



TISCALI S.p.A.

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

Paid-in share capital EUR 43.065.376,20

Tax Code, VAT no. and

Cagliari Register of Companies no. 02375280928

***BOARD OF DIRECTORS' EXPLANATORY REPORT ON THE AGENDA ITEMS FOR
THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 13
2019, PURSUANT TO ARTICLE 125-TER TUF***

Cagliari, April 12 2019

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 and extraordinary Shareholders' Meeting of Tiscali, convened on a single call for May 13 2019, at the registered office, to discuss and resolve upon the following:

Agenda

ORDINARY

1. Approval of the financial statements as at 31 December 2018. Related and consequent approvals.

EXTRAORDINARY

2. Proposal to replenish the stock option reserves by reducing the share capital. Related and consequent resolutions.

ORDINARY

3. Examination of the first section of the Remuneration Report drafted pursuant to dell'art. 123-ter Legislative Decree 58/1998. Related and consequent approvals.

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 and 3.

* * *

1. Approval of the Financial Statements as at 31 December 2018. Related and consequent resolutions

Dear Shareholders,

A copy of the Financial Statements draft of Tiscali S.p.A. (the "**Company**") as at 31 December 2018, approved by the Board of Directors at the meeting of March 22 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, 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 2018, shows a net result for euro 139.622,78. We hereby propose to approve the Financial Statements, as a whole and with regard to the individual items, and to this end, we propose 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 2018, along with the required reports, and after hearing the Chairman's presentation,

resolves

1. *to approve the Financial Statements related to the 2018 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 allocate the operating profit for the year 2018 equal to Euro 139.622,78 to the legal reserve for Euro 6.981,14 and for the remaining amount equal to Euro 132.641,64 to other reserves;*
3. *to give the broadest powers to the CEO, 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.”*

3. 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 2018 Report on Remunerations, as drafted by the Board of Directors,*
- 2. to confer the broadest powers to the CEO in order to implement this resolution also through powers of attorney.”*

* * *

Dear Shareholders,

deferring the illustration of point 2 of the agenda until the report which will be made public by the legal deadlines, we invite you to express your opinion on the proposals illustrated above.

Cagliari, April 12 2019

Tiscali S.p.A.

On behalf of the Board of Directors

Alex Kossuta, CEO