

23 March 2018

Dear Sirs

**Mr Roberto Capone**

Chairman of the Board of Statutory Auditors

Telecom Italia S.p.A.

*By certified e-mail (PEC) to:* [roberto.capone@odcecmilano.it](mailto:roberto.capone@odcecmilano.it)

**Mr Vincenzo Cariello**

Standing Auditor

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and for information to **Commissione Nazionale per le Società e la Borsa**

Corporate Governance Division

Ms Maria Letizia Ermetes

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and for information to

**Telecom Italia S.p.A.**

For the attention of the Chairman of the Board of Directors By

certified e-mail (PEC) to: [telecomitalia@pec.telecomitalia.it](mailto:telecomitalia@pec.telecomitalia.it)

Re: *request for supplementation pursuant to art. 126 bis of Legislative Decree no. 58 of 24 February 1998 ("CLF") formulated by us on 14 March 2018*

Dear Sirs,

**whereas:**

- (a) on 10 March 2018, the Board of Directors of Telecom Italia S.p.A. (respectively, the "**BoD**" and "**Telecom**") called a meeting of the ordinary shareholders for 24 April 2018 (the "**Shareholders' Meeting**");
- (b) on 14 March, the undersigned companies formulated a request, as they are entitled to, for the supplementation of the agenda of the Shareholders' Meeting, pursuant to and for the purposes of article 126bis of the CLF, requesting that the following issues also be put to the vote at the shareholders' meeting (the "**Supplementation**"): (i) "*the revocation of the*

*mandates of 6 Directors, in the persons of Arnaud Roy de Puyfontaine, Hervé Philippe, Frédéric Crépin, Giuseppe Recchi, Félicité Herzog and Anna Jones”; and (ii) “the appointment of 6 Directors, in the persons of Fulvio Conti, Massimo Ferrari, Paola Giannotti De Ponti, Luigi Gubitosi, Dante Roscini and Rocco Sabelli, to replace the directors whose mandates have been revoked pursuant to the preceding agenda item”;*

- (c) we have learned from the press release issued by Telecom yesterday evening that: (i) the BoD, during the meeting held that afternoon to consider the Supplementation, first took note of the resignation of the Deputy Chairman Mr. Recchi, with immediate effect; (ii) during the same meeting, there were the concerted resignations of a further seven directors appointed by shareholder Vivendi, en masse, with effect from the minute before the formal start of the Shareholders' Meeting; (iii) the BoD, having decided, by a majority, that article 9.10 of the company by-laws applied, with its consequent requirement for the whole board to cease to hold office the minute before the formal start of the Shareholders' Meeting, resolved to not proceed to consider the Supplementation and called an ordinary shareholders' meeting for 4 May 2018 to appoint a new board of directors;
- (d) again from said press release, we also learned that the Board of Statutory Auditors reserved the right to proceed with the Supplementation independently, pursuant to subsection four of article 126-bis of the CLF;

**given, furthermore, that:**

- (e) article 9.10 of the Telecom by-laws prescribes that: *“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”;*
- (f) even when the resignations of directors Arnaud Roy de Puyfontaine, Hervé

Philippe, Frédéric Crépin, Giuseppe Recchi, Félicité Herzog and Anna Jones come into effect, this article does not in any event mean that directors Bernabè, Borsani, Calvosa, Cornelli, Frigerio and Vivarelli also cease to hold office. They remain directors, and retain office to all intents and purposes, with full powers, not in *prorogatio*;

- (g) there is no logical or legal impediment to the notion that the Shareholders' Meeting can proceed to vote on the proposal to (i) revoke the directors (in the measure necessary, according to the timing of the resignations offered and accepted during the board meeting of 22 March last, pursuant to article 2385, subsection one, of the Italian Civil Code), and (ii) appoint 6 directors, as formulated by the undersigned companies;

**finally, given that:**

- (h) once the Shareholders' Meeting has resolved on the proposal to appoint six directors to replace Messrs de Puyfontaine, Crépin, Hervé and Recchi, and Ms Jones and Ms Herzog, a majority of the BoD would then have been appointed by the shareholders' meeting;
- (i) moreover, reconstitution of the majority of the BoD by the shareholders' meeting would not require the cessation of the current directors who have not resigned, since the coordinated resignations en masse, which occurred yesterday during the meeting of the BoD, do not constitute a “*cause or reason*” sufficient to determine the application of the Board of Directors dissolution clause prescribed, in derogation of the law, by article 9.10 of the bylaws;
- (j) said resignations are indeed manifestly abusive, since they were openly aimed at preventing the shareholders of Telecom exercising their voting right on the proposal that is the object of the Supplementation;
- (k) insofar as they are abusive, said resignations are not sufficient to constitute a legitimate “*cause or reason*” to trigger the application of article 9.10 of the

company by-laws;

**given all of the above,**

the undersigned companies would respectfully ask the Board of Statutory Auditors, in exercising its powers under article 126-*bis*, subsection four, of the CLF, to make provision to supplement the agenda for the Shareholders Meeting with the aforementioned material and proposal for (i) the revocation of the directors (in the measure necessary, according to the timing of the resignations offered and accepted during the board meeting of 22 March last, pursuant to article 2385, subsection one, of the Italian Civil Code), and (ii) *“the appointment of 6 Directors, in the persons of Fulvio Conti, Massimo Ferrari, Paola Giannotti De Ponti, Luigi Gubitosi, Dante Roscini and Rocco Sabelli, to replace Arnaud Roy de Puyfontaine, Hervé Philippe, Frédéric Crépin, Giuseppe Recchi, Félicité Herzog and Anna Jones, who have ceased to hold office”*.

Respectfully,

**Elliott International LP**

**Elliott Associates LP**

**The Liverpool Limited Partnership**