

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

In the year 2013 (two thousand and thirteen),
on the 10th (tenth) day
of the month of May,
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 *Franco Bernabè*, by the listed joint-stock company known as:

"Telecom Italia S.p.A."

with registered office in Milan, Piazza degli Affari 2, share capital 10,693,740,302.30 euros, fully paid-up, tax code and registration number in the Milan Business Register: 00488410010, registered in the Economic and Administrative Register of Milan under no. 1580695 (hereinafter also referred to as: the "**Company**"),

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

17 (seventeenth) April 2013 (two thousand and thirteen)

in accordance with the notice referred to below, to discuss and vote on the agenda which is also reproduced below.

I give notice that the record of the proceedings of the said Shareholders' Meeting, which I, the Notary, attended, as regards the extraordinary part of the agenda, is as stated below, the ordinary part being the subject of separate minutes.

* * *

Mr **Bernabè** 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 5:29 pm) appointed me, the notary, to take the minutes also of the extraordinary part of the meeting, and indicated that the shares represented numbered 5,956,087,708, with the right to the same number of votes, and were equivalent to approximately 44.39% of the total of the ordinary shares. He declared therefore that the meeting was also validly constituted in extraordinary session.

The Chairman then recalled, insofar as they were relevant, the announcements made at the opening of the Shareholders' Meeting and recorded below:

- the Extraordinary Shareholders' Meeting was called to discuss and vote on the following

Agenda

2013 Employee Share Ownership Plan - related and consequent resolutions, including authorization to increase the share capital for cash and free of charge for a total sum of 39,600,000 euros;

- the extract from the notice convening the Shareholders' Meeting had been published on 15 March 2013 in the daily newspapers *Il Sole 24 Ore* and the *Financial Times*;

- the share capital was 10,693,628,019.25 euros, divided into 19,442,960,035 shares with a par value of 0.55 euros per share, of which 13,416,839,374 were ordinary shares and 6,026,120,661 were savings shares;
- as of the date of the meeting, the Company held 37,672,014 of its ordinary treasury shares. In addition, 124,544,373 Telecom Italia ordinary shares were held by its subsidiary Telecom Italia Finance S.A.;
- votes could be cast from 26 March 2013 until the end of 16 April, including electronically via the Company's website; votes representing 28,073 ordinary shares had been received.

The Chairman also stated that:

- the documentation relating to the various matters on the agenda had been published in accordance with the applicable regulations;
- the following, among other things, had been distributed at the entrance:
 - the printed document containing the financial statements for 2012 (including the proposed resolutions and the associated explanatory reports);
 - a printed document containing the report on corporate governance and share ownership and the remuneration report;
 - the information document relating to the "2013 Share Ownership Plan for Employees of the Telecom Italia Group";
- according to the figures in the possession of the Company, the following held shares with voting rights amounting to more than 2% of the ordinary capital:
 - Telco S.p.A., with a direct holding, by way of ownership, corresponding to 22.387% of the capital with voting rights;
 - Findim Group S.A., with a direct holding, by way of ownership, corresponding to 4.986% of the capital with voting rights;
- as regards shareholders' agreements with significance for Telecom Italia for the purposes of article 122 of Legislative Decree 58/1998, the extract from the agreement existing between the shareholders of the relative majority shareholder Telco S.p.A. (Intesa San Paolo S.p.A., Mediobanca S.p.A., companies belonging to the Generali Group and Telefónica S.A.) had been published in the national press on 29 February 2012. The description of the essential elements of the agreement is contained in the report on corporate governance and the Company's share ownership.
- at the beginning of the proceedings, the following were present, besides the Chairman and the Chief Operating Officer Marco Patuano:
 - the Directors Elio Catania, Lucia Calvosa, Gabriele Galateri, Julio Linares, Mauro Sentinelli and Luigi Zingales;
 - all the members of the Board of Statutory Auditors;
 - Emanuele Rimini (who arrived after the proceedings had begun), common representative of the holders of savings shares;
 - Francesco Pensato, common representative of the holders of bonds relating to the following loan: "Telecom Italia S.p.A. 1,250,000,000 euros 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 firm of independent auditors were present, as well as staff engaged in the proceedings of the meeting;

- as already indicated in the notice calling the meeting and as permitted by the Bylaws, the Company has not designated its representative under Article 135 undecies of Legislative Decree no. 58/1998;

The Chairman, also:

- as per the Regulations for the Shareholders' Meeting, set 10 minutes as the maximum length of speeches during the course of the discussion, which would, as usual, take the form of a single debate for all the items for the ordinary session;

- stated that voting would then take place separately on the various items on the agenda;

- pointed out that the operations of recording attendances and counting the votes would be performed with the aid of a remote unit, the so-called "televoter", which is associated with the personal identification details of the entitled individuals;

- reminded shareholders who intended to address the meeting to make a booking; when called to make their speech they would be required to proceed to the podium set up for the purpose, and avoid speaking from the floor;

- he then informed the meeting that recording equipment was being used in order to facilitate minute-taking, and that there was also a simultaneous translation service from Italian to English and vice versa (headphones were available at the entrance to the hall). The personal data collected would be processed 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 those present that audio and video recording of the meeting by shareholders was not permitted.

Given that, for all matters included in the Agenda, documentation had been made available on paper and online, and handed out at the entrance to the hall, the Chairman stated, with no objections, that the documentation would not be read out.

* * *

After making these announcements, the Chairman:

- stated that, as in the case of the documentation regarding the items for the Ordinary Shareholders' Meeting, the reading of the explanatory report and the proposed resolution would be omitted, these too having been published in accordance with the applicable regulations and being included with the Financial Statements. A copy of the Directors' report on the agenda for the extraordinary session is attached to these minutes as **Appendix A**;

- stated that prior to the meeting and within the time-limit indicated in the notice calling the meeting, no questions for the extraordinary session had been received from shareholders;

- asked shareholders who intended to address the meeting to book at the desk in front of the platform, and to make their way to the microphone when they were called upon to speak;

- urged that speeches should be kept to the point under consideration, and not exceed the maximum permitted length of ten minutes;

- he then declared the discussion open;

- the only two shareholders who had asked to speak had withdrawn their request.

As no-one else asked to speak, the Chairman declared the discussion closed and proceeded with the voting process.

With regard to the approval of the 2013 Employee Share Ownership Plan, and the proposal to authorize the Board of Directors to increase the share capital to service the 2013 Employee Share Ownership Plan by the methods specified therein, the Chairman then:

- 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;
- announced that, for the purposes of the resolutions, the number of shares represented was 5,956,056,385, entitling the holders to an equal number of votes, equivalent to approximately 44.39% of the total number of ordinary shares;
- therefore declared the voting open at 5:31 p.m. on the respective proposed resolution transcribed below (stating only the new wording of article 5.7 (five point seven) of the Company Bylaws which it was proposed to insert in the Bylaws):

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

- having examined the explanatory report by the Board of Directors (the "Report");
- given the statement by the Board of Statutory Auditors that the current share capital is fully paid up;
- having taken note of the information document on the initiative prepared for disclosure purposes,

resolves

1. to approve the "2013 Employee Share Ownership Plan" in the general terms set out in the Report, as well as the information document prepared for the purposes of disclosure of the initiative (the "2013 Plan");
2. to confer on the Board of Directors all powers necessary or expedient for implementing the 2013 Plan, 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 authorization to assign ordinary treasury shares in the Company portfolio free of charge;
3. to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for a period of five years from the date of this resolution, the authority to increase the share capital to service the implementation of the "2013 Employee Share Ownership Plan," (i) by issuing for cash a maximum of 54,000,000 (fifty-four million) new ordinary shares with a par value of 0.55 (zero point five five) euros each, and thus for a nominal amount no greater than 29,700,000 (twenty-nine million seven hundred thousand) euros, with regular dividend entitlement, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, to be reserved for the respective beneficiaries, and then subsequently (ii) for a maximum amount of 9,900,000 (nine million nine hundred thousand) euros by the allocation of the corresponding maximum amount of profits pursuant to article 2349 of the Italian Civil Code, by issuing a sufficient number of ordinary shares for the allocation of one free share for every three shares subscribed for cash, as above, by employees in the "2013 Employee Share Ownership Plan," subject to the terms and conditions and by the methods specified therein.

With respect to the capital increase for cash, the Board of Directors shall set the share issue price (including any premium) in accordance with the "2013 Employee Share Ownership Plan", and it shall also set a suitable time limit for its subscription, specifying that, if the increase resolved is not fully subscribed within that time limit, the capital shall be increased by an amount equal to the subscriptions received up to such time. Regarding the increase in capital to be made available by allocation of the profits, the Board of Directors shall have the right to proceed to properly identify the profits and/or retained profits stated in the last financial statements duly approved for use for this purpose, with a mandate to make the appropriate accounting adjustments consequent on the issue operations, in accordance with the legal provisions and the accounting principles applicable in each case;

4. to amend article 5 of the Company Bylaws as follows:

"5.7 For five years starting from 17 April 2013 the Directors may increase the share capital as follows:

- to service the "2013 Employee Share Ownership Plan," as approved by the Shareholders' Meeting on 17 April 2013, (i) by issuing for cash a maximum of 54,000,000 new ordinary shares with a par value of 0.55 euros each, and thus for a nominal amount no greater than 29,700,000 euros, with regular dividend entitlement, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, to be offered for subscription to employees who are beneficiaries of the "2013 Employee Share Ownership Plan", and subsequently (ii) for a maximum amount of 9,900,000 euros by the allocation of the corresponding maximum amount of profits pursuant to article 2349 of the Italian Civil Code, by issuing a sufficient number of new ordinary shares with a par value of 0.55 euros each, with regular dividend entitlement, for the allocation of one free share for every three shares subscribed for cash, as above, by employees who are beneficiaries of the "2013 Employee Share Ownership Plan," subject to the terms and conditions and by the methods specified therein. With respect to the capital increase for cash, the Board of Directors shall set the share issue price (including any premium) in accordance with the provisions of the "2013 Employee Share Ownership Plan", and it shall also set a suitable time limit for their subscription, specifying that, if the increase resolved is not fully subscribed within that time limit, the capital shall be increased by an amount equal to the subscriptions received up to such time."

5. 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:

- make the changes on a case by case basis to article 5 of the Company Bylaws that are consequent on the resolutions, and on the execution and completion of the increases in share capital authorized as above, and to that end meet all the obligations and publish all information required by the regulations;

- complete all the necessary formalities for the adopted resolutions to be entered in the Business Register, accepting and introducing into said resolutions the amendments, additions or deletions of non-substantial parts that might be requested by the competent authorities, as well as all the powers necessary for legal and regulatory compliance deriving from the resolutions adopted.

The resolution was approved by a majority of the shareholders.

Against 230,707,143 shares.

Abstaining/Not voting 9,864,531 shares.

In favour the remaining 5,715,484,711 shares represented.

All as detailed in the appendices.

The Chairman announced the result and, at 5:35 p.m., all the items on the Agenda having been dealt with, declared the business of the Meeting concluded and thanked those who had attended.

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

- the Bylaws containing the amendments approved by the Shareholders' Meeting, as **Appendix B;**

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

These minutes were signed by me, the notary, at 6 (six) p.m.

They consist of three sheets written using mechanical means by a person whom I trust, and completed in my own hand, making eleven pages and part of the twelfth as far as here.

Signed Carlo Marchetti, notary public