

**TELECOM ITALIA S.P.A.**

**SHAREHOLDERS' MEETING ON DECEMBER 15, 2015**

**EVALUATIONS OF THE BOARD OF DIRECTORS, PURSUANT TO ARTICLE 126-BIS, PARAGRAPH 4, OF THE ITALIAN LEGISLATIVE DECREE N. 58/1998, ON THE ITEM ADDED TO THE AGENDA BY VIVENDI S.A.**

Dear Shareholders,

on 15 November 2015, the Company received from shareholder Vivendi S.A. a formal request for an item to be added to the agenda for the Ordinary Shareholders' Meeting already called for 15 December 2015 (the "Request").

The Board of Directors, in its meeting on November 25, formulated the following evaluations pursuant to article 126-bis, paragraph 4, of the Legislative Decree n. 58/1998, which are made available to the public together with the report drawn up by the requesting shareholder, to illustrate the topic.

1. Shareholder Vivendi is entitled to exercise its right to request an addition to be made to the agenda of the Shareholders' Meeting, and has correctly done so. Said meeting will therefore also be called to discuss and resolve on the following topic: *"Appointment of 4 (four) Directors, with prior redefinition of the number of members of the Board of Directors from 13 (thirteen) to 17 (seventeen). Related and consequent resolutions"*.
2. In principle, the Board of Directors expresses itself in favour of the participation of the shareholders in the life of the business, in the forms set out in the legal provisions. In this specific case, while it is for the Shareholders' Meeting to determine the size of the board and to choose the Directors, the Board of Directors deems its current composition adequate in quali-quantitative terms, and the job done and commitment of the current Directors satisfactory. In the long run, that is in the perspective of going beyond the transitory phase which characterized the recent evolution of the shareholders' base, a composition of 11 to 13 members is still considered as fair and adequate.
3. Having stated that, the appointment of further Directors may result in an enrichment opportunity for the Board of Directors, when those called on to be a part of it bring

professional skills and experience that can make an effective contribution to the decision-making process of the Company.

4. In the case of the Request, the suitability of the candidates appears to be unquestionable, both for their professional qualification and their familiarity with business enterprises that in size and complexity are comparable to Telecom Italia. Furthermore, assuming the addition of the persons named by shareholder Vivendi to the serving Board of Directors, the gender diversity requirement would still be met and the presence of a solid majority of independent Directors would remain, while the mix of knowledge, experience and culture among the various Directors would be consolidated in terms of managerial experience and specific knowledge of both its own and contiguous business sectors.
5. On the increase in the total compensation previously established by the Shareholders Meeting on 16 April 2014, it should be noted that of the maximum sum of 1.9 million euros per year, the sum of 1,680,000 euros is currently paid as remuneration for the roles of Director (11 Directors, since the Chairman and Chief Executive Officer are excluded) and the internal Committee component (5 members of the Control and Risk Committee, 4 members of the Nomination and Remuneration Committee), as well as for the role of link between the Board of Directors and the control functions hierarchically reporting to the full board, as set out in the Corporate Governance Principles of the Company.
6. Finally, the Board of Directors observes that the proposal to release the proposed candidates from the non-competition provision pursuant to article 2390 of the Italian Civil Code, limited to the pursuit of the activities indicated by the candidates in their respective *curricula vitae* is not a derogation from the regulations on interests and transactions with related parties as set out in articles 2391 and 2391-*bis* of the Italian Civil Code. Therefore these rules remain in full force where they apply. In any case, in line with the provisions of the Corporate Governance Code, the Board of Directors – where the Shareholders' meeting approves the proposal put forward by the Vivendi Shareholder – shall in any event be responsible for assessing the specific issues that arise after the appointment, reporting any critical aspects to the Shareholders' Meeting.

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The Board of Directors hopes that the Shareholders' Meeting will reach an agreement that is as unanimous as possible.