



COURTESY TRANSLATION

TISCALI S.p.A.

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

Paid-in share capital EUR 46.355.159,37

Tax Code, VAT no. and

Cagliari Register of Companies no. 02375280928

*BOARD OF DIRECTORS' EXPLANATORY REPORT ON THE AGENDA ITEMS FOR THE
ORDINARY SHAREHOLDERS' MEETING OF MAY 28 2020, PURSUANT TO ARTICLE 125-
TER of LGS. D. 58/1998*

Cagliari, 28 April 2020

Dear Shareholders,

this document has been prepared by the Board of Directors of Tiscali S.p.A. ("Tiscali" or the "Company"), in compliance with current legislation, in relation to the Tiscali Shareholders' Meeting convened in ordinary session in a single call for May 28, 2020 at 11 am, to discuss and resolve on the following:

AGENDA

1. Annual financial statement at December 31 2019

a. Approval of the financial statement documentation

b. Destination loss for the year: carry forward.

2. Report on the remuneration policy and on the remuneration provided

a. Approval of the first section (remuneration policy 2020)

b. Non-binding vote on the second section (2019 fees).

Pursuant to and for the purposes of art. 125-ter of Legislative Decree 58/1998, we submit this report to your attention with reference to points 1 and 2 on the agenda.

* * *

1. Approval of the Financial Statements as at 31 December 2019. Related and consequent resolutions

Dear Shareholders,

A copy of the Financial Statements draft of Tiscali S.p.A. (the "Company") as at 31 December 2019, approved by the Board of Directors at the meeting of 27 April 2019 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, <https://www.tiscali.com/assemblea-azionisti/> 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 2019, shows a loss for the period of EUR 2.506.728,78. We are hereby proposing to approve the Financial Statements, as a whole and with regard to the individual items, and to carry forward accumulated losses at 31 December 2019 of Euro 2.506.728,78. To this end, we are proposing to issue a resolution in line with the following proposal:

Proposal 1: approval of the financial statements documentation

The Shareholders meeting of Tiscali S.p.A.,

- having examined the annual financial report of Tiscali S.p.A. ;*
- having taken note of the reports of the Board of Statutory Auditors and of the auditing company Deloitte S.p.A. ;*

resolve:

- to approve the 2019 financial statements of Tiscali S.p.A. as a whole and in the individual posts, as prepared by the Board of Directors, which is given extensive discharge of its management.*

Proposal 2: allocation of the loss for the year: carry forward

The Shareholders meeting of Tiscali S.p.A.,

- having regard to the 2019 financial statements of Tiscali S.p.A. and the loss of business registered;*
- taking into account the existing measure of the legal reserve;*

resolve:

- to carry forward the loss for the year of € 2,506,728.78, giving the Chief Executive Officer any wider power, so that, also by means of agents, executes this resolution, as well as making contributions, where appropriate or necessary, formal additions, amendments and deletions that were requested by the competent authorities.*

2. Report on the remuneration policy and the remuneration paid

- Approval of the first section (2020 remuneration policy)
- Non-binding vote on the second section (2019 fees)

Dear Shareholders,

in view of the Shareholders' Meeting of 28 May 2020, on the basis of a regulatory framework still missing from the regulation, drafting was made subject to delegation to Consob by the primary legislation transposing the Directive 2007/36 / EC into national law (known as the Shareholders' Rights II Directive), the report on the remuneration policy and the remuneration paid.

The document is divided into two sections:

- the first illustrates the Company's policy on the remuneration of Directors, Statutory Auditors and executives with strategic responsibilities with reference to the 2020 financial year, and is subject to binding resolution of the Shareholders' Meeting;
- the second provides the representation of the items that make up the remuneration of the persons mentioned above, with an illustration of the remuneration paid to them in the 2019 financial year, and is subject to non-binding resolution of the Shareholders' Meeting in favor or otherwise. Starting from next year, this part of the document will also illustrate how the Company has taken into account the vote cast the previous year on the second section of the report.

Having said this, you are called to express yourself separately on the first and second sections of the report, in the terms described above, and therefore the Board of Directors submits the following proposals for your approval:

Proposal 1: approval of the first section of the report on the remuneration policy and the remuneration paid

The Shareholders' Meeting of Tiscali S.p.A., given the applicable regulations on the report on the remuneration policy and the remuneration paid,

resolve:

- to approve the first section of the report on the remuneration policy and the remuneration paid by the Company.

Proposal 2: non-binding vote on the second section of the report on the remuneration policy and the remuneration paid

The Shareholders' Meeting of Tiscali S.p.A., given the applicable regulations on the report on the remuneration policy and the remuneration paid,

resolve:

- favorably on the second section of the report on the remuneration policy and on the remuneration paid by the Company in the 2019 financial year.

* * *

Dear Shareholders,

We invite you to pronounce on the proposals illustrated above.

Cagliari, April 28, 2020

Tiscali S.p.A.

For the Board of Directors

Renato Soru

CEO