

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 13D/A**

**Under the Securities Exchange Act of 1934  
(Amendment No. 8)**

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

(Name of Issuer)

**Ordinary shares, nominal value euro 0.55 par value each**

(Title of Class of Securities)

**87927W10**

(CUSIP Number)

**Consuelo Barbé Capdevila  
Telefónica, S.A.  
Ronda de la Comunicación s/n  
28050 Madrid, Spain  
Telephone: (+34) 91 4823733**

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

**November 27, 2013**

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

CUSIP No. 87927W10

1.	NAME OF REPORTING PERSON (See Instructions)	
	TELEFÓNICA, S.A.	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	
	(a)	<input checked="" type="checkbox"/>
	(b)	<input type="checkbox"/>
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS (See Instructions)	
	WC, BK	
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	
	<input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION	
	THE KINGDOM OF SPAIN	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER [None]
	8.	SHARED VOTING POWER 3,003,586,907*
	9.	SOLE DISPOSITIVE POWER [None]
	10.	SHARED DISPOSITIVE POWER 3,003,586,907*
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	3,003,586,907*	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)	
	<input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	22.4%*	
14.	TYPE OF REPORTING PERSON (See Instructions)	
	CO	

\* 3,003,586,907 is the total number of Telecom Italia, S.p.A. shares owned by Telco, S.p.A., representing approximately 22.4% of Telecom Italia S.p.A.'s share capital. However, although the interest held by Telefónica, S.A. in the voting share capital of Telco, S.p.A. remains unchanged (i.e. 46.18% as Telefónica currently holds) its interest in the total share capital of Telco, S.p.A. has increased up to 66% by the subscription of a capital increase in Telco, S.p.A. through the contribution of 323,772,468 euros, receiving in return non-voting shares of Telco, S.p.A. Following completion of the second capital increase in Telco, S.p.A., the interest of Telefónica in the voting share capital of Telco, S.p.A. will remain unchanged, although its interest in the total share capital will increase to 70%. Starting from January 1, 2014, Telefónica may convert all or a portion of its non-voting shares in Telco S.p.A., reaching a maximum of 64.9% of the voting share capital of Telco, S.p.A.

This Amendment No. 8 (this "Amendment") amends the statement on Schedule 13D, dated October 31, 2007, as subsequently amended (the "Schedule 13D"), and filed by Telefónica, S.A. a corporation organized under the laws of the Kingdom of Spain ("Telefónica") with respect to the ordinary shares, euro 0.55 par value per share, of Telecom Italia, S.p.A. (the "Telecom Italia Shares"), a company incorporated under the laws of the Italian Republic ("Telecom Italia"). The content of this Amendment is consistent with the document filed in Italy with Consob by the Shareholders on November 29, 2013. Except as expressly provided, this Amendment does not modify any of the information previously reported in the Schedule 13D. Capitalized terms used in this Amendment without definition have the meanings ascribed to them in the Schedule 13D.

## **Introduction**

On May 31, 2012, Telefónica, Assicurazioni Generali, S.p.A. (for its own account and in the name and on behalf of the following Generali's subsidiaries, Generali Vie, S.A. Alleanza Toro, S.p.A. Generali Italia, S.p.A. (now incorporating INA Assitalia S.p.A.) Generali Lebensversicherung AG), Intesa Sanpaolo, S.p.A., Mediobanca – Banca di Credito Finanziario, S.p.A. (together the "Shareholders") and Intesa Sanpaolo, S.p.A., Mediobanca – Banca di Credito Finanziario, S.p.A., Unicredit, S.p.A., Societe Generale, HSBC Bank (together the "2012 Lenders") entered into a Pledged Shares Option Agreement (the "2012 Pledged Shares Option Agreement") providing, among other things, for the right of the Shareholders to call and acquire from the 2012 Lenders at the terms and conditions referred to therein, any Telecom Italia S.p.A. ordinary shares that would have been appropriated by the 2012 Lenders in case of enforcement of the pledge (the "2012 Share Pledge") created under and pursuant to the share pledge agreement entered into on 31 May 2012 between Telco S.p.A., as pledgor, and the 2012 Lenders, as secured creditors.

On November 27, 2013, the Shareholders and the 2012 Lenders entered into certain contractual arrangements pursuant to which the 2012 Share Pledge was released and the 2012 Pledged Shares Option Agreement was terminated.

On November 27, 2013, a new pledged shares option agreement (the "2013 Pledged Shares Option Agreement") was entered into between, inter alios, the Shareholders and Intesa Sanpaolo, S.p.A. and Mediobanca - Banca di Credito Finanziario S.p.A. (the "2013 Lenders") to establish the terms and conditions which would govern the Shareholders' call option (the "2013 Call Option") to acquire from the 2013 Lenders at the terms and conditions referred to therein, any Telecom Italia S.p.A. ordinary shares (the "2013 Pledged Shares") that would have been appropriated by the 2013 Lenders in case of enforcement of the pledge (the "2013 Share Pledge") created under and pursuant to the share pledge agreement entered into on 27 November 2013 between Telco S.p.A. and 2013 Lenders as security for the obligations of Telco S.p.A. under the new facility agreement entered into between Telco S.p.A. and the 2013 Lenders on 4 October, 2013 (the "New Banking Facility Agreement").

Copies of the Deed of Termination of 2012 Pledged Shares Option Agreement and the 2013 Pledged Shares Option Agreement are filed hereto as Exhibits 34 and 35, respectively.

Items 6 and 7 of the Schedule 13D are hereby amended and supplemented to add the following:

### **Item 6. Contracts, Agreements, Understandings or Relationships with Respect to Securities of the Issuer.**

### ***THE DEED OF TERMINATION***

On November 27, 2013, the Shareholders and the 2012 Lenders entered into a deed of termination pursuant to which the 2012 Pledged Shares Option Agreement was terminated and the parties thereto released from any of their obligations thereunder.

### ***THE 2013 PLEDGED SHARES OPTION AGREEMENT***

On November 27, 2013, the Shareholders and the 2013 Lenders entered into the 2013 Pledged Shares Option Agreement. Pursuant to the 2013 Pledged Shares Option Agreement, Banca IMI S.p.A. in its capacity as facility agent (or any of its successors pursuant to the provisions of Clause 20.13 (*Resignation of the Facility Agent*) of the New Banking Facility Agreement) (the "Facility Agent") shall provide written notice to the existing Shareholders (the "Existing Shareholders") of any enforcement of the 2013 Share Pledge (the "Enforcement Notice"). Together with the Enforcement Notice, the Facility Agent shall also deliver to the Existing Shareholders a written notice (the "Calculation Notice") stating (i) the aggregate amount outstanding under the New Banking Facility Agreement plus interest accrued and to accrue thereunder and any other costs and expenses, including enforcement costs under the New Banking Facility Agreement; (ii) the price at which the 2013 Lenders are entitled to acquire the 2013 Pledged Shares by enforcing the provisions of the 2013 Share Pledge (the "Enforcement Price"), and (iii) the number of the 2013 Pledged Shares which the 2013 Lenders would be entitled to appropriate by virtue of enforcement of the 2013 Share Pledge (the "Appropriation Shares").

Each Existing Shareholders is entitled to acquire the Appropriation Shares from the 2013 Lenders at a price per Appropriation Share equal to the higher of (i) the aggregate amount outstanding under the New Banking Facility Agreement plus accrued and unaccrued interest thereunder and any other related costs and expenses, including enforcement costs, and (ii) the Enforcement Price divided by the aggregate number of the Appropriation Shares (in either case, the "Purchase Price").

The 2013 Call Option will be validly exercised only if it is exercised for the exact amount of Appropriation Shares, provided, however, that if there is a discrepancy in the aggregate number of Appropriation Shares reported on the Exercise Notice due to clerical error, the relevant Existing Shareholders are entitled to cure the clerical error within one business day. The 2013 Call Option may be exercised by each Existing Shareholder by delivering to the Facility Agent, and the other Existing Shareholders a written notice (the "Exercise Notice") no later than five business days after receipt of the Calculation Notice, stating that the Exercise Notice (i) is an unconditional and irrevocable offer to purchase from the 2013 Lenders all or part of the Appropriation Shares at a price per share equal to the Purchase Price and (ii) complies with the shareholders agreement with respect to Telco then in force among the Shareholders at that time.

If the 2013 Call Option is not validly exercised and, therefore, the Existing Shareholders do not acquire the Appropriation Shares, any Existing Shareholder who refuses to make available to Telco in proportion to its shareholding in Telco the funds necessary to avoid or cure a default under the New Banking Facility Agreement within the timeframe necessary to avoid the enforcement of the 2013 Share Pledge and by means of a transaction in compliance with the terms of the Shareholders Agreement then in place (such Existing Shareholder, a "Dissenting Shareholder"), will be prevented from making any Share Disposal (as defined below) for a period of six months from receipt of the Calculation Notice (the "Lock-up Period").

During the Lock-up Period, each Dissenting Shareholder agrees not to sell, transfer or in any way exchange any shares, convertible instrument or other equity or quasi-equity instruments of Telecom Italia S.p.A. (any such activity, a "Share Disposal"), provided, however, that such undertaking shall not apply (i) to Mediobanca – Banca di Credito Finanziario S.p.A. and Intesa Sanpaolo S.p.A. when appropriating, buying or selling or otherwise transferring securities and other rights in the context of the enforcement of the 2013 Share Pledge, and (ii) to Mediobanca – Banca di Credito Finanziario S.p.A., Intesa Sanpaolo S.p.A. and Assicurazioni Generali S.p.A. when appropriating, buying, selling or otherwise transferring securities and other rights in the ordinary course of their trading activities either by taking principal positions resulting from client facilitation or, with respect to Assicurazioni Generali S.p.A., by making investments through separately managed accounts for backing technical reserves. Nothing in the 2013 Pledged Shares Option Agreement shall constitute or be interpreted as a restriction, impediment or limitation whatsoever to the right of the Existing Shareholders, whether a Dissenting Shareholder or not, to purchase or appropriate, either by way of a spot or forward contract or by any other derivative instruments or arrangements of any kind having a similar effect, any shares, convertible instrument or other equity or quasi-equity instruments of Telecom Italia S.p.A. at any time (any such activity, a "Share Acquisition").

The Existing Shareholders further agreed that, during the Lock-up Period, following any enforcement of the 2013 Share Pledge, they will: (i) use their reasonable efforts to make Share Acquisitions (if any) from the 2013 Lenders in priority to any other market counterparty; and (ii) refrain from any trading activity or the making of any intentional, specific or negative communication (outside of the normal periodic or customary corporate communications of such entity) to either financial market counterparties or the press with respect to Telecom Italia S.p.A.'s shares, which would adversely affect any Share Disposal by the 2013 Lenders in the context of an enforcement of the 2013 Share Pledge .

The foregoing summary of certain material provisions of the 2013 Pledged Shares Option Agreement does not purport to be a full and complete description of such document and is entirely qualified by reference to the full text of such document attached as Exhibit 35 hereto.

#### **Item 7. Materials to be Filed as Exhibits.**

Exhibit 34: Deed of termination of the 2012 Pledged Shares Option Agreement dated November 27, 2013 by and among Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., INA Assitalia S.p.A. and Generali Lebensversicherung AG), Intesa Sanpaolo S.p.A. (in its capacity as shareholder) and Mediobanca – Banca di Credito Finanziario S.p.A. (in its capacity as shareholder) and UniCredit S.p.A., Société Générale, Milan Branch, HSBC Bank plc. ), Intesa Sanpaolo S.p.A. (in its capacity as lender) and Mediobanca – Banca di Credito Finanziario S.p.A. (in its capacity as lender)

Exhibit 35: 2013 Pledged Shares Option Agreement dated November 27, 2013 between Telefónica, S.A., Assicurazioni Generali S.p.A., (on its own account and in the name of and on behalf of the following Generali's subsidiaries Generali Vie, S.A., Alleanza Toro, S.p.A. Generali Italia, S.p.A. Generali Lebensversicherung AG ), Intesa Sanpaolo, S.p.A. (as shareholder), Mediobanca – Banca di Credito Finanziario, S.p.A. (as shareholder) and Intesasanpaolo, S.p.A. (as lender), Mediobanca- Banca di Credito Finanziario S.p.A. (as lender), Banca IMI S.p.A. (as facility agent).

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 19, 2013

**TELEFÓNICA, S.A.**

By: /s/ Ramiro Sánchez de Lerín García-Ovies  
Name: Ramiro Sánchez de Lerín García-Ovies  
Title: General Secretary to the Board of  
Directors

## Exhibit Index

### Exhibit No.

- 99.1 Co-Investment Agreement, dated as of April 28, 2007, by and among Generali, Intesa Sanpaolo, Mediobanca, Sintonia S.A. and Telefónica.\*
- 99.2 Amendment to the Co-Investment Agreement and the Shareholders' Agreement, dated October 25, 2007, by and among Generali, Intesa Sanpaolo, Mediobanca, Sintonia S.A. and Telefónica.\*
- 99.3 Shareholders' Agreement, dated as of April 28, 2007, by and among Generali, Intesa Sanpaolo, Mediobanca, Sintonia S.A. and Telefónica.\*
- 99.5 Share Purchase Agreement, dated May 4, 2007, by and among the Investors, Pirelli and Sintonia.\*
- 99.6 The Announcement of the Board of Commissioners of the Brazilian National Telecom Italiacommunications Agency (Anatel) related to the Transaction, dated October 23, 2007 (unofficial English translation).\*
- 99.10 By-laws of Telco S.p.A. prior to November 19, 2007 (See exhibit 99.13) (unofficial English translation).\*
- 99.11 Call Option Agreement, dated November 6, 2007, between Telefónica and Telco.\*
- 99.12 Amendment to Shareholders Agreement and to Bylaws, dated November 19, 2007, by and among Generali, Intesa Sanpaolo, Mediobanca, Sintonia S.A. and Telefónica.\*
- 99.13 Amended and Restated By-laws of Telco (unofficial English translation).\*
- 99.14 Letter of Adherence to the Call Option Agreement by Olimpia S.p.A., dated November 15, 2007.\*
- 99.15 Renewal Agreement, dated October 28, 2009, by and among Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., INA Assitalia S.p.A., Generali Lebensversicherung A.G.), Intesa Sanpaolo S.p.A. and Mediobanca S.p.A.\*
- 99.16 Amendment Deed to the Call Option, dated October 28, 2009, by and between Telefónica S.A. and Telco S.p.A.\*
- 99.17 Joint press release, dated October 28, 2009, issued by Telefónica S.A., Assicurazioni Generali S.p.A, Intesa Sanpaolo S.p.A. and Mediobanca S.p.A.\*
- 99.18 Purchase and Sale Agreement, dated December 22, 2009 by and between Telco S.p.A. and Sintonia S.A. (unofficial English translation).\*
- 99.19 Telco S.p.A. press release, dated December 22, 2009.\*

- 99.20 Amendment Agreement, dated January 11, 2010, by and among Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., INA Assitalia S.p.A. and Generali Lebensversicherung AG), Intesa Sanpaolo S.p.A. and Mediobanca S.p.A.\*
- 99.21 Option Agreement, dated January 11, 2010, by and among Intesa Sanpaolo S.p.A., Mediobanca — Banca di Credito Finanziario S.p.A., Unicredit Corporate Banking S.p.A., Société Générale, as lenders, and Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., INA Assitalia S.p.A. and Generali Lebensversicherung AG), Intesa Sanpaolo S.p.A. and Mediobanca — Banca di Credito Finanziario S.p.A. as shareholders.\*
- 99.22 Telco S.p.A. press release, dated January 11, 2010. \*
- 99.23 Amendment Deed, dated December 10, 2010, by and among Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., INA Assitalia S.p.A. and Generali Lebensversicherung AG), Intesa Sanpaolo S.p.A. and Mediobanca S.p.A. \*
- 99.24 Second Renewal Agreement, dated February 29, 2012, by and among Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., INA Assitalia S.p.A. and Generali Lebensversicherung AG), Intesa Sanpaolo S.p.A. and Mediobanca S.p.A. \*
- 99.25 Amendment Deed to Call Option Agreement, dated February 29, 2012, between Telefónica and Telco\*
- 99.26 Telco S.p.A. press release, dated February 12, 2012\*
- 99.27 Amendments to By-Laws of Telco (unofficial English translation) \*
- 99.28 Option Agreement, dated May 31, 2012, by and among Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., Generali Italia S.p.A. (now incorporating INA Assitalia S.p.A.) and Generali Lebensversicherung AG), Intesa Sanpaolo S.p.A. (in its capacity as shareholder), Mediobanca – Banca di Credito Finanziario S.p.A. (in its capacity as shareholder) and UniCredit S.p.A., Société Générale, Milan Branch, HSBC Bank plc), Intesa Sanpaolo S.p.A. (in its capacity as lender) and Mediobanca – Banca di Credito Finanziario S.p.A. (in its capacity as lender). \*
- 99.29 Telco S.p.A. press release, dated May 3, 2012\*
- 99.30 Telco S.p.A. press release, dated May 31, 2012.\*



- 99.31 The Agreement, dated September 24, 2013 between Telefónica, S.A. Alleanza Toro, S.p.A., Generali Italia, S.p.A., Generali Lebensversicherung A.G., Generali Vie, S.A., Assicurazioni Generali, S.p.A.(on its own behalf and in the name and on behalf of its subsidiaries Alleanza Toro, S.p.A., Generali Italia, S.p.A., Generali Lebensversicherung A.G., and Generali Vie, S.A.), Intesa Sanpaolo, S.p.A. and Mediobanca S.p.A. \*
- 99.32 Telefónica, S.A. press release, dated September 24, 2013. \*
- 99.33 By-laws of Telco, S.p.A., as amended by the Agreement. \*
- 99.34 Deed of termination of the 2012 Pledged Shares Option Agreement dated November 27, 2013 by and among Telefónica S.A., Assicurazioni Generali S.p.A. (on its own behalf and on behalf of its subsidiaries Generali Vie S.A., Alleanza Toro S.p.A., INA Assitalia S.p.A. and Generali Lebensversicherung AG), Intesa Sanpaolo S.p.A. (in its capacity as shareholder) and Mediobanca – Banca di Credito Finanziario S.p.A. (in its capacity as shareholder) and UniCredit S.p.A., Société Générale, Milan Branch, HSBC Bank plc, ), Intesa Sanpaolo S.p.A. (in its capacity as lender) and Mediobanca – Banca di Credito Finanziario S.p.A. (in its capacity as lender).
- 99.35 2013 Pledged Shares Option Agreement dated November 27, 2013 between Telefónica, S.A., Assicurazioni Generali S.p.A., (on its own account and in the name of and on behalf of the following Generali's subsidiaries Generali Vie, S.A., Alleanza Toro, S.p.A. Generali Italia, S.p.A. Generali Lebensversicherung AG), Intesa Sanpaolo, S.p.A. (in its capacity as shareholder), Mediobanca – Banca di Credito Finanziario, S.p.A. (in its capacity as shareholder) and Intesa Sanpaolo, S.p.A. (in its capacity as lender), Mediobanca - Banca di Credito Finanziario S.p.A. (in its capacity as lender), Banca IMI S.p.A. (in its capacity as facility agent).

\* Previously filed.

To the kind attention of:

**Intesa Sanpaolo S.p.A.**, in its capacity as Lender (as defined below)

Piazza San Carlo n. 156

Torino, Italy

**Mediobanca - Banca di Credito Finanziario S.p.A.**, in its capacity as Lender (as defined below)

Piazzetta Cuccia n. 1

Milan, Italy

**UniCredit S.p.A.**

CENTRO IB CORPORATE & MULTINATIONAL OVEST

Via Nizza n. 150

10126 Turin, Italy

**Société Générale**, Milan branch

Via Olona n. 2

Milan, Italy

**HSBC Bank plc**

8 Canada Square

Canary Wharf

London E14 5HQ

United Kingdom

Milan, 27 November 2013

Reference is made to your letter dated 27 November 2013, with which you propose to us the execution of a deed for the termination of the option agreement entered into between us on 31 May 2012, the contents of which we reproduce in full below:

<<

*To the kind attention of:*

**Assicurazioni Generali S.p.A.** (for its own account and in the name and on behalf of the Generali Subsidiaries as defined below)

*Piazza Duca degli Abruzzi n. 2*

*Trieste, Italy*

**Intesa Sanpaolo S.p.A.** (in its capacity as Shareholder as defined below)

*Piazza San Carlo n. 156*

*Torino, Italy*

**Mediobanca - Banca di Credito Finanziario S.p.a.** (in its capacity as Shareholder as defined below)

*Piazzetta Cuccia n. 1*

*Milan, Italy*

**Telefonica S.A.**

*Gran Via n. 28*

*28013 Madrid, Spain*

*Milan, 27 November 2013*

*Dear Sirs,*

*Following to our conversations, please find attached herebelow our agreement and understanding in relation to the following:*

*This deed of termination (the “Deed”) is entered into*

**BY AND BETWEEN**

- (1) *INTESA SANPAOLO S.P.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is at Piazza San Carlo No. 156, Torino, Italy, registered with the Companies’ Registry of Turin under No. 00799960158, in its capacity as lender under the facility agreement entered into on 28<sup>th</sup> May 2012 with Telco S.p.A. (“Intesa Sanpaolo”),*
- (2) *MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is at Piazzetta Cuccia No. 1, Milano, Italy, registered with the Companies’ Registry of Milan under No. 00714490158, in its capacity as lender under the*

facility agreement entered into 28<sup>th</sup> May 2012 with Telco S.p.A. (“**Mediobanca**”);

- (3) UNICREDIT S.P.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is in Rome at Via degli Specchi n. 16 and administrative office in Milan at Piazza Cordusio, share capital equal to euro 19,647,671,824.53, registered with the Companies’ Registry of Rome, Tax Code and VAT Number no. 00348170101 - Cod. ABI 02008.1, enrolled with the register of banks and member of the Fondo Interbancario di Tutela dei Depositi (“**UniCredit**”);
  - (4) SOCIÉTÉ GÉNÉRALE, a bank incorporated under the laws of France, with registered office in Paris, Boulevard Haussmann 29, acting through its Milan branch, with its offices at Via Olona 2, Milan, registered with the Companies’ Registry of Milan under number 8011215158, Milan REA number 748666, registered with the Banks Registry of the Bank of Italy under number 4858 (“**SG**”);
  - (5) HSBC Bank plc a company incorporated under the laws of the United Kingdom, with registered office in 8 Canada Square, Canary Wharf, London, E14 5HQ, London, United Kingdom (“**HSBC**”);
- (Intesa Sanpaolo, Mediobanca, UniCredit, SG and HSBC hereinafter collectively referred to as the “**Lenders**”);

AND

- (6) TELEFÓNICA, S.A., a Spanish company with registered office at 28013, Madrid, Gran Via n. 28, Spain (“**TE**”);
- (7) ASSICURAZIONI GENERALI S.p.A., an Italian company with registered office at Piazza Duca degli Abruzzi n. 2, Trieste, Italy;
- (8) ALLEANZA TORO S.p.A., an Italian company with registered office at Torino, via Mazzini n. 53;
- (9) INA ASSITALIA S.p.A., an Italian company with registered office at Roma, Via Leonida Bissolati, n. 23;
- (10) GENERALI LEBENSVERSICHERUNG AG, a German company with registered office at Adenauerring 11, 81737 München, registered at the district court of München under number HRB 177657;
- (11) GENERALI VIE S.A., a French company with registered office at Paris, Bld Hausmann 11;
- (12) ASSICURAZIONI GENERALI S.p.A. (hereinafter “**Generali**”), for its own account and in the name and on behalf of the following Generali’s subsidiaries GENERALI VIE S.A., ALLEANZA TORO S.p.A., INA ASSITALIA S.p.A., GENERALI LEBENSVERSICHERUNG A.G., (hereinafter the “**Generali Subsidiaries**” and together with Generali collectively “**AG**”);
- (13) INTESA SANPAOLO S.p.A, an Italian company with registered office at Piazza San Carlo n. 156, Torino, Italy, in its capacity as shareholder of Telco S.p.A. (“**IS**”);
- (14) MEDIOBANCA S.p.A., an Italian company with registered office at Piazzetta Cuccia n. 1, Milano, Italy, in its capacity as shareholder of Telco S.p.A (“**MB**”);

- (TE, AG, IS and MB hereinafter collectively referred to as the “**Shareholders**”);

(the “**Parties**”).

**WHEREAS**

- (A) *On 31 May 2012 the Parties have entered into an option agreement (the "**Option Agreement**") providing, inter alia, for the right of the Shareholders to call and acquire from the Lenders, at the terms and conditions referred to therein, any Telecom Italia S.p.A. ordinary shares that would have been appropriated by the Lenders in case of enforcement of the pledge (the "**Share Pledge**") created under and pursuant to the share pledge agreement entered into on 31 May 2012 between Telco S.p.A., as pledgor, and the Lenders, as secured creditors (the "**Share Pledge Agreement**").*
- (B) *On the date hereof, Telco and the Lenders have entered into a deed of release pursuant to which the Share Pledge has been released and the Share Pledge Agreement terminated.*
- (C) *By virtue of the above, the Parties hereby intend to terminate the Option Agreement and release each other from all their respective obligations thereunder.*

**NOW, THEREFORE**

1. *The Parties hereby agree and acknowledge that:*
- (a) *the Option Agreement is terminated and no longer in force between themselves as of the date of execution of this Deed;*
- (b) *as a result of the termination of the Option Agreement each Party is irrevocably and unconditionally discharged and released from any of its obligations thereunder.*
2. *The Parties agree that this Agreement may be disclosed and made public in accordance to applicable laws.*
3. *This Deed constitutes the entire agreement among the Parties and supersede in full any prior understandings, agreements or representations by or among the Parties, written or oral, with respect to the subject matter hereof.*
4. *This Deed shall be governed by, and interpreted in accordance with, the laws of the Republic of Italy. Any disputes arising out of or in connection with this Deed shall be submitted by the Parties to the Courts of Milan.*

\* \* \* \* \*

*Should you agree with foregoing, please transmit to us a letter containing the above text, duly signed for acceptance.*

*Best regards,*

---

**Intesa Sanpaolo S.p.A** (in its capacity as Lender)

---

**Mediobanca - Banca di Credito Finanziario S.p.A** (in its capacity as Lender)

---

**UniCredit S.p.A.**

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**Société Générale, Milan Branch**

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**HSBC Bank plc**

>>

We hereby notify you of our acceptance of the agreement set out above.

Best Regards,

---

**Intesa Sanpaolo S.p.A** (in its capacity as Shareholder)

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**Mediobanca - Banca di Credito Finanziario S.p.A** (in its capacity as Shareholder)

---

**Assicurazioni Generali S.p.A.** (for its own account and in the name and on behalf of the Generali Subsidiaries)

---

**Telefonica S.A.**

## FORM OF OPTION AGREEMENT

To the kind attention of:

**Intesa Sanpaolo S.p.A.**, in its capacity as Lender (as defined below)

Piazza San Carlo n. 156

Torino, Italy

**Mediobanca - Banca di Credito Finanziario S.p.A.**, in its capacity as Lender (as defined below)

Piazzetta Cuccia n. 1

Milan, Italy

**Banca IMI S.p.A**

Largo Mattioli No. 3,

Milan, Italy

Milan, 27 November 2013

Reference is made to your letter dated 27 November 2013, with which you propose an offer for us to execute an Option Agreement, the contents of which we reproduce in full below:

<<

To the kind attention of:

**Assicurazioni Generali S.p.A.** (for its own account and in the name and on behalf of the Generali Subsidiaries as defined below)

Piazza Duca degli Abruzzi n. 2

Trieste, Italy

**Intesa Sanpaolo S.p.A.** (in its capacity as Shareholder as defined below)

Piazza San Carlo n. 156

Torino, Italy

**Mediobanca - Banca di Credito Finanziario S.p.a.** (in its capacity as Shareholder as defined below)

Piazzetta Cuccia n. 1

Milan, Italy

**Telefonica S.A.**

Gran Via n. 28

28013 Madrid, Spain

Milan, 27 November 2013

Dear Sirs,

Following to our conversations, please find attached herebelow our agreement and understanding in relation to the following:

This option agreement (the “**Agreement**”) is entered into



## BY AND BETWEEN

- (1) INTESA SANPAOLO S.P.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is at Piazza San Carlo No. 156, Torino, Italy, registered with the Companies' Registry of Turin under No. 00799960158, in its capacity as lender under the facility agreement entered into on 4 October 2013 with Telco S.p.A. ("**Intesa Sanpaolo**"),
- (2) MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is at Piazzetta Cuccia No. 1, Milano, Italy, registered with the Companies' Registry of Milan under No. 00714490158, in its capacity as lender under the facility agreement entered into 4 October 2013 with Telco S.p.A. ("**Mediobanca**" and together with Intesa Sanpaolo hereinafter collectively referred to as the "**Lenders**");
- (3) BANCA IMI S.P.A., a bank incorporated under the laws of the Republic of Italy, whose registered office is at Largo Mattioli No. 3, Milan, Italy, registered with the Companies' Registry of Milan under No. 04377700150 ("**IMI**" or the "**Facility Agent**");

## AND

- (4) TELEFÓNICA, S.A., a Spanish company with registered office at 28013, Madrid, Gran Via n. 28, Spain ("**TE**");
- (5) ASSICURAZIONI GENERALI S.p.A., an Italian company with registered office at Piazza Duca degli Abruzzi n. 2, Trieste, Italy;
- (6) ALLEANZA TORO S.p.A., an Italian company with registered office at Torino, via Mazzini n. 53;
- (7) GENERALI ITALIA S.p.A., an Italian company with registered office at via Marocchesa n. 14, Mogliano Veneto (TV);
- (8) GENERALI LEBENSVERSICHERUNG AG, a German company with registered office at Adenauerring 11, 81737 München, registered at the district court of München under number HRB 177657;
- (9) GENERALI VIE S.A., a French company with registered office at Paris, Bld Hausmann 11;
- (10) ASSICURAZIONI GENERALI S.p.A. (hereinafter "**Generali**"), for its own account and in the name and on behalf of the following Generali's subsidiaries GENERALI VIE S.A., ALLEANZA TORO S.p.A., GENERALI ITALIA S.p.A., GENERALI LEBENSVERSICHERUNG A.G., (hereinafter the "**Generali Subsidiaries**" and together with Generali collectively "**AG**");
- (11) INTESA SANPAOLO S.p.A, an Italian company with registered office at Piazza San Carlo n. 156, Torino, Italy, in its capacity as shareholder of Telco S.p.A. ("**IS**");
- (12) MEDIOBANCA S.p.A., an Italian company with registered office at Piazzetta Cuccia n. 1, Milano, Italy, in its capacity as shareholder of Telco S.p.A ("**MB**");

- (TE, AG, IS and MB hereinafter collectively referred to as the "**Shareholders**");

(the "**Parties**").

**BETWEEN THE PARTIES IT IS AGREED** as follows:

1.1 The Facility Agent undertakes to copy the Shareholders in any of the communications to be given to the Borrower in relation to Clause 19.13 (*Acceleration*) of the facility agreement (the "**New Banking Facility Agreement**") entered into on 4 October 2013 between *inter alios* the Lenders, as lenders, Telco S.p.A., as borrower, and IMI, also as facility agent.

1.2 Without prejudice to 1.1 above, should the Lenders decide to enforce the share pledge created over Telecom Italia S.p.A. ordinary shares pursuant to the provision of the pledge agreement to be entered into pursuant to the New Banking Facility Agreement (the "**Share Pledge**" and the "**Share Pledge Agreement**" respectively) (a form of which is attached hereto as Schedule 1) following an acceleration pursuant to and in accordance with Clause 19.13 (*Acceleration*) of the New Banking Facility Agreement, the following shall apply.

1.2.1 The Facility Agent shall copy each of the Shareholders in the notice enforcing the Share Pledge to be given to Telco S.p.A. pursuant to Clause 6.1 (*Escussione del pegno*) of the Share Pledge Agreement (the "**Enforcement Notice**"). Together with the Enforcement Notice or as soon as possible thereafter when the relevant information become available, the Facility Agent will also deliver to the Shareholders a calculation notice (the "**Calculation Notice**") stating (i) the aggregate amount outstanding under the New Banking Facility Agreement plus interest accrued and to accrue thereunder and all other costs and expenses, including enforcement costs, up to the Transfer Date (as defined below); (ii) the price at which the Lenders can appropriate the pledged shares pursuant to Clause 6.3 (*Determinazione del valore dell'Oggetto del Pegno e delle Obbligazioni Garantite*) of the Share Pledge Agreement; and consequently (iii) the number of pledged shares that the Lenders may have the right to appropriate pursuant to the Share Pledge Agreement (the "**Appropriation Shares**"). It is agreed and understood that, if Clause 6.3(i)(c) and/or Clause 6.3(ii)(c) of the Share Pledge Agreement apply, the Calculation Notice shall be sent after the Facility Agent having obtained the appraisal referred to thereunder. If notwithstanding the good faith efforts of the Facility Agent no appraisal is obtained within 20 Business Days from the Enforcement Notice, the Shareholders shall no longer have any right to purchase the Appropriation Shares under this Agreement and the Lenders shall have the right to enforce the Share Pledge at their discretion, provided in such case that upon enforcement of the pledge in accordance with the Share Pledge Agreement the Lenders shall ensure, to the maximum extent allowed by applicable laws, that the Shareholders are allowed to participate, *pari passu* with any other potential acquirer, in any sale process of the Appropriation Shares.

1.2.2 Each Shareholder shall be entitled to call and acquire from the Lenders (the "**Right to Call**") the Appropriation Shares at the terms and conditions referred to herein and at a price

per Appropriation Share (the “**Purchase Price**”) equal to the higher of (i) the price indicated in Clause 1.2.1 (ii) above, and (ii) the amount indicated in Clause 1.2.1 (i) above divided by the aggregate total number of the Appropriation Shares. The Facility Agent shall include the Purchase Price in the Calculation Notice.

1.2.3 In order to exercise its Right to Call, each relevant Shareholder(s) shall deliver to the Facility Agent and the other Shareholders:

- (a) a written notice (the “**Provisional Exercise Notice**”), by no later than 2 (two) Business Days after receipt of the Calculation Notice, stating its non binding offer to purchase from the Lenders all or part of the Appropriation Shares at a price per share equal to the Purchase Price, such Provisional Exercise Notice being delivered for information purpose only and to be confirmed by virtue of the definitive Exercise Notice (as defined in Clause 1.2.3 below).
- (b) a written notice (the “**Exercise Notice**”), by no later than 5 (five) Business Days (the “**Exercise Deadline**”) after receipt of the Calculation Notice, stating (i) its unconditional and irrevocable offer to purchase from the Lenders all or part of the Appropriation Shares at a price per share equal to the Purchase Price, and (ii) that the Exercise Notice complies with the shareholders agreement in force between the Shareholders, as amended (the “**Shareholders Agreement**”).

1.2.4 The Exercise Notices shall be served upon IMI in its capacity as Facility Agent (or to any of its successors pursuant to the provisions of Clause 20.13 (*Resignation of the Facility Agent*) of the New Banking Facility Agreement), copying therein all the other Shareholders.

1.2.5 The Exercise Notices shall be valid and effective only if and to the extent they contain in aggregate offers to purchase the exact amount of the Appropriation Shares. If, instead, the Exercise Notices contain in aggregate offers to purchase a number of Appropriation Shares which is greater or lower than the number of Appropriation Shares, then, the Exercise Notices shall be deemed ineffective and the Shareholders shall no longer have any right to purchase the Appropriation Shares under this Agreement and the Lenders shall have the right to enforce the Share Pledge at their discretion. Provided further that, in the event the Exercise Notice(s) contain(s) in aggregate offers to purchase not the exact amount of the Appropriation Shares, the Facility Agent shall allow the Shareholders who have delivered valid Exercise Notice(s) 1 Business Day to cure the mistake by sending a further joint notice signed by all Shareholders that have delivered the Exercise Notice, stating the exact allocation of Appropriation Shares among the Shareholders.

1.2.6 The Shareholders acknowledge that the Facility Agent shall:

- (a) verify that the Exercise Notices comply with Clauses 1.2.2 and 1.2.3 above,
- (b) proceed with the allocation of the Appropriation Shares to the Shareholders who have delivered a valid Exercise Notice (the “**Exercising Shareholders**”) as per the indication provided in the relevant Exercise Notices only if and to the extent the

overall number of the Appropriation Shares indicated in the Exercise Notice(s) received is equal to the overall number of Appropriation Shares in accordance with the provisions of preceding Clause 1.2.5.

1.2.7 If the conditions under Clauses 1.2.5 and 1.2.6 above are satisfied, the Lenders shall appropriate the Appropriation Shares at a price per share equal to the Purchase Price under the Share Pledge Agreement on the 8<sup>th</sup> Business Days from the date of the Calculation Notice and shall then sell and transfer on the same day (the “**Transfer Date**”) all the Appropriation Shares to the Exercising Shareholders as per the indications received in the Exercise Notices, provided that the transfer of all Appropriation Shares shall occur simultaneously and be conditional upon (i) receipt of a legal opinion issued by reputable legal counsel (at the request of any Exercising Shareholder) confirming valid delivery of the Exercise Notice based on the Shareholders Agreement, validity and enforceability of the relevant transfer deed, no conflict with applicable law and capacity and authority of the Exercising Shareholder(s), and (ii) receipt in full of the Purchase Price multiplied by the number of the Appropriation Shares. If for any reason whatsoever (including for the avoidance of doubt, any order of authority, attachment, seizure or precautionary measure) appropriation under the Share Pledge Agreement or transfer to the Exercising Shareholders cannot take place, then the Exercise Notices shall be deemed ineffective and the Shareholders shall no longer have any right to purchase the Appropriation Shares under this Agreement and the Lenders shall have the right to enforce the Share Pledge at their discretion, provided however in such case that (a) should the relevant order of authority, attachment, seizure, precautionary measure consist in an impediment to enforce the pledge (and consequently appropriation and transfer of the Appropriation Shares under this Agreement) (i) should it be removed or cured within 60 days, then the Lenders shall remain bound to this Agreement and shall deliver to the Shareholders a new Enforcement Notice and a new Calculation Notice and each Shareholder shall be entitled to exercised its Right to Call by delivering its Exercise Notice in accordance with this Agreement, (ii) should it NOT be removed or cured within 60 days, then the Lenders shall ensure, to the maximum extent allowed by applicable laws, that the Shareholders are allowed to participate, *pari passu* with any other potential acquirer, in any subsequent sale process of the Appropriation Shares provided that if the relevant order of authority, attachment, seizure or precautionary measure described above has been procured by a Shareholder who is also a Dissenting Shareholder (as defined below) , then the provisions of Clause 1.2.18 shall apply (save that the relevant period will commence from the end of the relevant authority, attachment, seizure or precautionary measure); and (b) should the relevant order of authority, attachment, seizure, precautionary measure impede appropriation and/or transfer of the Appropriation Shares under this Agreement but NOT enforcement of the pledge through other means, then the Exercise Notices shall be deemed ineffective and the Shareholders shall no longer have any right to purchase the Appropriation Shares under this Agreement and the Lenders shall have the right to enforce the Share Pledge at their discretion but the Lenders shall ensure, to the maximum extent allowed by applicable laws, that the Shareholders are allowed to participate, *pari passu* with any other potential acquirer, in any subsequent sale process of the Appropriation Shares provided, that if the relevant order of authority, attachment, seizure or precautionary measure described

above has been procured by a Shareholder who is also a Dissenting Shareholder, then the provisions of Clause 1.2.18 shall apply (save that the relevant period will commence from the end of the relevant authority, attachment, seizure or precautionary measure).

In the event an Exercising Shareholder is also a Lender and the transfer of the Appropriation Shares is to occur in respect of all Exercising Shareholders in accordance with this Clause 1.2.7, then such Lender / Exercising Shareholder (a) shall only purchase a number of Appropriation Shares equal to the positive difference between (i) the number of Appropriation Shares for which it has delivered a valid Exercise Notice; and (ii) the number of Appropriation Shares corresponding to its quota in the Facility Agreement; or (b) shall only sell a number of Appropriation Shares equal to the positive difference between (i) the number of Appropriation Shares corresponding to its quota in the Facility Agreement; and (ii) the number of Appropriation Shares for which it has delivered a valid Exercise Notice.

For the purpose of this Agreement "**Dissenting Shareholder**" means a Shareholder that refuses to make available to Telco in proportion to its shareholding in Telco, through a modality complying with the relevant terms of the Shareholders Agreement, the fund necessary to Telco to avoid or cure the default under the New Banking Facility Agreement within the timeframe necessary to avoid the enforcement of the Shares Pledge Agreement.

1.2.8 If, as a result of the procedure set out in paragraphs 1.2.2 to 1.2.6 above, the Lenders have not received valid and effective Exercise Notices for all and no more or no less than the Appropriation Shares, the Shareholders shall no longer have any right to purchase the Appropriation Shares under this Agreement and the Lenders shall have the right to enforce the Share Pledge at their discretion.

1.2.9 Any obligation assumed by a Shareholder under this Agreement or the Exercise Notice shall be assumed on a several basis (*senza vincolo di solidarietà*) with the other Shareholders. It remains understood and agreed that if on the Transfer Date any of Exercising Shareholder(s) does (do) not pay the purchase price pursuant to the relevant Exercise Notice, then the Lenders shall have no obligation to transfer the Appropriation Shares to that or to any other Exercising Shareholder(s), the Exercise Notices shall be deemed ineffective, the Shareholders shall no longer have any right to purchase the Appropriation Shares under this Agreement and the Lenders shall have the right to enforce the Share Pledge at their discretion, provided that the Facility Agent shall allow the Shareholder(s) who have/has not paid the purchase price 1 Business Day to cure its default and shall allow the Shareholder(s) to purchase their corresponding Appropriation Shares, in which case all transfers of Appropriation Shares shall take place one Business Day after the intended Transfer Date and after full payment for all Appropriation Shares has been received in full.

1.2.10 The obligations assumed by the Lenders under this Agreement shall be assumed by each Lender severally from the other Lender (*senza vincolo di solidarietà*) in proportion to

each respective loans and commitments under the New Banking Facility Agreement at the time of the Transfer Date.

1.2.11 For the avoidance of doubt (as between the Shareholders only) (i) any sale and purchase of Appropriation Shares made pursuant to this Agreement shall be deemed to be permitted under the Shareholders' Agreement and each Shareholder commits to the other Shareholders to take any step and carry out all actions required to give full implementation to the rights and obligations set out in this Agreement, (ii) the standstill obligations set out in clause 7 (*Stand still*) of the Shareholders' Agreement do not apply to any sale and purchase of the Appropriation Shares made pursuant to this Agreement, and (iii) any reference in the Shareholders Agreement to the New Refinancing Facility must be interpreted as a reference to the New Banking Facility Agreement.

1.2.12 The Parties agree that, for the sake of completeness, this Agreement shall be disclosed and made public in accordance to applicable laws.

1.2.13 Each Shareholder, to the maximum extent permitted by applicable laws and regulations and to the extent the Lenders and the Facility Agent have complied with their obligations under this Agreement, waives any and all rights, claims, objections and remedies it may have against the Facility Agent and the Lenders now or in the future in relation to the delivery and transfer of the Appropriation Shares pursuant to the Exercise Notices, the joint correction notice under Clause 1.2.5, the criteria and price on the basis of which the appropriation referred to in Clause 1.2.7 and the Purchase Price have or will be determined.

1.2.14 Each Exercising Shareholder, severally and not jointly and pro-quota in proportion to the percentage of the Appropriation Shares acquired, further undertakes to indemnify and keep harmless each Lender and the Facility Agent and their respective directors and employees (each an "**Indemnified Party**"), from any prejudices, expenses and damages or liabilities incurred or suffered as a result of an action or lawsuit or claim brought by Telco S.p.A., any of the Shareholders and/or any third party in connection with the delivery and transfer of the Appropriation Shares pursuant to the Exercise Notices and the appropriation of the Appropriation Shares pursuant to Clause 1.2.7. To this purpose (i) the Indemnified Party shall deliver to the Exercising Shareholders notice of the relevant action, claim or lawsuit, specifying reasonable details thereto, (ii) in the event of a claim brought by a third party, before making any payment or settlement, the Indemnified Party shall consult in good faith with the Exercising Shareholders for at least 10 Business Days, including taking advice from reputable international legal counsel, provided that if the payment is to be made earlier than 10 Business Days the consultation period shall be shortened accordingly, (iii) after the Indemnified Party having fulfilled its obligations under (i) and (ii) above, payment of the indemnity hereunder shall be made 1 Business Day prior to the date on which the relevant Indemnified Party declares that it is under an obligation to make a payment or post a collateral in favor of a third party, without raising any objection (*solve et repete*), (iv) the

Indemnified Party shall keep informed the Exercising Shareholders of the relevant action, lawsuit or claim and will consult and cooperate in good faith with the relevant Exercising Shareholders in pursuing any legal defense, against said action, lawsuit or claim, and (v) after payment by the Exercising Shareholders the Indemnified Party shall return to the relevant Exercising Shareholders any money paid by such Exercising Shareholders and recovered by the Indemnified Party from the third party or released from a collateral.

The Parties agree that (x) the above provisions will only apply to any indemnification which has an overall aggregate amount not exceeding Euro 260 million, while (y) in the event of an indemnification for an overall aggregate amount exceeding Euro 260 million the above provisions (including the "*solve and repete*" principle) would still apply, but no payment shall be demanded by the Indemnified Party unless such Indemnified Party has received a judgment or order of an authority (even if not final and conclusive) ordering it to pay such third party claim or requiring it to post a collateral.

Without prejudice to the *solve et repete* provision set forth above, no indemnity shall be payable to an Indemnified Party under this Clause 1.2.14 in relation to prejudices, expenses and damages or liabilities incurred or suffered as a result of such Indemnified Party gross negligence or willful misconduct (*dolo o colpa grave*), provided for the sake of clarity that the *solve et repete* will only apply to the extent the legal advice under (ii) above has been obtained.

If an Exercising Shareholder who is under an obligation to indemnify pursuant to this Clause 1.2.14 is also an Indemnified Party, then its indemnity obligation as Exercising Shareholder will be extinguished by way of *confusione* (pursuant to Article 1253 of the Civil Code) for an amount equal to the amount that it is entitled to receive as Indemnified Party.

1.2.15 The Parties acknowledge and agree that obligations under this Agreement are undertaken by each Party also by way of *alea*, pursuant to article 1469 of the Italian Civil Code.

1.2.16 The Parties acknowledge and agree that in case of a transfer or assignment from an Existing Lender to a New Lender pursuant to and in accordance with Clause 26.2 (*Assignments and transfers by Lenders*) of the New Banking Facility Agreement, the transferring Lender shall procure that the New Lender assumes all rights and obligations of the transferring Lender under this Agreement, by executing a letter of accession to this Agreement concurrently with the assignment or transfer pursuant to the New Banking Facility Agreement. The Parties grant the consent to such assumption of rights and obligation by the New Lender pursuant to article 1406 of the Italian Civil Code, with release pursuant to Article 1408 of the Italian Civil Code of the transferring Lender with respect to the portion of obligations hereunder which is assigned or transferred. The Parties further acknowledge and accept that any EIB/BdI/ECB Assignment under Clause 26.3 (*Assignment to EIB, Bank of*

*Italy or to the European Central Bank*) of the New Banking Facility Agreement may be made only to the extent that the right of the Shareholders to exercise the call option over all the pledged TI Shares under and pursuant to this Agreement is not prejudiced or impaired in any manner whatsoever.

1.2.17 All notices under this Agreement shall be sent by registered letter anticipated via fax and email at the following addresses:

To Banca IMI S.p.A.

Largo Mattioli no. 3 20121 Milan, Italy

Fax: + 39 02 7261 2333

To the attention of: Giuseppe Botto

E-mail: [giuseppe.botto@bancaimi.com](mailto:giuseppe.botto@bancaimi.com); [agency.department@bancaimi.com](mailto:agency.department@bancaimi.com)

To Assicurazioni Generali:

Assicurazioni Generali S.p.A.

Piazza Duca degli Abruzzi n. 2

34132 Trieste, Italy

Fax: +39 040 671260

To the attention of: Mr. Giovanni Perissinotto and Mr. Oliviero Pessi

E-mail: [giovanni\\_perissinotto@generali.com](mailto:giovanni_perissinotto@generali.com) and [oliviero\\_pessi@generali.com](mailto:oliviero_pessi@generali.com)]

To Intesa:

Intesa Sanpaolo S.p.A.

Piazza Scala n. 6

20121 Milano, Italy

Fax: +39 02 879 43540

To the attention of: Mr. Gaetano Micciché and Mr. Amedeo Nodari

E-mail: [gaetano.micciche@intesasanpaolo.com](mailto:gaetano.micciche@intesasanpaolo.com) and [amedeo.nodari@intesasanpaolo.com](mailto:amedeo.nodari@intesasanpaolo.com)]

To Mediobanca:

Mediobanca - Banca di Credito Finanziario S.p.A.

Piazzetta Cuccia n. 1

20121 Milano, Italy

Fax: +39 02 8829 943

To the attention of: Mr. Clemente Rebecchini and Mr. Francesco Coatti

E-mail: [clemente.rebecchini@mediobanca.it](mailto:clemente.rebecchini@mediobanca.it) and [francesco.coatti@mediobanca.it](mailto:francesco.coatti@mediobanca.it)]

To Telefonica:

Telefonica S.A.



C/Ronda de la Comunicacion, s/n, Distrito C, Edificio Central, Planta 1<sup>a</sup>  
28050 Madrid, Spain

Fax: +34 91 727 1405 and +34 91 727 1400

To the attention of: Group General Counsel (Ramiro Sánchez de Lerín) and María Luz Medrano

E-mail: secretaria.general@telefonica.es and mmedrano@telefonica.es]

1.2.18 If the option hereunder is not validly exercised and no transfer of Appropriation Shares occurs, each Shareholder who is a Dissenting Shareholder hereby agrees and undertakes that for a period of 6 (six) months from receipt of the Calculation Notice (the "**Lock-up Period**"), it shall not sell, transfer, exchange either by way of a spot or forward contract or by any other derivative instruments or arrangements of any kind having a similar effect, any shares, convertible instrument or other equity or quasi-equity instruments of Telecom Italia S.p.A. (any such activity, a "**Share Disposal**"), provided however that such undertaking shall not apply (i) to Mediobanca and Intesa Sanpaolo when appropriating, buying or selling or otherwise transferring shares and other rights in the context of the enforcement of the Shares Pledge Agreement, and (ii) to Mediobanca, Intesa Sanpaolo and Generali when appropriating, buying or selling or otherwise transferring shares and other rights in the context of the ordinary course of their trading activities either by taking principal positions resulting from client facilitation or, as far as Generali is concerned, also by making investments through separately managed accounts (*gestione separata*) for backing technical reserves. For the avoidance of doubt, nothing in this Agreement shall constitute or be interpreted as a restriction, impediment or limitation whatsoever to the right of each Shareholder, whether a Dissenting Shareholder or not, to purchase or appropriate, either by way of a spot or forward contract or by any other derivative instruments or arrangements of any kind having a similar effect, any shares, convertible instrument or other equity or quasi-equity instruments of Telecom Italia S.p.A. at any time (any such activity, a "**Share Acquisition**"). The Shareholders agree that, during the Lock-up Period, following any enforcement of the Shares Pledge Agreement, they will: (i) use their reasonable efforts to make Share Acquisitions (if any) from the Lenders in priority to any other market counterparty; and (ii) refrain from any trading activity or the making of any intentional, specific, negative briefing (outside of the normal periodic or customary corporate communications of such entity) to either financial market counterparties or the press with respect to Telecom Italia S.p.A.'s shares, which would adversely affect any Share Disposal by the Lenders (or their relevant agents) in the context of an enforcement of the Shares Pledge Agreement.

1.2.19 This Agreement and all the schedules hereto constitute the entire agreement among the Parties and supersede in full any prior understandings, agreements or representations by or among the Parties, written or oral, with respect to the subject matter hereof.

1.2.20 This Agreement shall be governed by, and interpreted in accordance with, the laws of

the Republic of Italy. Any disputes arising out of or in connection with this Agreement shall be submitted by the Parties to the Courts of Milan.

\* \* \* \* \*

Should you agree with foregoing, please transmit to us a letter containing the above text, duly signed for acceptance.

Best regards,

---

**Intesa Sanpaolo S.p.A** (in its capacity as Lender)

---

**Mediobanca - Banca di Credito Finanziario S.p.A** (in its capacity as Lender)

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**Banca IMI S.p.A.**

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We hereby notify you of our acceptance of the agreement set out above.  
Best Regards,

---

**Intesa Sanpaolo S.p.A** (in its capacity as Shareholder)

---

**Mediobanca - Banca di Credito Finanziario S.p.A** (in its capacity as Shareholder)

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**Assicurazioni Generali S.p.A.** (for its own account and in the name and on behalf of the Generali Subsidiaries)

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**Telefonica S.A.**

SCHEDULE 1  
*Form of Share Pledge Agreement*

