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Article 1 – Premise

Both internally and externally, the activity of the Telecom Italia Group is based on observance of the principles set out in this Code, the cornerstone of the Telecom Italia Group’s organizational model and system of internal control, in the belief that ethical business conduct is also a condition for a firm’s success.

Accordingly, Telecom Italia has adhered – and encourages all the companies in the Group to adhere – to the United Nations Global Compact on human rights, labour standards, protection of the environment and the fight against corruption; it ensures the complete fulfilment of this institutional undertaking by carrying out initiatives in the environmental and social fields, with special reference to the following matters: a) environmental policies; b) social policies regarding child labour, compulsory labour, health and security, freedom of association and the right to collective bargaining, discrimination, disciplinary procedures, working hours, and wages; c) relations with suppliers in the Telecom Italia Group’s purchasing procedures; d) relations with customers.

As persons to whom this Code is directed, the governing bodies of all Group companies, their employees, their managements and all those who work for them, as well as collaborators and third parties in business relationships with the Group, are required to observe this Code within the scope of their respective powers, functions and responsibilities. The Group companies must promote knowledge of the Code amongst the persons to whom it is directed.

Article 2 – Founding values

Companies of Telecom Italia Group operate ensuring the excellence of services to its customers creating at the same time value for the shareholder and the community, complying with the principles established in this Code and, above all, the human resources who work for the Group. Business and financial strategies must be oriented to pursue these values, as must the consequent conduct of operations, based in turn on the efficient use of resources.

Group Companies

- must be committed, as active and responsible members of the community, to observing and ensuring the observance of the laws in force in the countries in which they operate and the ethical principles commonly accepted in the conduct of business: transparency, correctness and fairness;
- must reject and stigmatize recourse to illegal and improper conduct (including corruptive practices, of any nature) in order to achieve their business objectives, which they must pursue exclusively through the excellence of their products and services in terms of quality and cost-effectiveness, based on experience, customer care and innovation;
- must adopt organisational solutions aimed at preventing violation of legal provisions and the principles of transparency, fairness and loyalty by the persons to whom the code is directed and monitor their compliance and concrete implementation.

Article 3 – Internal control and risk management system

An efficient and effective internal control and risk management system are a necessary condition for the conduct of business to conform with the rules and principles of this Code. In this context, the internal control and risk management system are a process made up of the set of rules, the procedures and the organizational structures designed to ensure: a) the efficiency of the management of corporate affairs and operations and in particular the efficiency and effectiveness of company processes; b) the measurability and verifiability of this efficiency, including by means of the traceability of acts and operations; c) the reliability of accounting, financial and management data;
d) compliance with all applicable laws and regulations whatever their origin, the Company Bylaws and the internal procedures as well as the safeguarding of the Company’s assets, inter alia so as to prevent fraud at the expense of Telecom Italia Group companies and the financial market; e) the identification, the measurement, the management and the monitoring of major risks. All the persons to whom the Code is directed are therefore required to help ensure the system works properly.

Especially important aspects of the internal control system are the correct specification of duties and responsibilities, as well as principles regarding separation of roles, traceability of data and information, accountability of information and processes, with a consistent allocation of operational powers and the reliability of accounting and management data.

The collection, storage, processing, presentation and dissemination of accounting data, reflecting accurately, correctly and in reasonable detail all operations according to the methods and time limits established by applicable laws and regulations and corporate operational procedures must be a priority objective for Group companies. Responsibility for the pursuit of this objective – which requires the cooperation of all the persons to whom the Code is directed – shall lie with the management of the Group companies, while the executive directors, the Chief Financial Officer and the persons responsible for the preparation of the financial reports and operational control in each Group company are responsible for ensuring a adequate system of rules and compliance therewith.

**Article 4 – Relations with stakeholders**

**4.1 Shareholders**

Group companies ensure equal treatment for all classes of shareholders, in accordance with the Bylaws restrictions. The advantages that come from belonging to a group must be pursued in accordance with applicable laws and regulations and without prejudice to the interest of each company in the profitability of its activities and the creation of value for its shareholders.

**4.2 Customers**

The excellence of Group companies’ products and services is founded on the attention paid to customers and the willingness to satisfy their requests. The ultimate aim must be to guarantee an immediate, capable and competent response to customers’ needs, through conduct based on business correctness, transparent relationships and contractual commitments, as well as on courtesy and cooperation, in any case without using any statement harmful to the business image of competitors, in compliance with customers’ central role and disciplinary principles based on specific internal procedures. In this context importance is also given to collaboration with consumers’ associations, including by the conclusion of specific agreements.

**4.2 bis - Competitors**

Group companies promote loyal competition, aimed at serving the interests of the Group and the interests of all the participants in the market, customers and stakeholders in general.

**4.2 ter - Suppliers**

Group companies are committed to ensuring that purchasing procedures are directed to obtaining products and services at the best conditions available on the market, while simultaneously meeting quality, security and environmental requirements.

**4.2.quater - Institutions**
Group companies maintain a cooperative and transparent relationship with Italian and international institutions in order to facilitate dialogue on issues of special interest.

4.2 quinquies - The environment

Group companies use resources responsibly, aimed at achieving sustainable development in compliance with the environment and the rights of future generations. Group companies pursue their own strategies with regard to the environment in compliance with the following principles: optimize the use of energy sources and natural resources; minimize negative environmental impacts and maximize positive ones; foster the spread of a culture based on a correct approach to environmental issues; ensure a commitment to continuously improving environmental performance; and adopt purchasing policies that take account of environmental issues.

4.3 The community

Group companies intend to contribute to the economic well-being and growth of the communities in which they operate by providing efficient and technologically advanced services.

Consistently with this objective and with their responsibilities towards the various stakeholders, Group companies must consider research and innovation as essential to their growth and success.

Compatibly with their nature of commercial enterprises and the consequent need for their operations to be economically efficient, in their choices Group companies must consider the social importance of telecommunications services and endeavour to meet the needs of the entire community, including the weakest members.

Aware of the importance of the services they provide and the consequent responsibility towards society, Group companies must maintain relations with local, national and international authorities based on full and active cooperation and transparency, in conformity with their respective roles and the economic objectives and the values set out in this Code.

Group companies must reserve donations in favour of third parties - such as, in particular, non-profit organizations and entities - by taking concrete humanitarian and cultural, social and sporting initiatives, which may represent concrete actions to create added value for shareholders and stakeholders, also in terms of civil, in compliance with internal policies and procedures.

Group companies must not make contributions of any kind to political parties or trade unions or to their representatives or candidates, without prejudice to applicable laws and regulations.

Group companies believe in the possibility of sustainable growth at global level, in the interest of all today’s and tomorrow’s stakeholders. Their investment and operating choices must therefore always take into account the need to protect the environment and public health.

4.4 Human resources

Group companies must recognize the central role of human resources, in the belief that the principal factor in the success of every firm is the contribution made by those who work for it, in accordance with differences, considered an opportunity for growth and enrichment, in a context of fairness and mutual trust.

Group companies must protect their employees’ safety and health at the workplace and in the conduct of their business, consider respect for the physical and moral integrity and for workers’ rights to be of fundamental importance. Personnel management within the Group must aim to ensure equal opportunity and to promote the professional development of each individual. All forms of discrimination or harassment are stigmatized and sanctioned, and in particular those based on sex or sexual orientation, race, ethnic or social origin, nationality, language, religion, political or other opinions, belonging to a national minority, different skills or age. Group companies avoid offensive or intimidating working environments being created, encouraged or tolerated.

4.5 The market
Group companies must be aware of the importance of correct information about their activities for the market, investors and the community as a whole.

Subject to the need for confidentiality in running their businesses, Group companies must make transparency an objective in their dealings with all stakeholders. In particular, they must disclose information to the market and investors in accordance with criteria of correctness, clarity and equal access.

The disclosure of information to third parties must be governed – in accordance with applicable laws and regulations – by special internal procedures.

**Article 5 – Transactions with related parties**

The activity of Group companies must be based on the principles of correctness and transparency. To this end, transactions with related parties, including intra-group transactions, must ensure substantial and procedural correctness, by complying with conduct of business rules for carrying out such transactions, set out in relevant internal procedures.

**Article 6 – Conduct of the persons to whom the Code is directed**

The conduct of all Group companies members of the governing bodies, their managements and all those who work for them, in carrying out their activities and business relationships, must be based on compliance with applicable laws and regulations, this Code and company procedures.

The persons to whom the Code is directed may not:

- the behaviour and activities, on the part of any recipient of the Code (therein including the senior management of the Parent Company and/or of the individual Group companies), that may be even abstractly of an illicit nature, even though it may be advantageous for the Group and/or realised exclusively in the interest or for the advantage of the individual Company or of the Group. In no case may the pursuit of said interest or advantage justify a conduct that does not comply with the Code. It is specifically prohibited to receive, demand, give or offer - directly or indirectly - payments, gifts or other benefits of any nature, from or to third parties, public or private subjects, that exceed a reasonable courtesy and are likely to be interpreted as aimed at unduly influencing an act which falls within one's competence or obtaining an undue advantage;
- pursue their personal interest or the interest of third parties to the detriment of the interest of the company they work for;
- improperly exploit, for personal interest or the interest of third parties, the name or reputation of the company they work for and of the Group or any information they acquire or business opportunities they learn of in the performance of their functions;
- use company assets for purposes other than those for which they are intended.

The persons to whom the Code is directed must refrain from activities (whether paid or not) and conduct incompatible with the obligations deriving from their relationship with the company they work for.

The persons to whom the Code is directed must report any conflict even potential, of their own interest (direct or indirect) with respect to the company they work for or to other Group Companies; reports must also be made in doubtful cases.

The persons to whom the Code is directed must ensure the confidentiality of any information they acquire or process in performing their functions, in compliance with the rules set out in the internal procedure on the classification and management of information in terms of confidentiality. The handling of confidential
information, with special reference to price-sensitive information, must also be governed – in accordance
with applicable laws and regulations – by the relevant internal procedures.

The persons to whom the Code is directed must protect the information generated or acquired within the
Company and in business relations and avoid any improper use, guaranteeing the processing of personal
data in accordance with the rights and dignity of those concerned, within the limits in which the
processing is necessary (need to know).

The persons to whom the Code in directed must participate actively in the fight against all forms of
corruption, in full compliance with the principles of legality, transparency, correctness and fairness, in line
with the appropriate Group policy and specific internal procedures.

**Article 7 – Compliance with the Code**

Group companies adapt their policies, procedures, rules or internal instructions in order to ensure that the
objectives and values embodied in the Code are reflected in the conduct of each company and in that of
its employees and collaborators, with provision made, where appropriate and in accordance with
applicable laws and regulations, for a system of sanctions for violations.

Employees, collaborators, consultants and third parties having business relations with the Group must
promptly inform the responsible of the Audit Department at the company they work for, directly or via
their immediate superior, in the manner laid down in the relevant internal procedures:

- violation or inducement to violate applicable laws and regulations, this Code or internal
  procedures;
- irregularity or negligence in keeping accounting records, preserving the related
documentation or fulfilling obligations with regard to financial or internal management
reports;
- requests for clarification regarding the assessment of the correctness of their own or
  others’ conduct and any shortcomings in the Code or proposals for amendments and/or
  additions.

The Responsible of the Audit Department must verify any such reports to establish the facts and take
appropriate action, including proposals to punish the culprits where this is provided for and in accordance
with the procedures laid down in applicable laws and regulations, collective bargaining agreements or
contracts.

Persons who make a report in good faith must not suffer any adverse consequences. Their names must
be kept confidential in accordance with the relevant internal procedures, except as provided for by law.

The Control and Risk Committee and the Board of Statutory Auditors must be promptly informed of the
reports received by the responsible of the Audit Department and the consequent action taken.

**Article 8 - Monitoring and revision of the Code**

The Code must be periodically reviewed and revised as necessary by Telecom Italia’s Board of Directors.