



**TISCALI SPA**

**PROCEDURE FOR DISCLOSING PRIVILEGED INFORMATION TO THE PUBLIC**

Approval: Board of Directors on April 28, 2017  
In effect: Since April 28, 2017

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## 1. Introduction

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The following regulatory framework was taken into account in preparing this procedure (“**Procedure**”):

- (EU) Regulation no. 596/2014 of the European Parliament and Council of the European Union of 16 April 2014 regarding market abuse (*Market Abuse Regulation* – hereinafter “**MAR**”);
- (EU) Implementing Regulation 2016/1055 of the European Commission of 29 June 2016 (“**ITS 1055**”);
- the “*Guidelines on the Market Abuse Regulation*” published by the ESMA (*European Securities and Markets Authority*) (the “**ESMA Guidelines**”).

Tiscali S.p.A. (“**Company**” or “**Issuer**”) adopts this Procedure to implement the rules contained in Art. 17 MAR and in ITS 1055, and it regulates the provisions and procedures concerning both internal management and external communication of the Privileged Information and Confidential Information (both as defined hereunder) regarding the Issuer and its subsidiaries (together with the Company, the “**Group**”).

The Procedure is aimed at ensuring that the legal and statutory provisions in effect on the subject are observed and that utmost secrecy and confidentiality of the Privileged Information is upheld. The Procedure is particularly aimed at guaranteeing the market greater transparency and adequate preventive measures against market abuse and more specifically against the abuse of Privileged Information.

This Procedure has been adequately circulated within the Group to the interested parties and has been published on the Tiscali website in the “Investors” section ([www.tiscali.com](http://www.tiscali.com)).

The Procedure also has the aim of guaranteeing that the operational activities are carried out in conformity with the principles of professional competence, transparency and correctness, in compliance with Italian Legislative Decree 231/2001 and, more generally, with the applicable Laws and regulations, as well as in observance of the Company Code of Ethics and Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

The Directors, Statutory Auditors, General Managers (if appointed), Executives, Employees of the Company and/or of the Group companies, as well as the “external” parties entered in the “Register of Persons with access to Privileged Information” (“**Register**”) who for any reason have similar access to the Privileged Information (and/or Confidential Information) concerning the Issuer and its Group (jointly considered the “**Recipients**”) are required to follow this Procedure with different levels of responsibility and obligations. The Register is regulated by the procedure called “Register of Persons with access to Privileged Information” adopted by the Company (“**Register Procedure**”).

According to the explanation provided by Art. 7 MAR, “Privileged Information” means “information precise in nature that has not been made public, that directly or indirectly concerns one or more issuers or one or more financial instruments, and that if made public, might significantly affect the prices of said financial instruments or the prices of associated derivative instruments”<sup>1</sup> (“**Privileged Information**”). Therefore, it means information that a reasonable investor would likely use as one of the elements on which they base their investment decisions.

The Issuer announces the Privileged Information directly concerning said Issuer to the public as quickly as possible and guarantees that the announcement is made (i) in keeping with the methods that allow rapid, free and non-discriminatory access throughout the European Union at the same time, as well as a complete, correct and timely assessment of the Privileged Information by the same public, and in any case

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<sup>1</sup> It is clarified that pursuant to Art. 7, paragraph 2 MAR, information is “precise in nature” if “it refers to a set of circumstances that exist or that can be reasonably believed may generate either an event that has taken place or that can be reasonably believed will take place and if said information is specific enough to allow conclusions to be drawn on the possible effect of said set of circumstances or of said event on the prices of the financial instruments or relevant derivative instrument, of the foreign exchange spots on associated goods or products subject to auction based on the emission allowances. To this regard, in the case of a prolonged process intended to form, or that will determine, a particular circumstance or a particular event, said future circumstance or future event, as well as the intermediate stages of said process that are connected with the materialisation or determination of the future circumstance or event might be considered information precise in nature”.

(ii) in compliance with the provisions of ITS 1055; all in conformity with the provisions of Art. 2 of the Procedure hereunder.

The Company, on its own responsibility, may delay the announcement to the public of Privileged Information (“Delay”) if one of the conditions specified in Art. 3 of the Procedure exists.

## 2. Processing of the Privileged Information

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The Issuer announces the Privileged Information directly concerning the Company to the public as quickly as possible.

The privileged nature of the information, and therefore the need to report it to the market pursuant to this article (or, if the conditions established by current legislation exist, on the right to activated the Delay procedure as explained in Art. 3), is assessed bearing in mind the characteristics of the Privileged Information following the methods specified hereunder.

The assessment of whether or not the information is privileged, as well as the need to activate the Delay procedure, lies with the CEO or Chairman of the Board of Directors. If the parties responsible for making this assessment recognise its advisability or need, they can decide to refer it to the Board of Directors.

If the outcome of this assessment leads the CEO or Chairman of the Board of Directors to:

(a) recognise the non-privileged nature of the information, measures are taken, if necessary, to however guarantee the confidentiality of the information pursuant to the provisions of Art. 4 of the Procedure below;

(b) recognise the privileged nature of the information, measures are taken so that the Privileged Information is disclosed to the public (unless the conditions to activate the Delay procedure pursuant to Art. 3 apply), ensuring that the announcement is given: (i) according to the methods that allow rapid, free and non-discriminatory access at the same time throughout the European Union, as well as a complete, correct and timely assessment of the Privileged Information by the same public, and however (ii) in observance of the provisions of ITS 1055 (iii) and in conformity with the provisions of this Procedure and the pro tempore legislation in effect.

The Privileged Information to the public must be disclosed by circulating a specific news release prepared by the Investor Relations office with the aid of the Corporate Affairs office; the text of the press release must be submitted to the CEO or the Chairman of the Board of Directors and, if the advisability or need for it is recognised, to the Board of Directors for final approval before circulating it outside subject to certification of the Executive in charge of drawing up the Company’s accounting documents (“Executive in Charge”) if the text regarding accounting information pursuant to Art. 154-bis of Italian Legislative Decree 58/1998.

The press release is issued in the SDIR-NIS circuit organised and managed by Borsa Italiana S.p.A. and it is sent to Consob and the press agencies connected to the system through the SDIR-NIS<sup>2</sup>.

The press release is considered public as soon as confirmation of the correct starting date of the embargo period required by the pro tempore legislation in effect is received through the SDIR-NIS system. If in exceptional cases the Investor Relations office or the Corporate Affairs office cannot use the SDIR-NIS system or find anomalies in the system’s operation, it must immediately report it to Borsa Italiana S.p.A. and meet the obligations of informing the public following alternative methods established by the competent Authority.

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<sup>2</sup> Pursuant to Art. 2, paragraph 1, letter b) of ITS 1055 “The issuers (...) disclose the privileged information with a technical tool that: (...) (b) reports the privileged information, directly or through third parties, to the information media on which the public reasonably relies for the actual disclosure of said information. The press release is made using an electronic medium that preserves the completeness, integrity and confidentiality of the information during transmission and clearly indicates: i) the privileged nature of the information reported; ii) the identity of the issuer or emission allowance market participant: complete company name; iii) the identity of the notifying party: name, surname, position at the issuer company or the emission allowance market participant; iv) the subject matter of the privileged information; v) the date and time of the communication to the information media.”

In any case, the Issuer ensures the completeness, integrity and confidentiality of the Privileged Information by promptly remedying any insufficiency or inefficiency in its communication. The press release is also sent to the authorised storage mechanism that the Company uses for storing *Regulated Information*.

Availing itself of the Corporate Affairs office, the Investor Relations office has the press release uploaded onto the Company website by the offices in charge of it, and ensures that (i) non-discriminatory and free access is guaranteed; (ii) the Privileged Information is published in an easy to identify website section; (iii) the date and time the Privileged Information is published and the chronological order of the Privileged Information is indicated; all in observance of the principles listed in Art. 4 below, if applicable.

The Company keeps all Privileged Information it is required to disclose to the public on its website for at least 5 years.

The Privileged Information must be circulated following the same methods when there is a Shareholders' Meeting of the Issuer.

If the Issuer or another Group company organises or participates in limited meetings with financial analysts, institutional investors or other financial market operators, the Investor Relations office, with the help of the Corporate Affairs office:

- (a) notifies Consob and the stock exchange management company the date, place and main topics of the meeting in advance;
- (b) sends Consob and the stock exchange management company the documents made available to those attending the meeting at the latest at the same time the meetings are held.

If during the meetings with the stock exchange management operators Privileged Information is disclosed, the Investor Relations office promptly announces the same information to the public following the methods set out herein after receiving the approval of the CEO or the Chairman of the Board of Directors.

### **3. Delay of the communication**

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On its responsibility, the Company may delay reporting the Privileged Information to the public provided that all of the following conditions ("Conditions for the Delay") are met:

- (a) immediate communication would probably jeopardise the legitimate interests of the Issuer;
- (b) the Delay in communication would probably not have the effect of misleading the public;
- (c) the Issuer is able to guarantee the confidentiality of said information.

In the case of an extended process, which takes place in steps and is aimed at achieving or that entails a particular circumstance or particular event, the Company may, on its own responsibility, delay the communication of Privileged Information on said process to the public, without prejudice to the need that the Conditions for the Delay, as specified below, exist and remain.

The right to delay communication of the Privileged Information to the public is assessed case by case under the personal responsibility of the CEO or the Chairman of the Board of Directors, or if the Board of Directors recognises the advisability or need for it.

For this reason the CEO or the Chairman of the Board of Directors, or, if the advisability or need is recognised, the Board of Directors determines whether the Conditions for the Delay exist while however also bearing in mind the provisions in the ESMA Guidelines. Having verified the existence of the Conditions for the Delay, the documents based on which the assessment was made and that certify the reasons for the Delay are lodged with the Corporate Affairs office. These documents must show all the elements prescribed by ITS 1055 for proof and notification of the Delay as specified hereunder.

For the Delay in communicating the Privileged Information, the Issuer uses technical tools that ensure accessibility, readability and storage on a durable medium of the information described under Art. 4, paragraph 1, ITS 1055, listed below:

(A) date and time: (i) of the first existence of the Privileged Information at the Issuer's offices; (ii) of the decision taken to delay disclosure of the Privileged Information; (iii) of the probable disclosure of the Privileged Information by the Issuer;

(B) identity of the persons who are responsible for the following at the Issuer's offices: (i) taking the decision to delay the disclosure and the decision that establishes the beginning of the Delay period and its probable conclusion; (ii) continual monitoring of the Conditions for the Delay; (iii) taking the decision to communicate the Privileged Information to the public; (iv) communication of the information required for the Delay and the explanation in writing to the competent Authority;

(C) proof of having initially met the Conditions for the Delay and any modification to that regard during the period of Delay, including: (i) protective barriers of the information erected both inside and outside to prevent access to the Privileged Information by other persons other than those who must access it at the Issuer's offices while normally performing their jobs or duties; (ii) methods prepared to disclose the Privileged Information as quickly as possible, as soon as its confidentiality is guaranteed.

The CEO or Chairman of the Board of Directors guarantees the confidentiality and secrecy of the delayed Privileged Information by adopting all measures that they see to be appropriate in the actual case for ensuring that said confidentiality is kept, without prejudice to observance of the prescriptions pursuant to Art. 4, paragraph 1, ITS 1055, described above.

For this purpose they immediately inform the Party in charge of keeping the Register that the Delay procedure has been started so said person: (i) sets up a specific Single Section regarding the Privileged Information and enters the parties who have access to said Privileged Information in the aforesaid section; and (ii) notifies the parties entered in the Single Section and in the Permanent Section that the Delay procedure has been started (both the Single Section and Permanent Section as defined in the Register Procedure) and that it is necessary to guarantee the confidentiality of the aforesaid information by scrupulously following the rules of conduct described in Art. 4 (if applicable).

During the Delay, the CEO or the Chairman of the Board of Directors monitors the permanence of the Conditions for the Delay and in particular the confidentiality of the Privileged Information whose communication has been delayed on a case by case basis with the support of the Party in charge of keeping the Register.

If breach of even one of the Conditions for the Delay should be ascertained (i) the Privileged Information must be communicated to the public as soon as possible, with the methods described in Art. 2 of this Procedure and (ii) the Company must notify the competent Authority as indicated in below in this article immediately following communication to the public.

Confidentiality is considered breached also if a rumour explicitly refers to Privileged Information whose communication has been delayed, when said rumour is accurate enough to indicate that the confidentiality of said information is no longer guaranteed (according to Art. 17, paragraph 7, MAR).

Pursuant to the provisions of Art. 17, paragraph 8 MAR, when the Company or a party acting in its name and on its behalf discloses Privileged Information to third parties when normally performing their job or duties, they are required to fully and effectively communicate said information to the public at the same time in the case of intentional communication and promptly in the case of non-intentional communication, unless the person receiving the Privileged Information is bound to an obligation of confidentiality regardless of the fact that said obligation is legislative, regulatory, statutory or contractual in nature.

When the Company has delayed communication of Privileged Information pursuant to this article, the Company notifies the competent Authority of said Delay immediately after the Privileged Information has been communicated to the public (according to the methods established by the same Authority) and provides an explanation in writing of the methods with which the Conditions for the Delay have been met and the information required by ITS 1055, as indicated hereunder.

Pursuant to Art. 4, paragraph 3, ITS 1055, notification to the Authority of the Delay must include the following information:

(A) identity of the Issuer: complete company name;

(B) identity of the notifying party: name, surname, position at the issuer company;

(C) contact details of the notifying party: business electronic mail address and telephone number;

- (D) identification of the Privileged Information affected by the Delay in disclosure: (i) title of the announcement to be disclosed; (ii) reference number, if assigned by the system used to disclose the Privileged Information; (iii) date and time of communication to the public of the Privileged Information;
- (E) date and time of the decision to delay disclosure of the Privileged Information;
- (F) identity of all those responsible for the decision to delay communication to the public of the Privileged Information.

#### 4. General principles of communicating information on the Issuer

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##### 4.1 Confidential information

For the purposes of this Procedure, the term “confidential information” means all information and news not qualifiable as Privileged Information regarding the Issuer and/or a Group company that is not of public domain and that because of its subject matter or other characteristics is confidential in nature and acquired by the Recipients when performing their tasks and/or duties (“**Confidential Information**”).

The Recipients in possession of Confidential Information are required to:

- (a) keep the documents and information acquired when performing their jobs confidential;
- (b) use the confidential information and documents only for carrying out their duties;
- (c) scrupulously observe the provisions in this Procedure should the Confidential Information later take on the nature of Privileged Information.

Each Recipient is personally responsible for looking after the documents pertaining to the Confidential Information delivered to them. The documents pertaining to the Confidential Information must be kept by the Recipient, even if in electronic format, in such a way as to allow access only to the authorised persons. If a Recipient has to send documents or information pertaining to the Confidential Information to third parties as part of the normal performance of their jobs or duties, they must ascertain that the third parties are bound to an obligation of confidentiality of the documents and information received, regardless of the fact that said obligation is legislative, regulatory, statutory or contractual in nature.

All of the Recipient’s relations with the press and other communication media for the purpose of disclosing Confidential Information must take place only through the Investor Relations office, which must obtain authorisation from the CEO or Chairman of the Board of Directors. In any case, if the documents and information concerning Confidential Information contain references to economic, equity, financial, investment, employment of personnel and similar data, said data must be previously validated by the Executive in Charge.

It is understood that (i) the prescriptions set out in this article also apply with reference to the Privileged Information if it this is required in the actual case in order to guarantee the confidentiality of the information and (ii) the provisions of Art. 2 of the Procedure are followed when communicating Privileged Information to the public.

##### 4.2 Communication through the website.

In order to guarantee correct information, the Company must:

- (i) report the data and news in keeping with adequate editorial criteria that take into account the function of information that characterises the financial communication to investors, avoiding the pursuit of promotional aims;
- (ii) in the case a second language other than Italian is used, ensure that the content is the same in the two versions, it being understood that the Italian version however remains the text of reference;
- (iii) always quote the source of information when publishing data and/or news coming from third parties;
- (iv) specify if the documents published on the website are the full version or an abstract or summary, in any case indicating the methods for finding the documents in their original format;
- (v) circulate a correction text in which the corrections made are highlighted as soon as possible in the case of substantial and significant errors in the information already published on the website;

- (vi) make any necessary references to other websites on the basis of principles of correctness, neutrality and transparency in order to allow users to easily realise in which other website they find themselves;
- (vii) indicate the source and actual time the data on the listings and on the traded volumes of any financial instruments reported are recorded;
- (viii) observe maximum prudence in interventions in the financial information websites or in the discussion forums in order to not alter information parity between investors.

In order to guarantee correct and complete information to the shareholders, the Company will in any case follow any recommendations that the competent Authority puts forward on the subject.

## **5. Final provisions**

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The CEO introduces the amendments and supplements that should become necessary as the result of regulatory measures or organisational changes of Tiscali, and in view of the practical experience gained and market practice in this area.