EXECUTIVE RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTING DOCUMENTS

INTERNAL REGULATIONS

JULY 2017

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1. Competences of the Board of Directors

1.1. Pursuant to the law and the company Bylaws, the Board of Directors of Telecom Italia S.p.A. (hereinafter also TIM, the Company or the Parent Company) in the first useful meeting after its constitution and - during its term of office - without delay every time a replacement should be necessary, shall appoint the executive responsible for preparing the company's accounting documents (the Executive), after having obtained the opinion of the Board of Statutory Auditors. The Executive shall also operate as the Chief Financial Officer based on the applicable United States regulations.

1.2. The Control and Risk Committee shall assist the Board of Directors in its supervisory activity on the adequacy of the powers and means available to the Executive, and on the effective respect of the administrative and accounting procedures.

2. Responsibilities

2.1. The functional responsibility (for organisational issues and for the topic itself) of the Executive for internal controls for financial reporting, extends to the whole of TIM and the companies it controls (the Group). The hierarchical responsibility of the Executive remains limited to the specific structure that the Executive leads.

2.2. The Executive shall be responsible:

- for the definition of the administrative and accounting procedures necessary to formulate the corporate accounting documents and any other communication of a financial nature, as well as for their adequacy and effective application;

- for ensuring that the corporate accounting documents reflect the results in accounting registers and entries, and for the suitability to provide a truthful and correct representation of the assets and economic and financial situation of TIM and of the Group;

- for the completeness of the content of the financial statement documentation and in general for its respect for the applicable regulations.

2.3. Responsibility for the integrity and correctness of the information remains an individual responsibility within the organisation of the business, in the single divisions that produce and check the information and use it to supply the flows of information governed by the administrative and accounting procedures.

2.4. The Executive shall be responsible for drawing up the draft financial statements, individual and consolidated, annual and half-yearly, and of the report on operations that accompanies such statements, and in general for the accounting documentation to be submitted to the Board of Directors for review and approval. This documentation is accompanied by declarations and attestations to be provided for the purposes of the applicable regulations.

2.5. The Executive shall attend meetings of the board when topics that fall within his or her sphere of duties are to be discussed.

3. Duties and means

3.1. In relation to the responsibilities attributed to him or her, the Executive shall issue procedures and impart instructions both inside TIM and to the Group companies, in
carrying out TIM’s direction and control of said companies and in any event using the powers of the Parent Company.

3.2. Non-respect of said procedures and instructions by employees and collaborators shall be treated as non-compliance with the instructions issued for the purposes and to the effects of the execution of their contractual relationship (with the consequent application of sanctions as set out in the applicable regulations).

3.3. The Executive shall, with the Senior Management of TIM (the Chair and Chief Executive Officer of the Company) and the hierarchical heads of the company divisions involved, identify the organizational and procedural solutions that are suited to ensure that the system for internal control over financial reporting is adequate. The Senior Management of TIM and the heads of the various company divisions shall ensure that the Executive has the necessary support for this purpose.

3.4. The Executive shall operate within the framework of the budget determined annually by the Board of Directors of TIM with the contribution of said Executive, who shall be responsible for ensuring that the Senior Management of TIM is promptly informed of the need for any corrections or supplementations to ensure that the component of the system for internal control over financial reporting is adequate, and its activity effective. For this purpose, the aforementioned budget framework may be flexed by the Executive in case of urgency, with immediate communication thereof to the Senior Management of TIM.

3.5. The Senior Management of TIM shall without delay provide a motivated response to the reports and/or requests of the Executive, with all appropriate follow-through with the Board of Directors, for reporting purposes and/or for it to make the decisions within its competence.

3.6. The Executive shall act in coordination with the Head of Compliance at TIM, who is responsible for promptly informing the Company Bodies of the Parent Company of any significant aspects regarding the system for internal control over financial reporting.

4. Reporting

4.1. The Executive shall report directly to the Board of Directors, to the Control and Risk Committee and - for those matters within its competence - to the Board of Statutory Auditors of TIM, in relation to the specific responsibilities and functions of his or her role.

4.2. After having reported to the Senior Management of TIM, the Executive shall account for the state of the system for internal control over financial reporting at board reviews of the accounting documentation to be submitted to the Board of Directors for review and approval, pointing out any significant shortcomings (1) that he or she might have encountered in their assessment of the controls and initiatives taken/planned to remedy or compensate for said shortcomings.

(1) Shortcomings that may be qualified as material weaknesses or significant deficiencies, pursuant to US law are considered significant. PCAOB (Public Company Accounting Oversight Board) auditing standard no. 5 defines these two concepts as follows:

a) A material weakness is “a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis”;

b) A significant deficiency is “a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those responsible for oversight of the company’s financial reporting”: in the proposed Italian version, the concept of FROR - Financial Reporting Oversight Role is translated using the definition contained in art. 149-bis, subsection 9, final part, of the Issuer Regulation).
4.3. The Executive is obliged to promptly bring to the attention of the administrative and control bodies of the Company any significant anomalies or shortcomings ascertained from time to time, which in his or her prudent assessment do not appear susceptible to be corrected in time for the approval of the financial statements of the current period.

4.4. The Executive shall work in coordination with the Head of the Compliance Department of the Parent Company to ensure the necessary information flows to the Control and Risk Committee and the Board of Statutory Auditors of TIM on the status of any shortcomings that might have been found in the controls, and the initiatives taken and/or planned to remedy or compensate for them.

5. Cross reference

5.1. The responsibilities and duties of the Executive set out in the corporate governance documents of the Company remain applicable.