



TISCALI S.p.A.

Registered office: Cagliari, Località Sa Illetta, s.s. 195 km. 2,3

Paid-in share capital EUR 121.507.322,89

Tax Code, VAT no. and

Cagliari Register of Companies no. 02375280928

***BOARD OF DIRECTORS' EXPLANATORY REPORT ON THE AGENDA ITEMS FOR
THE EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING OF JUNE
26 2018, PURSUANT TO ARTICLE 125-TER TUF***

Cagliari, May 10 2018

Dear Shareholders,

this document was prepared by the Board of Directors of Tiscali S.p.A. ("Tiscali" or the "Company"), in compliance with applicable legislation, in reference to the Extraordinary and Ordinary Shareholders' Meeting of Tiscali, convened on a single call for June 26 2018, at the registered office, to discuss and resolve upon the following:

Agenda

EXTRAORDINARY

- 1. Modification of the articles 10 and 11 of the Bylaw.*

ORDINARY

- 2. Approval of the financial statements as at 31 December 2016. Related and consequent approvals.*

EXTRAORDINARY

- 3. Resolutions pursuant to art. 2446 Civil Code. Consequent amendment of Article 5 of the Article of Association. Related and consequent resolutions.*
- 4. Proposal to delegate to the Board of Directors, pursuant to art. 2420 ter of the Italian civil code, to issue a convertible debenture loan for a total maximum amount of Euro 35,000,000.00, reserved to qualified investors pursuant to art. 34-ter, paragraph 1 letter b) of regulation adopted with CONSOB resolution no. 11971/ 1999 and following amendments, with delegation to the Board of Directors to determine the relevant terms and conditions of the said debenture loan, including the interest rate and the term of the same. Consequent amendments to the by-laws. Related and consequent resolutions.*
- 5. Proposal to delegate to the Board of Directors, pursuant to art. 2443 of the Italian civil code, to raise the corporate capital, by cash, for a maximum amount of Euro 35.000.000,00, inclusive of the possible premium, to be carried in one or more tranches, in tranche, within five years from the date of the resolution, through issuance of maximum n. 1,300,000,000 ordinary shares, devoid of nominal value, dematerialized, and having the same features as the ordinary shares in circulation and*

having regular enjoyment, with exclusion of the option right pursuant to paragraph 5 of art. 2441 of the Italian civil code, to be reserved to qualified investors, pursuant to article 34-ter paragraph 1 letter b) of regulation adopted with CONSOB resolution no. 11971/ 1999 and following amendments; all the above with the power to determine the terms, conditions and purposes of the capital raise, including the subscription price, in accordance with any and all applicable laws and regulations. Consequent amendments to the by-laws. Related and consequent resolutions.

ORDINARY

6. Examination of the first section of the Remuneration Report. Related and consequent approvals.

7. Appointment of the members of the Board of Directors and its Chairman, subject to establishing the number. Establishment of the duration of the office and the fees. Related and consequent resolutions.

8. Appointment of the Board of Statutory Auditors and its Chairman, establishment of the fees. Related and consequent resolutions.

Pursuant to Article Article 125 – ter of Italian Legislative Decree 58/1998, we hereby submit for your attention this report with reference to points 1-2-6-7-8 of the agenda, the illustration of points 3-4- 5 of the agenda is postponed to the report that will be made public according to the law.

* * *

1. Amendment of articles 10 and 11 of the by-laws. Related and consequent resolutions.

Dear Shareholders,

with reference to item 1 of the extraordinary part of the agenda, it is proposed to modify the article 10 of the By-law - which establishes that the Board of Directors is composed of a fixed number of members equal to 9 - providing that the Board of Directors

consists of a number of members ranging from a minimum of 3 and a maximum of 9. The proposal, which ensures compliance with the provisions of the law and the self-regulatory code promoted by Borsa Italiana regarding the requirements of the corporate officers of listed companies, has the purpose of ensuring the presence of a congruous number of directors, adapted to the actual business needs at a given time. Following the proposal to amend the article 10 of the By-law, it is also proposed to modify the article 11, adopting a new voting system based on the list of variable components, and which, if approved by the Shareholders' Meeting, will be used to appoint the new Board of Directors of the Company envisaged at item 7 of the ordinary agenda.

To this end, we are proposing to adopt a resolution in line with the following proposal:

“The Extraordinary Shareholders’ Meeting of Tiscali S.p.A., along with the required reports, and after hearing the Chairman’s presentation,

resolves

to modify the articles 10 and 11 of the Articles of Association, replacing the text with the following one:

- Article 10 -

Management of the Company

The management of the Company is entrusted to a Board of Directors made up of a minimum of 3 and a maximum of 9 members, as established by the Shareholders’ Meeting, ensuring a balance between genders as per current legislation.

Where the number of members of the Board of Directors is less than the maximum permitted, the Shareholders’ Meeting may increase the number during the period of office. The new members are appointed at the ordinary Shareholders’ Meeting with the list voting system described in the following article 11. The terms of office of Directors appointed in this way shall expire at the same time as those in office when they were appointed.

- Article 11 -

Board of Directors

The Board of Directors takes steps to appoint a Chairman and possibly a Deputy

Chairman, choosing them from amongst its members, if the shareholders' meeting has not already done so. The Directors remain in office for a maximum period of three financial years, their term or office shall expire on the date of the Shareholders' Meeting called for approving the financial statements related to the last financial year of their term in office and they may be re-appointed.

Before the appointment of the Board of Directors, the Shareholders' Meeting establishes the number of the members and the duration of their offices, which may be shorter than three financial years.

The Directors are appointed by the meeting on the basis of lists presented by the shareholders. Each list may contain the names of the candidates up to a maximum number of Directors provided by these Articles of Association listed by means of consecutive number.

Shareholders entitled to present lists shall be those who, alone or together with other shareholders, own, at the time of presentation of the lists, a shareholding at least equal to that established by CONSOB pursuant to article 147-ter, paragraph 1 of the Consolidated Law of Finance as subsequently amended, and pursuant to the further provisions of applicable legislation, as it will be indicated in the call notice.

Each shareholder may in any case present (or concur in presenting) and vote a single list (specifying that, for the purposes of the present article, the term "shareholder" jointly means the shareholder him/herself and the natural and legal persons who control, are controlled by or otherwise are subject to common control with the shareholder in question), also through a third party or through trust companies. Any support granted and votes cast in violation of this prohibition shall not be attributable to any list.

Each candidate may be present in only one list or be subject to ineligibility.

The lists presented by the shareholders must be deposited, as will also be indicated in the notice of calling, at the Company's registered offices by the twenty-fifth day prior to the date of the meeting called to resolve on the appointment of the Board members.

Each list must be accompanied by the information required by applicable legislation and indicate the identity of the shareholders who have presented the same and the total investment percentage owned. In-depth information on the personal and professional characteristics of the candidates must be provided at the bottom of the list presented by the shareholders, or attached to the same. The declarations by means of which the individual candidates accept their candidature and declare, at their own liability, the inexistence of causes of ineligibility or incompatibility as well as the existence of the requisites of good standing and professionalism prescribed for the office by applicable legislation and the Articles of Association, and any possession of

the independence requisites established by current legislation, must be filed together with each list.

Each list must indicate a number of candidates who present the independence requisites established by applicable legislation in accordance therewith.

Each list must present a number of candidates belonging to the gender represented the least equal to the minimum number required by current legislation.

Lists presented without observing the above instructions, shall be considered as not presented.

The election of Directors proceeds as follows:

a.1) following the outcome of the voting procedure, the votes obtained by each list will be subsequently divided by one, two, three, four and so on until the number of the Directors to be elected is reached.

The ratios so obtained will be granted progressively to the candidates of each list in the order in which they appear in the list itself.

Candidates, listed in a decreasing order on the basis of the ratios obtained, who have obtained the highest ratios, will be elected, it being in any case understood that the candidate at the top of the minority list will be appointed director, namely the list that obtained the majority of votes from among those duly submitted and voted for and which is not connected - even indirectly - with the members who submitted or voted for the list that came first by number of votes.

If an individual who on the basis of the regulations in force turns out to be linked to one or more shareholders who have submitted or voted for the list which comes first by number of votes, has voted for a minority list, the existence of this link becomes important only if the vote has been decisive in the election of the Director from the minority lists. In each case the legislation and regulations at the time in force shall apply.

In case of equality of ratios for the last Director to be elected, the one from the list which has obtained the majority of the votes or the eldest, in case of a tie vote, will be chosen.

If, at the end of the voting procedure, Directors, meeting the independence requirements or meeting the gender balance requirements are not elected in sufficient numbers, the candidate elected with the lowest ratio who does not meet the independence requirements or the candidate with the lowest ratio whose election would result in a gender imbalance, shall respectively be excluded in the first and second case. The excluded candidates shall be replaced by the next candidates in the ranking, whose election would meet the

provisions related to the independence requirements and the gender balance requirements. This procedure shall be repeated until the number of Directors to be elected is reached. In the event that, having adopted the criteria set out above, it is not possible to reach the number of Directors to be appointed, the Shareholders' Meeting shall appoint the missing Directors immediately by way of a resolution adopted by simple majority upon recommendation of the members in attendance. a.2) If only one list is presented, all the directors shall be chosen, in numerical order, only from the submitted list, provided that it obtains a majority of the votes.

If, after following the above procedure, not enough Directors are appointed who meet the independence requirements, or satisfy the gender balance criteria, the Shareholders' Meeting shall proceed, in the first case, to exclude the candidate elected with the lowest ratio who does not meet the independence requirements and, in the second case, to exclude the candidate with the lowest ratio whose election would result in a failure to meet the gender balance criteria; after the above exclusions, the Meeting shall forthwith appoint the missing Directors by simple majority resolution upon recommendation of the members in attendance.

b) if, as per the aforementioned appointment procedure, at least two members in possession of the independence requisites established by applicable legislation are not elected, the last of those elected taken from the list which has obtained the highest number of votes expressed by the shareholders after the first and which is not connected in any way, not even indirectly, with the shareholders who have presented or voted for this latter list shall have to be replaced by the first candidate listed subsequently on this list who has these requisites and, if following this replacement a member in possession of the independence requisites established by the applicable legislation still has to be elected, the last of those elected not in possession of these requisites taken from the list which has obtained the highest number of votes shall have to be replaced by the first candidate listed subsequently on this list who has these requisites;

c) if the Board of Directors elected as above does not permit the observance of the balance between genders envisaged by current legislation, the last members elected of the more represented gender, of the first list by number of votes cast by the shareholders, fall from office in the number necessary to ensure the observance of the requirement and are replaced by the first candidates not elected on the same list of the gender represented the least. In the absence of candidates of the less represented gender on the first list by number of votes cast by shareholders in a number sufficient

to go ahead with replacement, the aforementioned criteria will apply to the successive lists progressively voted for the most from which the elected candidates have been taken. If, applying the above criteria, it is not however possible to identify suitable replacements, the shareholders' meeting supplements the body with the legal majorities, ensuring the satisfaction of the requirement of the balance between genders envisaged by current legislation;

d) the list voting appointment method envisaged above is applied in the sole case of complete renewal of the Directors; with regard to the appointment of Directors not appointed for any reason in accordance with the above procedure, the shareholders' meeting resolves with the legal majority in observance of the legislative requirements regarding gender representation;

this requisite also applies to co-opting carried out by the same Board of Directors as per applicable legislation.

If, due to resignation or for other reasons, more than half of the Directors appointed by the Shareholders' meeting fall from office, the entire Board shall be understood to have fallen and the shareholders' meeting must be called immediately to re-appoint all the Directors pursuant to the voting list system provided for by this article. The Directors who remain in office may in the meantime perform the activities in the ordinary course of business.

3. Approval of the Financial Statements as at 31 December 2017. Related and consequent resolutions

Dear Shareholders,

A copy of the Financial Statements draft of Tiscali S.p.A. (the "**Company**") as at 31 December 2017, approved by the Board of Directors at the meeting of May 10 2018 with attached the reports from the Directors, the Statutory Auditors and the Auditing Firm, shall be filed, in compliance with the applicable laws, with the registered office and Consob, and shall be made available on the Company's website, www.tiscali.com - section *Governance/Shareholders' Meetings* within legal terms. For explanations regarding the Financial Statements, please see the Directors' Report on Operations.

The final data contained in the Financial Statements as at 31 December 2017, shows a loss for the period of EUR 78.480.693, which are in excess of one third of the share capital; accordingly to the above, there is the situation under Article 2446 of the Italian Civil Code. We are hereby proposing to approve the Financial Statements, as a whole and with regard to the individual items, and to acknowledge, given the situation in relation to Article 2446 of the Civil Code, that the coverage of the losses incurred during the year 2017, shall be deliberate by the Shareholders' Meeting in extraordinary session as per point 3 of the Agenda. To this end, we are proposing to issue a resolution in line with the following proposal:

“The Ordinary Shareholders’ Meeting of Tiscali S.p.A., after reviewing the Financial Statements as at 31 December 2017, along with the required reports, and after hearing the Chairman’s presentation,

resolves

1. *to approve the Financial Statements related to the 2017 period, as a whole and with regard to the individual items, as prepared by the Board of Directors, and which provides comprehensive information on its operations;*
2. *to acknowledge, given the situation in relation to Article 2446 of the Civil Code, that the coverage of the losses incurred during the year 2017, for Euro 78.480.693 shall be deliberate by the Shareholders' Meeting at point 3 of the today agenda;*
3. *to give the broadest powers to the Chairman and to the CEO pro-tempore, provided that, also through powers of attorney, this resolution is implemented and if appropriate or necessary, formal additions, changes and cancellations are made upon request from the competent authorities.”*

5. Review of the first section of the Report on Remuneration. Related and consequent resolutions.

Dear Shareholders,

Pursuant to article 123-ter of Legislative Decree 58/1998, the Shareholders' Meeting,

called annually for the Financial Statements approval, is asked to vote with regard to the policy adopted by the Company for the remuneration of the members of the administrative bodies, of the general managers, and of the executives with strategic responsibilities, as well as to the procedures used for the adoption and the implementation of these policies. We would like to highlight that, pursuant to paragraph 6 of article 123-ter of Legislative Decree 58/1998, the Shareholders' Meeting is called upon to express a favourable or unfavourable opinion about the first Section of the Report on Remuneration, which contains the Remuneration Policy of the Company, without such resolution being binding.

We are therefore submitting for your approval the first section of the Report on Remuneration with the Policy adopted by the Company as regards the remuneration of Directors and executives with strategic responsibilities, drafted in compliance with Attachment 3A 7-bis and 7-ter of the CONSOB Regulation of 14 May 1999, no. 11971, that has been made available to the public according to the law and that can be consulted on the website www.tiscali.com, together with the second section of the same report which is not being submitted for approval to the Shareholders' Meeting. To this end, we are proposing to issue a resolution in line with the following proposal:

“The Ordinary Shareholders' Meeting of Tiscali S.p.A., after reviewing Section 1 of the Report on Remuneration,

resolves

- 1. to issue a favorable opinion regarding Section 1 of the 2017 Report on Remunerations, as drafted by the Board of Directors,*
- 2. to confer the broadest powers to the Chairman and to the CEO pro-tempore in order to implement this resolution also through powers of attorney.”*

6. Appointment of the members of the Board of Directors and its Chairman,

subject to establishing the number. Resolution on the duration of the office and the fees. Related and consequent resolutions.

Dear Shareholders, the mandate of the current Board of Directors expires with the approval of the financial statements for the year ended December 31, 2017. Therefore, in this meeting the Shareholders will be called to appoint the Board of Directors.

With regard to the election of the Board of Directors, reference should be made to the provisions of the proposal to amend Articles 10 and 11 of the Company Bylaws submitted for approval by the Shareholders' Meeting referred to in the first item on the agenda for the Extraordinary Meeting. On the other hand, if the aforementioned proposal to amend the By-law does not have to be approved by the Shareholders, the election will follow the provisions of articles 10 and 11 in the version in force at the date of this report, which provide for:

- Article 10 -

Management of the Company

The management of the Company is entrusted to a Board of Directors made up of nine members and ensuring a balance between genders as per current legislation.

- Article 11 -

Board of Directors

The Board of Directors takes steps to appoint a Chairman and possibly a Deputy Chairman, choosing them from amongst its members, if the shareholders' meeting has not already done so. The Directors remain in office for a three-year period or a shorter duration established by the meeting at the time of their appointment; they may be re-appointed.

The Directors are appointed by the meeting on the basis of lists presented by the shareholders. Each list shall contain a number of candidates equal to 9, listed by means of consecutive number.

Shareholders entitled to present lists shall be those who, alone or together with other

shareholders, own, at the time of presentation of the lists, a shareholding representing at least 2.5% (two point five percent) of the share capital, subject to the provisions of applicable legislation.

Each shareholder may in any case present (or concur in presenting) and vote a single list (specifying that, for the purposes of the present article, the term “shareholder” jointly means the shareholder him/herself and the natural and legal persons who control, are controlled by or otherwise are subject to common control with the shareholder in question), also through a third party or through trust companies. Any support granted and votes cast in violation of this prohibition shall not be attributable to any list.

Each candidate may be present in only one list or be subject to ineligibility.

The lists presented by the shareholders must be deposited, as will also be indicated in the notice of calling, at the Company’s registered offices by the twenty-fifth day prior to the date of the meeting called to resolve on the appointment of the Board members.

Each list must be accompanied by the information required by applicable legislation and indicate the identity of the shareholders who have presented the same and the total investment percentage owned. In-depth information on the personal and professional characteristics of the candidates must be provided at the bottom of the list presented by the shareholders, or attached to the same. The declarations by means of which the individual candidates accept their candidature and declare, at their own liability, the inexistence of causes of ineligibility or incompatibility as well as the existence of the requisites of good standing and professionalism prescribed for the office by applicable legislation and the Articles of Association, and any possession of the independence requisites established by current legislation, must be filed together with each list.

Each list must indicate a number of candidates who present the independence requisites established by applicable legislation in accordance therewith.

Each list must present a number of candidates belonging to the gender represented the least equal to the minimum number required by current legislation.

Lists presented without observing the above instructions, shall be considered as not presented.

The election of Directors proceeds as follows:

a.1) Regardless of the number of lists presented, subject to the limitations prescribed by these Articles of Association, for the purposes of the allocation of the directors to be elected shall not take into account the lists that have not received a percentage of votes at least equal to half the percentage required by these Articles of Association for the presentation of the lists themselves.

a.2) If only one list is presented, all 9 (nine) candidates thereof shall be elected.

a.3) If two or more lists are presented and none of them are voted by at least 34% (thirty-four percent) of the share capital, the candidates shall be allocated among the various lists as indicated below:

a.3.a) in the presence of two lists, the following candidates shall be elected: (i) the first 6 (six) candidates of the first list by number of votes cast by shareholders; (ii) the first 3 (three) candidates of the second list by number of votes cast by shareholders;

a.3.b) in the presence of three lists, the following candidates shall be elected: (i) the first 4 (four) candidates of the first list by number of votes cast by shareholders; (ii) the first 3 (three) candidates of the second list by number of votes cast by shareholders; (iii) the first 2 (two) candidates of the third list by number of votes cast by shareholders;

a.3.c) in the presence of four lists, the following candidates shall be elected: (i) the first 3 (three) candidates of the first list by number of votes cast by shareholders; (ii) the first 2 (two) candidates of the second list by number of votes cast by shareholders; (iii) the first 2 (two) candidates of the third list by number of votes cast by shareholders; (iv) the first 2 (two) candidates of the fourth list by number of votes cast by shareholders;

a.3.d) in the presence of five lists, the following candidates shall be elected: (i) the first

3 (three) candidates of the first list by number of votes cast by shareholders; (ii) the first 2 (two) candidates of the second list by number of votes cast by shareholders; (iii) the first 2 (two) candidates of the third list by number of votes cast by shareholders; (iv) the first candidate of the fourth list by number of votes cast by shareholders; (v) the first candidate of the fifth list by number of votes cast by shareholders;

a.3.e) in the presence of six or more lists, the following candidates shall be elected: (i) the first 3 (three) candidates of the first list by number of votes cast by shareholders; (ii) the first 2 (two) candidates of the second list by number of votes cast by shareholders; (iii) the first candidate of the third list by number of votes cast by shareholders; (iv) the first candidate of the fourth list by number of votes cast by shareholders; (v) the first candidate of the fifth list by number of votes cast by shareholders; (vi) the first candidate of the sixth list by number of votes cast by shareholders;

a.4) if two or more lists are presented and only one of them is voted by at least 34% (thirty-four percent) of the share capital, candidates shall be allocated among the various lists as indicated below:

a.4.a) in the presence of two lists, the following candidates shall be elected: (i) the first 6 (six) candidates of the first list by number of votes cast by shareholders; (ii) the first 3 (three) candidates of the second list by number of votes expressed by shareholders;

a.4.b) in the presence of three lists, the following candidates shall be elected: (i) the first 5 (five) candidates of the first list by number of votes cast by shareholders; (ii) the first 3 (three) candidates of the second list by number of votes expressed by shareholders; (iii) the first candidate of the third list by number of votes expressed by shareholders;

a.4.c) in the presence of four lists, the following candidates shall be elected: (i) the first 5 (five) candidates of the first list by number of votes cast by shareholders; (ii)

the first 2 (two) candidates of the second list by number of votes expressed by shareholders; (iii) the first candidate of the third list by number of votes expressed by shareholders; (iv) the first candidate of the fourth list by number of votes expressed by shareholders;

a.4.d) in the presence of five or more lists, the following candidates shall be elected: (i) the first 5 (five) candidates of the first list by number of votes cast by shareholders; (ii) the first candidate of the second list by number of votes expressed by shareholders; (iii) the first candidate of the third list by number of votes expressed by shareholders; (iv) the first candidate of the fourth list by number of votes expressed by shareholders; (v) the first candidate of the fifth list by number of votes expressed by shareholders;

a.5) if two lists are voted by at least 34% of the capital and none of them reaches a percentage above 50% (fifty percent), the provisions of point a.3) above shall apply;

a.6) if two lists are voted by at least 34% of the capital, one of which reaches a percentage above 50% (fifty percent), the provisions of point a.4) above shall apply.

If, in all cases provided in this point a), one or more lists obtain a number of votes above the percentage indicated in point a.1) above, but below 50% (fifty percent) of the share capital, for the purposes of the allocation of the directors to be elected: (i) only the list that received the most votes shall be taken into account; (ii) only the first candidate indicated in said list shall be elected; (iii) any remaining directors of said list based on the provisions of points a.3.a), a.3.b), a.3.c), a.3.d), a.3.e), a.4.a), a.4.b), a.4.c) and a.4.d) above, as referenced in accordance with points a.5) and a.6) above, shall be attributed to the first list by number of absolute votes, subject to the respective indications provided therein with reference to the attribution of the directors of the lists other than the first and the last.

b) if, as per the aforementioned appointment procedure, at least two members in

possession of the independence requisites established by applicable legislation are not elected, the last of those elected taken from the list which has obtained the highest number of votes expressed by the shareholders after the first and which is not connected in any way, not even indirectly, with the shareholders who have presented or voted for this latter list shall have to be replaced by the first candidate listed subsequently on this list who has these requisites and, if following this replacement a member in possession of the independence requisites established by the applicable legislation still has to be elected, the last of those elected not in possession of these requisites taken from the list which has obtained the highest number of votes shall have to be replaced by the first candidate listed subsequently on this list who has these requisites;

c) if the Board of Directors elected as above does not permit the observance of the balance between genders envisaged by current legislation, the last members elected of the more represented gender, of the first list by number of votes cast by the shareholders, fall from office in the number necessary to ensure the observance of the requirement and are replaced by the first candidates not elected on the same list of the gender represented the least. In the absence of candidates of the less represented gender on the first list by number of votes cast by shareholders in a number sufficient to go ahead with replacement, the aforementioned criteria will apply to the successive lists progressively voted for the most from which the elected candidates have been taken. If, applying the above criteria, it is not however possible to identify suitable replacements, the shareholders' meeting supplements the body with the legal majorities, ensuring the satisfaction of the requirement of the balance between genders envisaged by current legislation;

d) the list voting appointment method envisaged above is applied in the sole case of complete renewal of the Directors; with regard to the appointment of Directors not appointed for any reason in accordance with the above procedure, the shareholders' meeting resolves with the legal majority in observance of the legislative requirements

regarding gender representation;

this requisite also applies to co-opting carried out by the same Board of Directors as per applicable legislation.

If, due to resignation or for other reasons, more than half of the Directors appointed by the shareholders' meeting fall from office, the entire Board shall be understood to have fallen and the shareholders' meeting must be called immediately to re-appoint all the Directors.

Pursuant to current legislation, shareholders are only entitled to present lists if, alone or together with other shareholders, they represent at least 4.5% (four point five percent) of the shares with the right to vote during ordinary shareholders' meetings, in accordance with the terms and forms indicated in the notice for the calling of the meeting.

You are hereby also reminded that, pursuant to Article 2390 of the Italian Civil Code, "the directors cannot undertake the capacity of unlimitedly liable shareholder in competing companies, nor carry out a competitive activity on their own account or on behalf of third parties, nor be directors or general managers in competing companies, unless authorized by the shareholders' meeting". Therefore, the Board of Directors submits any relevant cases which should be as such in relation to the candidates for the examination and authorization of the shareholders' meeting.

This having been stated, we hereby invite you to present candidatures for the office of Director, in compliance with the Article of Association provisions referred to above and the applicable legislation and, on the basis of the candidatures proposed, to proceed with voting for the election of the Directors, subject to establishment of their number, the appointment of the Chairman, determination of the duration of the office and the related fee.

In this connection, it is hereby proposed: (i) that the number of Directors be established as [6]; (ii) that the first candidate indicated on the list which is first in terms of number of votes be appointed as Chairman of the Board of Directors; (iii) a duration in office of the

incoming Board equal to the approval of the financial statements referring to three accounting periods; (iv) likewise in line with the previous approach, an annual gross fee for the Directors not vested with specific appointments of EUR [50.000], plus the reimbursement of the out-of-pocket expenses incurred for the performance of the appointment.

Therefore, we hereby propose that a resolution be adopted in line with the following proposal:

“Tiscali S.p.A.’s ordinary shareholders’ meeting, having acknowledged the Directors’ Report and having heard the Chairman’s statement,

r e s o l v e s

1. to establish the number of members of the Board of directors as [6] and appoint [°°°] as Directors of the Company and that the same remain in office until the date of the shareholders’ meeting called to approve the financial statements as at 31 December 2020;

2. to appoint [°°°] as Chairman of the Board of Directors;

3. to establish the gross annual fee of each Director not vested with specific appointments as EUR [50.000] ;

4. to grant the Chairman and Chief Executive Officer pro tempore the widest powers, so that, also via legal representatives, they execute this resolution, as well as make, where appropriate or necessary, additions, amendments or cancellations which may be requested by the competent authorities.”

7. Appointment of the Board of Statutory Auditors and its Chairman, Resolution on the fees. Related and consequent resolutions.

Dear Shareholders, the mandate of the current Board of Statutory Auditors expires with the approval of the financial statements for the year ended December 31, 2017. Therefore, in this meeting the Shareholders will be called to appoint the Board of

Statutory Auditors.

With regard to the election of the Statutory Auditors, reference should be made to the provisions Article 18 of the Company Bylaws, which provide for:

- Article 18 -

Board of Statutory Auditors

The Board of Statutory Auditors is made up of three Statutory Auditors and two Alternate Auditors ensuring the balance between genders as per current legislation. The Statutory Auditors remain in office for a three-year period and may be re-appointed. The fall from office of the Statutory Auditors due to expiry of the term only becomes effective when the Board has been re-established. Pursuant to Article 1.2, letters b) and c) of the regulations pursuant to Italian Minister of Justice Decree No. 162 dated 30 March 2000, the sectors of activities and the matters pertaining to telecommunications, electronic communications in general, media, software and IT activities, as well as matters pertaining to private and administrative law disciplines, economic disciplines and those relating to the business organisation, are considered strictly pertinent to that of the Company.

Board of Statutory Auditors' meetings may also be held with the aid of telecommunications mediums, in observance of the formalities as per Article 12 (Calling and holding of Board Meetings) of these Articles of Association.

The shareholders' meeting which appoints the Statutory Auditors and the Chairman of the Board of Statutory Auditors establishes the emolument due to the same. The appointment of the Board of Statutory Auditors takes place on the basis of lists presented by the shareholders, in which five candidates must be indicated, three for the office of Statutory Auditor and two for the office of Alternate Auditor, listed by means of a consecutive number, in order of professional seniority and in observance of current legislation regarding balance between genders.

Each shareholder may submit, or jointly submit, one list only, even if via third parties or

through trust companies. Each candidate may be present on one list only or be disqualified. Shareholders are only entitled to present lists if, alone or together with other shareholders, they represent at least the percentage of the shares with the right to vote during ordinary shareholders' meetings envisaged by applicable legislation, which shall be indicated in the notice for the calling of the meeting. The lists presented by the shareholders must be deposited, as will also be indicated in the notice of calling, at the Company's registered offices by the twenty-fifth day prior to the date of the meeting called to resolve on the appointment of the members of the Board of Statutory Auditors. If, at the expiry of the aforementioned deadline, just one list has been presented, or only lists presented by shareholders who are connected as per the applicable legislation, lists can be presented up to the third day after this date, and the investment percentage envisaged for the presentation of the lists is reduced by half.

Each list shall have to be accompanied by the information required by applicable legislation and indicate the identity of the shareholders who have presented the same, the total investment percentage owned and a certificate which proves the ownership of said investment, as well as a declaration of the shareholders other than those who hold, also jointly, a relative controlling or majority interest, bearing witness to the absence of the connecting relationships with the latter as envisaged by applicable legislation.

In-depth information on the personal and professional characteristics of the candidates must be provided at the bottom of the list presented by the shareholders, or attached to the same.

The declarations by means of which the individual candidates accept their candidature and declare, at their own liability, the inexistence of causes of ineligibility or incompatibility as well as the existence of the requisites of good standing and professionalism prescribed for the office by applicable legislation and the Articles of Association, must be filed together with each list.

Lists presented without observing the above instructions, shall be considered as not

presented.

Each shareholder may vote for one list only, even if via third parties or through trust companies.

Those who cover the role of Statutory Auditor in five listed companies cannot undertake the office of Auditor in the Company. The Statutory Auditors can undertake other management and audit appointments within the limits established by applicable legislation.

At least one of the Statutory Auditors and at least one Alternate Auditor must be chosen from those listed on the official register of auditors with at least three years' experience in the auditing of accounts. Auditors failing to meet the aforementioned condition must have a total of at least three years' experience in specific company purpose-related duties. Specific company purpose-related duties are understood to be all those referable to the corporate purpose as per Article 3 (Corporate Purpose) in these Articles of Association and in any event those relating to the telecommunications sector.

They are elected as follows:

a) two Statutory Auditors and one Alternate Auditor are elected from the list receiving the most votes, in the order in which they appear on said list;

b) the third Statutory Auditor shall be the candidate for the related office in first place, among the Statutory Auditors, on the list which has received the most votes after the first, from among the lists presented and voted for by shareholders who are not connected, even indirectly, with the shareholders who have presented and voted for the list in first place due to number of votes;

c) the second Alternate Auditor shall be the candidate for the related office indicated as first, among the Alternate Auditors, on the same minority list indicated above.

In the event of equal votes between the lists presented and voted for by shareholders who are not connected, even indirectly, with the shareholders who have presented and voted for the list in first place due to number of votes, the candidate on the list which

has been presented by shareholders in possession of the majority investment or, alternatively, by the highest number of shareholders, shall be elected.

The chairmanship of the Board of Statutory Auditors goes to the candidate for the office of Statutory Auditor in first place on the list which has received the most votes after the first, from among the lists presented and voted for by shareholders who are not connected, even indirectly, with the shareholders who have presented and voted for the list in first place due to number of votes;

c) the second Alternate auditor will be the candidate to the respective role indicated in first place, among the Alternate Auditors, in the same minority list referred to in the previous point.

In the event of equal votes between the lists presented and voted for by shareholders who are not connected, even indirectly, with the shareholders who have presented and voted for the list in first place due to number of votes, the candidate on the list which has been presented by shareholders in possession of the majority investment or, alternatively, by the highest number of shareholders, shall be elected.

The chairmanship of the Board of Statutory Auditors goes to the candidate for the office of Statutory Auditor in first place on the list which has received the most votes after the first, from among the lists presented and voted for by shareholders who are not connected, even indirectly, with the shareholders who have presented and voted for the list in first place due to number of votes.

If just one list is presented, the first three candidates in consecutive order shall be elected Statutory Auditors by majority, and the fourth and fifth candidates shall be appointed Alternate Auditors; the chairmanship of the Board of Statutory Auditors will go to the first candidate.

If the Board of Statutory Auditors elected as above does not permit the observance of the balance between genders envisaged by current legislation, the last members elected from the majority list of the gender represented the most fall from office in the number necessary to ensure the observance of the requirement and are replaced by

the first candidates not elected on the same list of the gender represented the least. In the absence of candidates of the gender represented the least on the majority list in a number sufficient to go ahead with replacement, the aforementioned criteria will apply to the minority lists progressively voted for the most from which the elected candidates have been taken. If, applying the above criteria, it is not however possible to identify suitable replacements, the shareholders' meeting supplements the body with the legal majorities, ensuring the satisfaction of the requirement of the balance between genders envisaged by current legislation.

In the event of early termination of a Statutory Auditor from office, the same shall be replaced by the Alternate Auditor elected from among the candidates belonging to the same list as the Auditor no longer in office in observance of current legislation regarding balance between genders.

In observance of current legislation regarding the balance between genders, the shareholders' meeting takes steps to appoint the Statutory Auditors and Alternate Auditors necessary for supplementing the Board of Statutory Auditors following early termination from office, as follows:

a) if steps must be taken to replace Auditors elected from the majority list, the appointment takes place by majority vote, choosing from among the candidates on the list to which the Auditors to be replaced belonged, who at least ten days before the date fixed for the shareholders' meeting in first calling have confirmed their candidature, together with the declarations relating to the inexistence of causes of ineligibility or incompatibility, as well as the existence of the requisites of good standing and professionalism prescribed for the office by applicable legislation and the Articles of Association;

b) if, by contrast, steps must be taken to replace the Statutory Auditor appointed by the minority, the shareholders' meeting shall replace the same by majority vote, choosing from among the candidates on the list to which the Auditor to be replaced belonged, who at least ten days before the date fixed for the shareholders' meeting in first calling

have confirmed their candidature, together with the declarations relating to the inexistence of causes of ineligibility or incompatibility, as well as the existence of the requisites of good standing and professionalism prescribed for the office by applicable legislation and the Articles of Association.

The new Auditors appointed fall from office together with those already in office.

The outgoing Auditors may be re-appointed.

Pursuant to current legislation, shareholders are only entitled to present lists if, alone or together with other shareholders, they represent at least 4.5% (four point five percent) of the shares with the right to vote during ordinary shareholders' meetings, without prejudice to the other matters envisaged in the notice for the calling of this meeting also with reference to the reduction of this threshold by half.

With regard to the remuneration, it is deemed that the current remuneration of EUR [35.000] gross per annum for the Chairman and EUR [25.000] gross per annum for the Statutory Auditors is in keeping with the structure of the Group and the activities of the Company; this remuneration is all-inclusive, except for the reimbursement of the out-of-pocket expenses incurred for the performance of the appointment.

This having been stated, we hereby invite you to present candidatures for the office of Statutory Auditor, in compliance with the Bylaw provisions and legislation referred to above and, on the basis of the candidatures proposed, to proceed with voting for the election of the Statutory Auditors and for the determination of the fee.

In view of the above, we request that you pass a resolution to the following effect:

“Tiscali S.p.A.’s ordinary shareholders’ meeting, having acknowledged the Directors’ Report, having heard the Chairman’s statement, on conclusion of the list voting procedure

r e s o l v e s

1. to appoint until the date of the shareholders’ meeting called for the approval of the

financial statements relating to 2020;

- [°°°] Statutory auditors

- [°°°] Alternate auditors

- [°°°] Chairman of the Board of Statutory Auditors;

2. to establish the gross annual fee of the Chairman of the Board of Statutory Auditors as EUR [35.000] and the gross annual fee of the Statutory Auditors as EUR [25.000];

3. to grant the Chairman and Chief Executive Officer pro tempore the widest powers, so that, also via legal representatives, they execute this resolution, as well as make, where appropriate or necessary, additions, amendments or cancellations which may be requested by the competent authorities.”

* * *

Dear Shareholders,

deferring the illustration of points 3-4-5 of the agenda until the reports which will be made public by the legal deadlines, we invite you to present the candidatures for the offices of Director and Statutory Auditor of the Company and, in any event, to express your opinion on the proposals illustrated above.

Cagliari, May 10 2018

Tiscali S.p.A.

On behalf of the Board of Directors

The Chairman, Alexander Okun