compliance with paragraph 3 of Article 2357 of the Civil Code

At the date of writing the Company holds 1,272,014 treasury Shares, which represent approximately 0.007% of the share capital. In addition, subsidiaries hold 124,544,373 Shares, which represent approximately 0.642% of the share capital.

It follows that the maximum number of Shares whose purchase is proposed (taking into account the shares purchasable under the separate authorization granted by the shareholders' meeting held on 16 April 2007 referred to above and to date not used) falls within the legal limits, without prejudice to the limits referred to in the last paragraph of Section 2. It should also be noted that the draft annual financial statements for the year ended 31 December 2007, which are submitted for approval by the same shareholders' meeting as is invited to approve this Authorization, show available reserves for a total amount slightly less than €8 billion.

Whenever Shares are purchased or sold appropriate entries must be made in the accounting records in accordance with applicable law and accounting standards.

4. Duration of the Authorization

The Authorization is requested for the maximum period permitted by applicable law (18 months from the date of the resolution adopted by the shareholders' meeting). The Board will be able to carry out the purchases authorized on one or more occasions and at any time, while authorization to dispose of the Shares purchased as specified above or in any case available to the Company is requested with the time limits necessary for the implementation of the Plan.

5. Minimum and maximum consideration

The Board proposes that the purchase price of the Shares be established on each occasion in compliance with any applicable regulations or accepted market practices and with a minimum price and a maximum price fixed in accordance with the following criteria:

- the minimum purchase price may not be less than the weighed average of the official prices of the Shares recorded by Borsa Italiana S.p.A. in the last ten days of trading before the purchase date, decreased by 10%;
- the maximum purchase price may not be more than the weighted average of the official prices of the Shares recorded by Borsa Italiana S.p.A. in the last ten days of trading before the purchase date, increased by 10%.

As regards the disposal of the Shares, they will be assigned to the beneficiaries of the Plan on a pro rata basis subject to satisfaction of the conditions laid down therein and at the price described below.

6. Manner of carrying out the transactions

The Board proposes that the Authorization be granted for purchases to be made on regulated markets, in accordance with the procedures established by Borsa Italiana S.p.A., through financial intermediaries duly appointed by the Company.

The disposals of the treasury Shares will be made through sales to the beneficiaries of the Plan, where the conditions for this are satisfied and on the terms established.

7. The Plan

The Plan is the subject of an information document prepared pursuant to Article 84-*bis* of the regulation implementing the provisions on issuers of Legislative Decree 58/1998 (Consob Regulation 11971/1999, as amended).

Shareholders are referred to the above-mentioned document for further details, but it should be noted here that the aim of the Plan is to provide support for improvements in the long-term performance of the Company and the creation of shareholder value by aligning the interests of the present executive directors – Gabriele Galateri di Genola and Franco Bernabé in the event that they are confirmed in the position of Chairman and Managing Director respectively after the election of the new Board of Directors (hereinafter “the Beneficiaries”) – with those of the investors in the Company’s capital by introducing a significant equity-based variable component of compensation.

In fact the Plan provides for the award to the Beneficiaries of options for the purchase of Shares (hereinafter “the Options”) – 3,000,000 for the Chairman and 8,400,000 for the Managing Director – at a price per share equal to the higher of:

- €1.95, the intermediate value between the Telecom Italia share price in December 2007 (when the present executive directors of the Company took up their positions) and its price on the day this proposal was approved by the Board of Directors (6 March 2008), and
- the arithmetic mean of the prices of the Shares during the 30 days preceding the date of the assignment of the options

The Plan provides for the right to buy shares to become vested three years after the assignment of the Options, subject to the Beneficiary continuing to be a director of the Company and without prejudice to the cases of early vesting described below. The exercise period of the Options will last for three years. Subject to maintenance of the directorships, for one year from the vesting date a maximum of 50% of the Shares acquirable by exercising the exercisable Options will be available to the Beneficiaries.

The exercisability of 75% of the Options will not be subject to the achievement of performance parameters, while the remaining 25% will depend on the performance of the Total Shareholder Return (TSR) of Telecom Italia in relation to that of the 10 main companies of the Dow Jones STOXX Telecommunications index. In other words, the following will become exercisable at the vesting date:

- 100% of the portion of performance-based Options if Telecom Italia’s TSR reaches the third quartile of the reference panel;
- 50% of the portion of performance-based Options if Telecom Italia’s TSR reaches the median of the reference panel.

The entire portion of performance-based Options will expire if Telecom Italia’s TSR does not reach the median of the reference panel.

To this end the TSR is calculated assuming that the dividends paid on the Shares are reinvested in the incentive period (so-called “Compound TSR”).

75% of the Options (equal to the portion not subject to performance conditions) will become exercisable immediately – in the manner governed in detail in the implementing

rules of the Plan, which will be approved in due course by the Board of Directors – in the event of:

- a cash and/or exchange tender offer for the Shares;
- termination of the relationship with a Beneficiary by the Company without good cause;
- resignation of a Beneficiary with good cause.

In addition, a portion of the Options not subject to performance conditions, pro rated on the basis of the fraction of the three years that have passed before the event will become immediately exercisable in the event of:

- early termination of the appointment of the entire Board of Directors;
- the death of a Beneficiary.

The Board of Directors may make any adjustments to the time limits and conditions of the Plan in the event of changes in the applicable legislation or extraordinary events likely to influence the Plan itself.

In light of the foregoing, the Board of Directors invites you to approve the following

Proposal

The ordinary shareholders' meeting of Telecom Italia S.p.A., having examined the report of the Board of Directors (the "Report"),

resolves

1. to authorize, for the maximum period allowed by applicable law starting from the date of this resolution, the purchase, on one or more occasions and at any time, of up to a maximum of 11,400,000 Telecom Italia S.p.A. ordinary shares and thus of up to 0.059% of the Company's share capital. The consideration for the purchases must be between a minimum and a maximum corresponding to the weighted average of the official prices of the ordinary shares recorded by Borsa Italiana S.p.A. in the last ten days of trading before the purchase date, respectively decreased and increased by 10%. Buy-backs must in any case be made within the limit of the available

reserves as stated in the Company's latest approved annual financial statements at the time the transaction is carried out. The purchases must be made on regulated markets and according to the procedures allowed by the statutory and regulatory provisions in force;

2. to approve the stock-option plan reserved to the Company's executive directors as set out in the Report and information document published pursuant to the applicable rules and regulations (the "2008 Top Plan");
3. to authorize, within the time limits necessary for the implementation of the 2008 Top Plan and on the conditions contemplated in the 2008 Top Plan, the disposal to its beneficiaries, on one or more occasions and at any time, of the Telecom Italia S.p.A. ordinary shares acquired as specified above or otherwise or already held by Telecom Italia S.p.A. at the date of this resolution;
4. to confer all the necessary and appropriate powers on the Board of Directors to make the purchases of treasury shares and implement the 2008 Top Plan and, in general, to carry out all the transactions that are the subject of this resolution, including the mandate to make the consequent entries in the accounting records, in accordance with the statutory provisions and accounting standards applicable on each occasion.

AMENDMENT OF THE FOLLOWING ARTICLES OF THE COMPANY’S BYLAWS: 9 (BOARD OF DIRECTORS); 17 (BOARD OF AUDITORS) AND 18 (SHAREHOLDERS’ MEETINGS) - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

In this extraordinary meeting you are called upon to examine some proposed amendments to the following articles of the Company’s bylaws concerning the appointment of the Board of Directors (Article 9) and the Board of Auditors (Article 17) and the calling of shareholders’ meetings (Article 18).

Board of Directors (Article 9)

In the first place there is a proposal to reduce the maximum number of Directors from 23 to 19 (paragraph 1). This is purely a choice designed to enhance efficiency, consistent with best practice and with the recent decisions taken by the shareholders’ meeting when determining the size of the Board of Directors.

This is followed by a proposal to insert suitable reminders of the need to comply with the applicable laws and regulations in the part of the procedure for appointing the Board of Directors that precedes the shareholders’ meeting (paragraphs 2 and 9(b)), while at the same time aligning the bylaw mechanisms with the rules laid down by Consob for the election of the Board of Auditors. For this body it is worth recalling that the applicable regulatory provisions were incorporated into the bylaws with a resolution adopted by the Board of Directors on 24 July 2007, since in that case the alignment with the new legislation was mandatory.

For the Board of Directors, there is also a proposal to simplify the procedures for publishing the slates of candidates and to eliminate their publication in daily newspapers at shareholders’ expense (paragraph 4); at the same time it is proposed to eliminate the difference between the time limit for filing slates and that for demonstrating ownership of the shares needed to legitimate the filing (paragraph 6).

Board of Auditors (Article 17)

A numerical change is also proposed for the Board of Auditors, involving not the number of members (which continues to be 5) but the number of alternates, which is increased to four, of whom two are to be chosen from the Majority Slate and two from the Minority Slates. The amendment serves to facilitate compliance with the principle of the necessary representation of the minorities in the manner provided for in the bylaws (i.e. with the shareholders' meeting "confirming" the alternate chosen from the Minority Slates to replace the member of the Board of Auditors chosen from the same slates whose appointment terminates).

The change in the number of alternates (paragraph 1) impinges on the procedures of the slate voting system (paragraph 10) and on the mechanisms for the selection of the alternate (according to age) and replacement pursuant to Article 2401 of the Civil Code (paragraph 13).

Shareholders' meeting (Article 18)

Article 18.1 is incompatible with a new provision of the Consolidated Law on Finance (Article 154-*ter*, which makes it obligatory for issuers to approve their annual financial statements and publish their annual report within 120 days of the close of their fiscal year). It is therefore proposed that it be eliminated and the following paragraphs renumbered accordingly.

None of the proposed amendments will result in dissenting shareholders being entitled to withdraw.

The resolution proposed to the shareholders' meeting is given below with the complete text of the bylaws in the current version shown side by side with that incorporating the proposed amendments.

In light of the foregoing, the Board of Directors invites you to approve the following

Resolution

The extraordinary shareholders' meeting of Telecom Italia S.p.A.,

resolves

1. to approve Articles 9, 17 and 18 of the bylaws as in the version shown below with the proposed amendments highlighted:

CURRENT TEXT	PROPOSED TEXT (WITH THE CHANGES HIGHLIGHTED)
Article 9	Article 9
9.1 - The Company shall be managed by a Board of Directors consisting of not less than seven and not more than twenty-three members. The Shareholders' Meeting shall establish the number of members of the Board of Directors, which shall remain unchanged until a different number is established.	9.1 - The Company shall be managed by a Board of Directors consisting of not less than seven and not more than <u>nineteen</u> twenty three members. The Shareholders' Meeting shall establish the number of members of the Board of Directors, which shall remain unchanged until a different number is established.
9.2 - The Board of Directors shall be appointed on the basis of slates presented by shareholders pursuant to the following paragraphs or by the outgoing Board of Directors, on which the candidates shall be listed by serial number.	9.2 - The Board of Directors shall be appointed, <u>in accordance with the applicable laws and regulations,</u> on the basis of slates presented by shareholders pursuant to the following paragraphs or by the outgoing Board of Directors, on which the candidates shall be listed by serial number.
9.3 - When the Board of Directors presents its own slate, it shall be filed at the registered office of the Company and published in at least one Italian daily newspaper with national circulation, at least twenty days prior to the date set for the Shareholders' Meeting on the first call.	9.3 - When the Board of Directors presents its own slate, it shall be filed at the registered office of the Company and published in at least one Italian daily newspaper with national circulation, at least twenty days prior to the date set for the Shareholders' Meeting on the first call.
9.4 - The slates presented by shareholders shall be filed at the registered office of the Company and published at the expense of the shareholders in the manner indicated in the preceding paragraph at least fifteen days prior to the date set for the Shareholders' Meeting on the first call.	9.4 - The slates presented by shareholders shall be filed at the registered office of the Company and published at the expense of the shareholders in the manner indicated in the preceding paragraph at least fifteen days prior to the date set for the Shareholders' Meeting on the first call.
9.5 - Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate on pain of ineligibility.	9.5 - Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate on pain of ineligibility.
9.6 - Only shareholders who alone or together with other shareholders hold a total number of shares representing at least 0.5% (or such other amount established by Consob regulations) of the share capital entitled to vote at the Ordinary Shareholders' Meeting may submit slates, subject to their proving ownership of the number of shares	9.6 <u>Slates may be submitted only by</u> Only shareholders who alone or together with other shareholders hold a total number of shares representing at least 0.5% (or such other amount established by Consob regulations) of the share capital entitled to vote at the Ordinary Shareholders' Meeting, <u>to be proved by filing appropriate</u>

<p>needed for the presentation of slates at least two days prior to the date set for the Shareholders' Meeting at the first call on pain of nullity.</p> <p>9.7 - Together with each slate, and within the respective time limits specified above, it is necessary to file individual candidates' acceptances of their candidacy and declarations in which they attest, on their own responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet any requirements prescribed for the positions in question as well as any other piece of information requested by applicable law or regulation or the bylaws. Together with the declarations, a curriculum vitae shall be filed for each candidate setting out their main personal and professional data with an indication of the positions held in management and control bodies of other companies and of the grounds for their qualifying as independent in accordance with the criteria established by law and the Company. Any changes that occur up to the day the Shareholders' Meeting is held must be promptly notified to the Company.</p> <p>9.8 - Each person entitled to vote may vote for only one slate.</p> <p>9.9 - The Board of Directors shall be elected as specified below:</p> <p>a) four fifths of the directors to be elected shall be chosen from the slate that obtains the majority of the votes cast by the shareholders, in the order in which they are listed on the slate; in the event of a fractional number, it shall be rounded down to the nearest whole number;</p> <p>b) the remaining directors shall be taken from the other slates; to that end, the votes obtained by the various slates shall be divided successively by whole numbers from one up to the number of directors to be chosen. The quotients thus obtained shall be assigned to the candidates on each slate in the order specified thereon. On the basis of the quotients assigned, the candidates on the various slates shall be arranged in a single decreasing ranking. Those who have obtained the highest quotients shall be elected.</p> <p>If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected any director or that has elected the smallest number of directors shall be elected.</p>	<p>certifications. may submit slates, subject to their proving ownership of the number of shares needed for the presentation of slates at least two days prior to the date set for the Shareholders' Meeting at the first call on pain of nullity.</p> <p>9.7 - Together with each slate, and within the respective time limits specified above, it is necessary to file individual candidates' acceptances of their candidacy and declarations in which they attest, on their own responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet any requirements prescribed for the positions in question as well as any other piece of information requested by applicable law or regulation or the bylaws. Together with the declarations, a curriculum vitae shall be filed for each candidate setting out their main personal and professional data with an indication of the positions held in management and control bodies of other companies and of the grounds for their qualifying as independent in accordance with the criteria established by law and the Company. Any changes that occur up to the day the Shareholders' Meeting is held must be promptly notified to the Company.</p> <p>9.8 - Each person entitled to vote may vote for only one slate.</p> <p>9.9 - The Board of Directors shall be elected as specified below:</p> <p>a) four fifths of the directors to be elected shall be chosen from the slate that obtains the majority of the votes cast by the shareholders <u>(the Majority List)</u>, in the order in which they are listed on the slate; in the event of a fractional number, it shall be rounded down to the nearest whole number;</p> <p>b) <u>without prejudice to compliance with the applicable laws and regulations concerning the limits to the link with the Majority List</u> the remaining directors shall be taken from the other slates; to that end, the votes obtained by the various slates shall be divided successively by whole numbers from one up to the number of directors to be chosen. The quotients thus obtained shall be assigned to the candidates on each slate in the order specified thereon. On the basis of the quotients assigned, the candidates on the various slates shall be arranged in a single decreasing ranking. Those who have obtained the highest quotients shall be elected.</p> <p>If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected any director or that has elected the smallest number of directors shall be elected.</p>
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<p>If none of such slates has yet elected a director or all of them have elected the same number of directors, the candidate from the slate that obtained the largest number of votes shall be elected. If the different slates have received the same number of votes and their candidates have been assigned the same quotients, a new vote shall be held by the entire Shareholders' Meeting and the candidate obtaining the simple majority of the votes shall be elected.</p> <p>9.10 - In appointing directors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall vote on the basis of the majorities required by law.</p> <p>9.11 - If in the course of the fiscal year one or more vacancies occur on the Board, the procedure specified in Article 2386 of the Civil Code shall be followed.</p> <p>9.12 - Should a majority of the seats on the Board of Directors become vacant for any cause or reason, the remaining directors shall be deemed to have resigned and they shall cease to hold office from the time the Board of Directors has been reconstituted by persons appointed by the Shareholders' Meeting.</p>	<p>If none of such slates has yet elected a director or all of them have elected the same number of directors, the candidate from the slate that obtained the largest number of votes shall be elected. If the different slates have received the same number of votes and their candidates have been assigned the same quotients, a new vote shall be held by the entire Shareholders' Meeting and the candidate obtaining the simple majority of the votes shall be elected.</p> <p>9.10 - In appointing directors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall vote on the basis of the majorities required by law.</p> <p>9.11 - If in the course of the fiscal year one or more vacancies occur on the Board, the procedure specified in Article 2386 of the Civil Code shall be followed.</p> <p>9.12 - Should a majority of the seats on the Board of Directors become vacant for any cause or reason, the remaining directors shall be deemed to have resigned and they shall cease to hold office from the time the Board of Directors has been reconstituted by persons appointed by the Shareholders' Meeting.</p>
<p>Article 17</p>	<p>Article 17</p>
<p>17.1 - The Board of Auditors shall consist of five auditors. The Shareholders' Meeting shall also appoint two alternates.</p> <p>17.2 - For the purposes of Articles 1(2)(b) and 1(2)(c) of the regulation referred to in Justice Minister Decree 162/2000, the following sectors of activity and matters shall be considered closely linked to those of the Company: telecommunications, information technology, online systems, electronics and multimedia technology, and matters related to private and administrative law, economics and business administration.</p> <p>17.3 - The appointment of the Board of Auditors shall be in compliance with the applicable laws and regulations on the basis of slates presented by shareholders, filed at the Company's registered office at least fifteen days prior to the date set for the Shareholders' Meeting on the first call.</p> <p>17.4 - Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate on pain of</p>	<p>17.1 - The Board of Auditors shall consist of five auditors. The Shareholders' Meeting shall also appoint two<u>four</u> alternates.</p> <p>17.2 - For the purposes of Articles 1(2)(b) and 1(2)(c) of the regulation referred to in Justice Minister Decree 162/2000, the following sectors of activity and matters shall be considered closely linked to those of the Company: telecommunications, information technology, online systems, electronics and multimedia technology, and matters related to private and administrative law, economics and business administration.</p> <p>17.3 - The appointment of the Board of Auditors shall be in compliance with the applicable laws and regulations on the basis of slates presented by shareholders, filed at the Company's registered office at least fifteen days prior to the date set for the Shareholders' Meeting on the first call, <u>except as extended in cases provided for by applicable laws and regulations.</u></p> <p>17.4 - Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate on pain of ineligibility.</p>

<p>ineligibility.</p> <p>17.5 - Only shareholders who alone or together with other shareholders hold a total number of shares representing at least 0.5% (or such other amount established by Consob regulations for the appointment of the Board of Directors) of the voting share capital, may submit slates.</p> <p>17.6 - Together with each slate, it is necessary to file individual candidates' acceptances of their candidacy and declarations in which they attest, on their own responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet the requirements as well as any other piece of information requested by applicable law or regulation or the bylaws</p> <p>17.7 - Together with the declarations, a curriculum vitae for each candidate shall be filed setting out their main personal and professional data with an indication of the positions held in management and control bodies of other companies. Any changes that occur up to the day the Shareholders' Meeting is held must be notified to the Company.</p> <p>17.8 - The slates shall be divided into two sections: one for candidates to the position of auditor and the other for candidates to the position of alternate. The first candidate in each section shall be selected from among persons entered in the register of auditors who have worked on statutory audits for a period of not less than three years.</p> <p>17.9 - Each person entitled to vote may vote for only one slate.</p> <p>17.10 - The Board of Auditors shall be elected as specified below:</p> <p>a) from the slate that obtains the majority of the votes cast by the shareholders (the Majority Slate) one alternate and three auditors shall be chosen in the order in which they are listed on the slate;</p> <p>b) two auditors shall be chosen from the other slates (the Minority Slates);</p> <p>To this end the votes obtained by the Minority Slates shall be divided first by one and then by two. The quotients thus obtained shall be assigned to the candidates of the corresponding section of each slate in the order specified thereon. On the basis of the quotients assigned, the candidates on the various slates shall be arranged in a single decreasing ranking and</p>	<p>17.5 - Only shareholders who alone or together with other shareholders hold a total number of shares representing at least 0.5% (or such other amount established by Consob regulations for the appointment of the Board of Directors) of the voting share capital, may submit slates.</p> <p>17.6 - Together with each slate, it is necessary to file individual candidates' acceptances of their candidacy and declarations in which they attest, on their own responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet the requirements as well as any other piece of information requested by applicable law or regulation or the bylaws</p> <p>17.7 - Together with the declarations, a curriculum vitae for each candidate shall be filed setting out their main personal and professional data with an indication of the positions held in management and control bodies of other companies. Any changes that occur up to the day the Shareholders' Meeting is held must be notified to the Company.</p> <p>17.8 - The slates shall be divided into two sections: one for candidates to the position of auditor and the other for candidates to the position of alternate. The first candidate in each section shall be selected from among persons entered in the register of auditors who have worked on statutory audits for a period of not less than three years.</p> <p>17.9 - Each person entitled to vote may vote for only one slate.</p> <p>17.10 - The Board of Auditors shall be elected as specified below:</p> <p>a) from the slate that obtains the majority of the votes cast by the shareholders (the Majority Slate) one alternate and three auditors <u>and two alternates</u> shall be chosen in the order in which they are listed on the slate;</p> <p>b) <u>without prejudice to the applicable laws and regulations concerning the limits to link with the Majority Slate</u> two auditors <u>and as many alternates</u> shall be chosen from the other slates (the Minority Slates);</p> <p>To this end the votes obtained by the Minority Slates shall be divided first by one and then by two. The quotients thus obtained shall be assigned to the candidates of the corresponding <u>one and the other</u> section of each slate in the order specified thereon. On the basis of the quotients assigned, the candidates on the various slates shall be arranged <u>respectively</u> in a single</p>
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<p>those who have obtained the two highest quotients shall be elected.</p> <p>If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected an auditor shall be elected or, subordinately, there shall be a tiebreaker vote by the entire Shareholders' Meeting and the candidate who obtains the simple majority of the votes shall be elected.</p> <p>c) one alternate auditor shall be chosen from the Minority Slate that obtained the largest number of votes.</p> <p>In the event of a tie, there shall be a tiebreaker vote by the entire Shareholders' Meeting and the candidate who obtains the simple majority of the votes shall be elected.</p> <p>17.11 - The Shareholders' Meeting shall appoint the Chairman of the Board of Auditors from among the auditors elected from Minority Slates.</p> <p>17.12 - In appointing auditors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall vote on the basis of the majorities required by law.</p> <p>17.13 - In the event of the termination of the appointment of an auditor chosen from the Majority Slate or from one of the Minority Slates, the alternate chosen respectively from the Majority Slate or the Minority Slates shall take his/her place. Appointments to fill vacancies on the Board of Auditors pursuant to Article 2401 of the Civil Code shall be approved by the Shareholders' Meeting with the affirmative vote of the absolute majority of those voting and in compliance with the principle of the necessary representation of the minority shareholders. The principle of the necessary representation of the minority shareholders shall be deemed to be complied with in the event of the appointment of the alternate chosen from the Minority Slates to take the place of an auditor chosen from the same slates.</p> <p>17.14 - After notifying the Chairman of the Board of Directors, the Board of Auditors, may call, as provided for by law, a Shareholders' Meeting or a meeting of the Board of Directors or the Executive Committee. This power to call meetings may be exercised individually by each auditor, except for the power to call a Shareholders' Meeting, which must be exercised by at least two auditors.</p>	<p>decreasing ranking for the appointment of the auditors and a single decreasing ranking for the appointment of the alternates and those who have obtained the two highest quotients shall be elected.</p> <p>If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected an auditor shall be elected or, subordinately, there shall be a tiebreaker vote by the entire Shareholders' Meeting and the candidate who obtains the simple majority of the votes shall be elected.</p> <p>e) one alternate auditor shall be chosen from the Minority Slate that obtained the largest number of votes.</p> <p>In the event of a tie, there shall be a tiebreaker vote by the entire Shareholders' Meeting and the candidate who obtains the simple majority of the votes shall be elected.</p> <p>17.11 - The Shareholders' Meeting shall appoint the Chairman of the Board of Auditors from among the auditors elected from Minority Slates.</p> <p>17.12 - In appointing auditors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall vote on the basis of the majorities required by law.</p> <p>17.13 - In the event of the termination of the appointment of an auditors chosen from the Majority Slate or from one of the Minority Slates, the alternates chosen respectively from the Majority Slate or the Minority Slates shall take their his/her place in declining order of age. Appointments to fill vacancies on the Board of Auditors pursuant to Article 2401 of the Civil Code shall be approved by the Shareholders' Meeting with the affirmative vote of the absolute majority of those voting and in compliance with the principle of the necessary representation of the minority shareholders. In the event of the termination of the appointment of an auditor chosen from the Minority Slates, the principle of the necessary representation of the minority shareholders shall be deemed to be complied with in the event of the appointment of an the alternate chosen from the Minority Slates to take the place of an auditor chosen from the same slates.</p> <p>17.14 - After notifying the Chairman of the Board of Directors, the Board of Auditors, may call, as provided for by law, a Shareholders' Meeting or a meeting of the Board of Directors or the Executive Committee. This power to call meetings may be exercised individually by each auditor, except for the power to call a Shareholders' Meeting, which must be exercised by at least two auditors.</p>
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<p>17.15 - Participation in the meetings of the Board of Auditors may – if the Chairman verifies the necessity – be by means of telecommunication techniques that permit participation in the discussion and informational equality for all those taking part.</p> <p>17.16 - If the Chairman is absent or unable to act, the other auditor elected from the Minority Slates shall take his/her place.</p>	<p>17.15 - Participation in the meetings of the Board of Auditors may – if the Chairman verifies the necessity – be by means of telecommunication techniques that permit participation in the discussion and informational equality for all those taking part.</p> <p>17.16 - If the Chairman is absent or unable to act, the other auditor elected from the Minority Slates shall take his/her place.</p>
<p>Article 18</p>	<p>Article 18</p>
<p>18.1 - An Ordinary Shareholders' Meeting must be called within 120 days or, where special circumstances make this necessary, within 180 days of the end of the fiscal year; if the meeting is called within 180 days, the Directors shall give the reasons for the delay in the report on operations included in the annual report.</p> <p>18.2 - An Extraordinary Shareholders' Meeting shall be called whenever it is deemed desirable by the Board of Directors and when it is required in accordance with the law. If the quorum is not reached at the second call, there may be a third call.</p> <p>18.3 - Special meetings of savings shareholders shall be called by the common representative of the savings shareholders or by the Company's Board of Directors whenever they deem this to be desirable or when requested in accordance with the law.</p> <p>18.4 - Requests by shareholders to add items to the agenda of a Shareholders' Meeting in accordance with the law must be accompanied by a report, to be filed at the Company's registered office in time to be made available to shareholders at least 10 days prior to the date set for the meeting on the first call.</p> <p>18.5 - Ordinary and Extraordinary Shareholders' Meetings and special meetings of savings shareholders may be held in a place other than the registered office, provided it is in Italy.</p>	<p>18.1 - An Ordinary Shareholders' Meeting must be called within 120 days or, where special circumstances make this necessary, within 180 days of the end of the fiscal year; if the meeting is called within 180 days, the Directors shall give the reasons for the delay in the report on operations included in the annual report.</p> <p><u>18.12</u> - An Extraordinary Shareholders' Meeting shall be called whenever it is deemed desirable by the Board of Directors and when it is required in accordance with the law. If the quorum is not reached at the second call, there may be a third call.</p> <p>18.23 - Special meetings of savings shareholders shall be called by the common representative of the savings shareholders or by the Company's Board of Directors whenever they deem this to be desirable or when requested in accordance with the law.</p> <p><u>18.34</u> - Requests by shareholders to add items to the agenda of a Shareholders' Meeting in accordance with the law must be accompanied by a report, to be filed at the Company's registered office in time to be made available to shareholders at least 10 days prior to the date set for the meeting on the first call.</p> <p>18.45 - Ordinary and Extraordinary Shareholders' Meetings and special meetings of savings shareholders may be held in a place other than the registered office, provided it is in Italy.</p>

2. to confer severally on the Company's legal representatives *pro tempore* the powers needed to perform all the necessary formalities for the approved resolutions to be entered in the Company Register, accepting and making thereto any changes, additions or deletions not of a substantial nature that may be requested by the competent authorities, while taking note and establishing that the new bylaws for the

appointment of directors (Article 9) and for the appointment of two additional alternate auditors (Article 17) shall apply as amended above with effect from the renewal of respectively the Board of Directors and the Board of Auditors subsequent to the introduction of the amendments to the bylaws in question.