

RETELIT S.p.A.

**ORDINARY SHAREHOLDERS' MEETING OF APRIL 27, 2018
IN SINGLE CALL**

**ILLUSTRATIVE REPORT BY THE BOARD OF DIRECTORS ON THE MATTERS ON THE
AGENDA**

(prepared in accordance with Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented, and Article 84 of the Regulation adopted with CONSOB Motion No. 11971 of May 14, 1999, as subsequently amended and supplemented)

FIRST MATTER ON THE AGENDA

“Approval of the Annual Accounts at December 31, 2017. Board of Directors’ Report. Board of Statutory Auditors’ Report. Independent Auditors’ Report. Allocation of the result. Presentation of the Consolidated Financial Statements at December 31, 2017. Resolutions thereon”.

Dear Shareholders,

we submit for your approval the statutory financial statements of Retelit S.p.A. (the “**Company**”) at December 31, 2017, approved by the Board of Directors with motion of March 15, 2018.

A net profit of Euro 9.635.527,13 is reported for 2017.

We propose the allocation of the net profit as follows:

- for Euro 3,666,030.68, to fully cover prior years losses;
- for Euro 481,776.36, to the legal reserve as per Article 2430 of the Civil Code;
- for Euro 2,202,421.17, to retained earnings;
- for Euro 3,285,298.92, to shareholders as dividend.

For detailed information and comments on the financial statements, reference should be made to the annual financial report, including the statutory financial statements and the consolidated financial statements at December 31, 2017, approved by the Board of Directors on March 15, 2018, in addition to the Directors’

Report and the declaration as per Article 154-bis, paragraph 5, of Legislative Decree No. 58 of February 24, 1998 (the “CFA”), which, together with the Board of Statutory Auditors Report and the independent auditors’ report shall be made available to the public according to the applicable legal terms and deadlines and, in particular, shall be filed at the registered office in Milan, viale Francesco Restelli No. 3/7 and published on the company website at www.retelit.it (Investors / Financial Statements and interim reports section), in addition to the 1Info storage mechanism at www.1info.it.

Dear Shareholders,

in consideration of that above, the Board of Directors proposes the following motions:

“The Shareholders’ Meeting of Retelit S.p.A..

- *having heard and approved that stated by the Board of Directors;*
- *having reviewed the statutory financial statements of Retelit S.p.A. at December 31, 2017 and the Directors’ Report;*
- *having noted the Board of Statutory Auditors’ Report and the Independent Auditors’ Report;*

resolves

1. *to approve the statutory financial statements of Retelit S.p.A. at December 31, 2017, as presented by the Board of Directors in its entirety, in terms of the individual items and the proposed provisions, which reports a net profit of Euro 9.635.527,13;*
2. *to allocate the net profit as follows:*
 - *for Euro 3,666,030.68, to fully cover prior years losses;*
 - *for Euro 481,776.36, to the legal reserve as per Article 2430 of the Civil Code;*
 - *for Euro 3,285,298.92, to Shareholders as dividend the amount of Euro 0.020 for each of the shares in circulation at the coupon date of May 7, 2018, with “record date” of May 8, 2018 and payment date of May 9, 2018”;*
 - *for Euro 2,202,421.17, to retained earnings;*
3. *to grant to the Chairman of the Board of Directors, also through special powers of attorney, mandate to complete all activities, regarding, consequent or related to implementation of the motions at the preceding points. 1) and 2)”.*

SECOND MATTER ON THE AGENDA

“Appointment of the Board of Directors.

1. *Establishment of the number of members of the Board of Directors.*
2. *Establishment of the duration of office for the directors.*
3. *Appointment of the directors.*
4. *Appointment of the Chairman of the Board of Directors.*

5. *Establishment of the remuneration of the Chairman of the Board of Directors and of the Directors*".

Establishment of the number of members of the Board of Directors.

Dear Shareholders,

the Shareholders' Meeting is called to appoint the members of the Board of Directors, given the conclusion of mandate of the current Board, appointed by the Shareholders' Meeting of January 7, 2015. Article 16 of the By-Laws establishes that the Board of Directors is comprised of a minimum of three and a maximum of fifteen members and requires the Shareholders' Meeting to establish the number of directors within these limits. The Shareholders' Meeting of January 7, 2015 fixed the number of members on the Board as nine. In accordance with the recommendations of Article 1.C.1. letter h) of the Self-Governance Code of listed companies, with which Retelit complies (the "**Self-Governance Code**"), the Board of Directors, in view of the renewal of the Corporate Boards, having heard the opinion of the Appointments and Remuneration Committee and taking account of the Board's self-assessment, expressed its opinion to Shareholders on the composition of the new Board ("**Opinion**"). This Opinion is annexed to this report. The Board of Directors, also in consideration of the indications contained in the opinion, proposes maintaining as nine the number of directors to be appointed by the Shareholders' Meeting, in order to ensure an adequate composition of the Board of Directors in view of the size of the company and the complexity of operations.

Dear Shareholders,

in consideration of that above, the Board of Directors proposes the following motion:

"The Shareholders' Meeting of Retelit S.p.A..

resolves

1. that the number of members on the Board of Directors will be nine".

Establishment of the duration of office for the directors.

Dear Shareholders,

also in accordance with Article 16 of the By-Laws, the directors are appointed for a maximum period of three years which expires on the date of the shareholders' meeting called for the approval of the financial statements relating to the final year in office. The Shareholders' Meeting establishes the Board's duration of mandate. The Board of Directors, in order to ensure the company's operating stability, proposes to establish the duration of office of the directors to be appointed as three financial years, with conclusion on the date established for the Shareholders' Meeting to be called for approval of the 2020 Annual Accounts.

Dear Shareholders,

in consideration of that above, the Board of Directors proposes the following motion:

“The Shareholders’ Meeting of Retelit S.p.A..

resolves

- 1. to establish the duration of office of the directors as three financial years, with conclusion on the date for the Shareholders’ Meeting to be called for approval of the 2020 Annual Accounts.*

Appointment of the directors.

Dear Shareholders,

in accordance with Article 16 of the By-Laws, the Board of Directors is appointed by the Shareholders’ Meeting on the basis of slates presented by shareholders, from which candidates are elected on the basis of progressive numbering. As per the combined provisions of Article 16 of the By-Laws and CONSOB motion No. 20273 of January 24, 2018, shareholders who, on presentation of the slate, represent individually or together with other presenting shareholders, at least 4.5% of the voting share capital at the Ordinary Shareholders’ Meeting have the right to present slates for the appointment of the Board of Directors. The slates, signed by the presenting shareholders, should be filed at the registered office (Milan – Via F. Restelli n. 3/7 – between Monday to Friday, 9:00 - 5:30 PM, for the attention of the Legal and Corporate Affairs Office), or sent by certified e-mail to assemblea@pec.retelit.com within twenty-five days of the date fixed for the Shareholders’ Meeting (**April 2, 2018**).

The minimum share ownership is established considering the shares which have been registered in favour of the shareholder on the day on which the slates are filed with the company. The relative communication by the intermediary may be sent to the company subsequent to filing, although by **5:30 PM** of the twenty-first day before that fixed for the Shareholders’ Meeting (**April 6, 2018**). By this deadline, the company shall publish the slates and the relative annexes at the registered office, on the company website and according to the other regulatorily established means.

A shareholder may not present or vote upon more than one slate, even if through a nominee or a trust company. The shareholders belonging to the same group and shareholders who participate in a shareholders’ agreement regarding the shares of the Issuer cannot present or vote on more than one slate, even if through nominees or fiduciary companies. Subject to ineligibility, each candidate may appear only on one slate.

Together with each slate the following should be filed (i) details regarding the identity of the presenting shareholders, with indication of their overall percentage shareholding;(ii) a declaration, as per Consob communication DEM/9017893 of February 26, 2009, of shareholders other than those who hold, even jointly, a controlling or relative majority holding, declaring the absence of connecting relationships - even indirectly - as per Article 147-ter, paragraph 3 of the CFA and 144-quinquies of CONSOB motion No.

11971/1999 (“**Issuers’ Regulation**”) - with this latter, or any relations, where significant, with shareholders who hold, even jointly a controlling or relative majority holding, indicating the reasons for which these relations are not considered indicative of the existence of the above-stated connecting relationships;(iii) declarations in which the individual candidates accept their candidature and declare, in good faith, the inexistence of causes for ineligibility and incompatibility, in addition to the existence of the requirements established for the respective positions; (iv) a curriculum vitae outlining the personal and professional details of each candidate, indicating offices of direction and control held at other companies, with any indication of their independence as per Article 148, paragraph 3 of the CFA, in addition to the Self-Governance Code for listed companies (with which the company complies).

In compliance with the By-Laws and the applicable gender parity regulation, the slates presenting a number of candidates of three or above should be composed of candidates belonging to both genders, so that the under-represented gender comprises at least one-third of the candidates (rounded up).

At least one director, or at least two directors where the Board is comprised of more than seven members, should be considered independent as per that established for statutory auditors of listed companies, as per Article 148, paragraph 3, of the CFA, stated for directors at Article 147-*ter* of the CFA. All candidates should in addition be considered of good standing as established for statutory auditors of listed companies by Article 148, paragraph 4 of the CFA, stated for directors at Article 147-*quinquies*, paragraph 1 of the CFA. Shareholders are invited to take account also of the independent requirements and the number of independent directors recommended by Article 3 of the Self-Governance Code, in addition to the indications of the Opinion annexed to this report.

The Board of Directors are elected as per Article 16 of the By-Laws, as follows: a) from the slate obtaining the highest number of votes, based on the progressive numbering of the slate, all Directors except one; b) from the slate obtaining the second highest number of votes, and that are not related in any manner, even indirectly, with the slate at the previous letter a), or with the shareholders that presented or voted this slate, the remaining director from the minority slate. Slates that have not obtained votes equal to at least half of that required for their presentation will not be taken into consideration. Where following the election of the candidates according to the procedures indicated above the appointment of a number of Directors considered independent as established for statutory auditors by Article 148, paragraph 3 of the CFA equating to the minimum number established by law in relation to the overall number of Directors does not occur, the non-independent candidate elected last by the progressive numbering of the slates attracting the highest number of votes, as per the previous letter a), shall be replaced by the first independent candidate according to the progressive numbering not elected from the same slate, or, where not possible, by the first independent candidate listed progressively not elected from the other slates, according to the number of votes obtained by each. This replacement procedure continues until the Board of Directors is comprised of at least the minimum number of independent directors pursuant to Article 148, paragraph 3, of the CFA. Where this procedure does not ensure the above outcome, the replacement will be made by a Shareholders’ Meeting

motion passed by relative majority, following the presentation of candidates possessing the above requirements. Where with the election of the candidates from the slates according to methods indicated above the Board of Directors is not in line with the current pro tempore regulations concerning gender equality, the candidate of the over-represented gender elected last in the progressive numbering on the slate which has obtained the highest number of votes will be replaced by the candidate of the under-represented gender elected of the same slate. This replacement procedure is carried out until the composition of the Board of Directors complies with applicable regulations and in particular those concerning gender equality. Where this procedure does not ensure an outcome, the Shareholders' Meeting will elect in accordance with the majority by law, on condition of the presentation of candidates of the under-represented gender. Where only one slate is presented or no slate is presented, the Shareholders' Meeting votes by statutory majority, without following the process outlined above and subject to the gender equality rules as applicable. The above regulations are subject to any further amendments to the law and regulations.

For the additional provisions concerning the appointment of the Board of Directors, reference should be made to Article 16 of the By-Laws.

Slates presented without complying with Article 16 of the By-Laws and the applicable regulation are considered as not presented.

Dear Shareholders,

in view of that outlined above, the Board of Directors request you to vote on one of the slates which shall be proposed by Shareholders on this point on the Agenda.

Appointment of the Chairman of the Board of Directors.

Dear Shareholders,

in accordance with Article 18 of the By-Laws, the Board of Directors elects from among its members the Chairman, where the Shareholders' Meeting has not already done so. The Board proposes that the Shareholders' Meeting appoints as Chairman of the Board of Directors, on the proposal of the Shareholders, one of the directors to be appointed in accordance with this matter on the Agenda. In this regard, it is noted that the Opinion annexed to this Report also contains indications on the position of Chairman of the Board of Directors.

Dear Shareholders,

in view of that outlined above, the Board of Directors proposes to you to suggest and vote upon the appointment as Chairman of the Board of Directors of one of the directors to be appointed in accordance with this matter on the Agenda.

Establishment of the remuneration of the Chairman of the Board of Directors and of the Directors.

Dear Shareholders,

in accordance with Article 21 of the By-Laws, the Shareholders' Meeting may establish for the directors and any executive committee an annual remuneration, which remains unchanged until otherwise decided by the Shareholders' Meeting. The Shareholders' Meeting may in addition allocate to director's remuneration in the form of stock options, established according to the means set out at Article 2432 of the Civil Code, in addition to a termination indemnity. The Board of Directors establishes the division of this remuneration among the directors, in addition to the remuneration of senior directors, having consulted with the Board of Statutory Auditors.

The Shareholders' Meeting of January 7, 2015 established the remuneration of the Board of Directors as Euro 240,000.00, and assigned to the Board the duty to allocate remuneration between the directors and determine the remuneration of senior directors.

The exiting Board of Directors has not drawn up a proposal on this matter of the Agenda.

Dear Shareholders,

in view of that outlined above, the Board of Directors proposes that you draw up proposals on this matter on the Agenda and approve one such proposal.

THIRD MATTER ON THE AGENDA

“Appointment of the Board of Statutory Auditors.

- 1. Appointment of Statutory Auditors.*
- 2. Appointment of the Chairman of the Board of Statutory Auditors.*
- 3. “Establishment of the remuneration of the Chairman of the Board of Statutory Auditors and of the Statutory Auditors”.*

Appointment of Statutory Auditors.

Dear Shareholders,

the Shareholders' Meeting is called to appoint the members of the Board of Statutory Auditors, as the current Board appointed by the Shareholders' Meeting of June 29, 2015 reaches the end of its mandate. In accordance with Article 23 of the By-Laws, the Board of Statutory Auditors comprises three statutory auditors and two alternate auditors. The Board of Statutory Auditors is appointed by the Shareholders' Meeting on the basis of slates presented by the Shareholders in which the candidates are elected by means of progressive numbering. As per the combined provisions of Article 23 of the By-Laws and CONSOB motion No. 20273 of January 24, 2018, shareholders who, on presentation of the slate, represent individually or

together with other presenting shareholders, at least 4.5% of the voting share capital at the Ordinary Shareholders' Meeting have the right to present slates for the appointment of the Board of Statutory Auditors. The slates, signed by the presenting shareholders, should be filed at the registered office (Milan – Via F. Restelli n. 3/7 – between Monday to Friday, 9:00 - 5:30 PM, for the attention of the Legal and Corporate Affairs Office), or sent by certified e-mail to assemblea@pec.retelit.com within twenty-five days of the date fixed for the Shareholders' Meeting (**April 2, 2018**).

The minimum share ownership is established considering the shares which have been registered in favour of the shareholder on the day on which the slates are filed with the company. The relative communication by the intermediary may be sent to the company subsequent to filing, although by **5:30 PM** of the twenty-first day before that fixed for the Shareholders' Meeting (**April 6, 2018**). By this deadline, the company shall publish the slates and the relative annexes at the registered office, on the company website and according to the other regulatorily established means.

A shareholder may not present or vote upon more than one slate, even if through a nominee or a trust company. The shareholders belonging to the same group and shareholders who participate in a shareholders' agreement regarding the shares of the Issuer cannot present or vote on more than one slate, even if through nominees or fiduciary companies. Subject to ineligibility, each candidate may appear only on one slate. The slates indicate whether the candidature is presented for the office of Statutory Auditor or Alternate Auditor.

Together with each slate the following should be filed: (i) details regarding the identity of the presenting shareholders, with indication of their overall percentage shareholding; (ii) a declaration of shareholders other than those who hold, even jointly, a controlling or relative majority holding, declaring the absence of connecting relationships as per Article 147*quinquies* of the Issuers' Regulation - with this latter; (iii) exhaustive information on the personal and professional details of the candidate; in addition to (iv) declarations by which the individual candidates accept their candidature and declare, in good faith, the inexistence of causes for ineligibility or incompatibility, in addition to the existence of the requirements set out by the applicable regulations and by the By-Laws for members of the Board of Statutory Auditors by the applicable regulation, accompanied by a list of offices of direction and control at other companies.

In addition, Shareholders are invited to communicate in a timely manner to the company, taking account of Article 2400, final paragraph, of the Civil Code, any significant changes to the information previously provided which may emerge until the date of the Shareholders' Meeting. Each candidate should in addition declare their independence where qualifying as such in accordance with the Self-Governance Code (which the company applies).

In accordance with the By-Laws and the applicable gender parity regulation, the slates which present a number of candidates equal or greater than three should include candidates of differing genders both with regards to the position of Statutory Auditor and of Alternate Auditor.

Candidates for the office of statutory auditor should be considered independent in accordance with Article 148, paragraph 3 of the CFA, in addition to the good standing and professionalism requirements set out by the

applicable regulations. Shareholders are invited to take account of the independence requirements as per Article 8 of the Self-Governance Code.

In addition, Article 19, paragraph 3 of Legislative Decree No. 39 of January 27, 2010 requires that members of the Board of Statutory Auditors - representing the Internal Control and Audit Committee as per the above regulation - should as a collective be knowledgeable of the sector in which the entity subject to audit operates. In this respect, the Board of Directors suggest that at least a member of the Board of Statutory Auditors has a significant knowledge of the telecommunication sector in which the Company operates.

The statutory auditors, in addition, should comply with the cumulative limit of offices established by CONSOB at Article 144-*terdecies* of the Issuers' Regulation.

In the case where only one slate is filed by the deadline for the presentation of slates for the appointment of the Board of Statutory Auditors, or slates are only presented by connected shareholders pursuant to the applicable provisions, slates may be presented up to the third day subsequent to the stated deadline (therefore by **April 5, 2018**). In this case, the threshold established above for the presentation of the slate is reduced by half.

In accordance with Communication No. DEM/9017893 of February 26, 2009, CONSOB recommends that shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, should provide the following information:

- any existing relationships, where significant, with shareholders who hold, even jointly, a controlling or relative majority share. In particular, at least those listed at point 2 of the Consob Communication should be indicated; Alternatively, the absence of significant relationship should be indicated;

- the reasons why these relations are not considered connecting relationships as per Article 148, paragraph 2, CFA and Article 144-*quinquies* of the Issuer's Regulation.

The Board of Statutory Auditors are elected according to Article 23 of the By-Laws, as follows: the slate with the majority of the votes will elect, in progressive order within the list, two standing auditors and one alternate auditor. The third standing auditor, who shall be appointed the Chairman of the Board of Statutory Auditors and the second alternate auditor, will be elected from the minority slate which obtained the second largest number of votes, and which is not related in any manner in accordance with law, even indirectly, with the slate which obtained the highest number of votes, based on the progressive numbering of the slate. In the case of parity between two or more minority slates, the eldest candidate will be elected. Where only one or no slate is presented, the standing and alternate statutory auditors elected are all the candidates for the office indicated in the slate or, in the case of no slate, those voted by the Shareholders' Meeting, provided they are voted by a majority of the votes cast in a Shareholders' Meeting. Where the above procedures do not ensure the composition of the Board of Statutory Auditors, for the appointment of the standing members, in accordance with the current *pro tempore* provisions relating to gender equality, within the slate which attracted the highest number of votes the necessary substitutions of candidates elected to the roles of standing auditor is made, according to the progressive order in which the candidates were elected. In the case of no slate being presented, as in the case of the presentation of only one slate, the Shareholders' Meeting

deliberates in accordance with the statutory majority, and subject to the *pro tempore* regulations on gender equality.

For additional provisions on the appointment of the Board of Statutory Auditors, reference should be made to Article 23 of the By-Laws.

Slates presented without complying with Article 23 of the By-Laws and the applicable regulation are considered as not presented.

In accordance with law, the statutory auditors shall remain in office for three financial years, and, however, until the Shareholders' Meeting to be called for approval of the 2020 Annual Accounts.

Dear Shareholders,
in view of that outlined above, the Board of Directors request you to vote on one of the slates which shall be proposed by Shareholders on this point on the Agenda.

Appointment of the Chairman of the Board of Statutory Auditors.

Dear Shareholders,

with regards to the appointment of the Chairman of the Board of Statutory Auditors, in accordance with Article 148, paragraph 2-*bis*, of the CFA and Article 23 of the By-Laws, the Board of Directors invites you to appoint as Chairman of the Board of Statutory Auditors the statutory auditor elected from any minority slate or, where not possible, one of the statutory auditors to be appointed in accordance with this matter of the Agenda.

Establishment of the remuneration of the Chairman of the Board of Statutory Auditors and of the Statutory Auditors.

Dear Shareholders,

in accordance with Article 2402 of the Civil Code, the Shareholders' Meeting establishes the annual remuneration of the Chairman of the Board of Statutory Auditors and of the statutory auditors.

The Self-Governance Code recommends at Article 8.C.3. that "*the remuneration of the Statutory Auditors is commensurate with the commitment required, the importance of the role covered, in addition to the size and sector of the company*".

In this regard, the annual remuneration established by the Shareholders' Meeting of June 29, 2015 for the exiting Board of Statutory Auditors was a total Euro 70,000.00, as Euro 30,000.00 for the Chairman and Euro 20,000.00 for each statutory auditor. Additional remuneration may be established for the attendance of

a statutory auditor at the meetings of the Supervisory Board, as per the Organisation, Management and Control Model adopted by the company in accordance with Legislative Decree No. 231/2001.

The exiting Board of Directors has not drawn up a proposal on this matter of the Agenda.

Dear Shareholders,

in view of that outlined above, the Board of Directors proposes that you draw up proposals on this matter on the Agenda and approve one such proposal.

FOURTH MATTER ON THE AGENDA

“Annual Remuneration Report. Consultation upon the Remuneration Policy as per Section I of the Remuneration Report, in accordance with Article 123-ter, paragraph 6 of Legislative 58/98 (“CFA”) and Article 84-ter of CONSOB Regulation No. 11971/1999 (“Issuers’ Regulation)”.

Dear Shareholders,

In accordance with Article 123-ter, sixth paragraph of the CFA, the Shareholders’ Meeting called annually to approve the statutory financial statements is required to consider the first section of the Remuneration Report concerning the Policy of the company in terms of the remuneration of the members of the Board of Directors, general managers and senior executives, in addition to the procedures utilised to adopt and implement this policy. As per the stated Article 123-ter, paragraph 6 of the CFA, the decision of the Shareholders’ Meeting, whether in favour or against, on the Remuneration Policy is not binding upon the company.

For further details, reference should be made to the Remuneration Report drawn up by the Board of Directors in accordance with Article 123-ter of the CFA and Article 84-*quater* of the Issuers’ Regulation, which shall be made available to the public, in accordance with law, at the registered office in Milan, viale Francesco Restelli No. 3/7 and on the company website www.retelit.it (Corporate Governance / Shareholders’ Meetings section), in addition to the Info authorised storage mechanism at www.1info.it.

Dear Shareholders,

in consideration of that above, the Board of Directors proposes the following motions:

“The Shareholders’ Meeting of Retelit S.p.A..

- *in consideration of Articles 123-ter of Legislative Decree No. 58 of February 1998 and 84-*quater* of CONSOB Regulation No. 11971/1999;*
- *considering the Remuneration Report prepared by the Board of Directors;*

resolves

1. *to express a favourable opinion on the Remuneration Policy regarding directors and senior executives, in addition to the procedures utilised for the adoption and implementation of this Policy,*

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illustrated in the first section of the Remuneration Report drawn up by the Board of Directors”.

Milan, March 16, 2018

For the Board of Directors

The Chairman, Dario Pardi

Opinions of the Board of Directors of Retelit S.p.A. on key managers and professionals whose presence on the new Board of Directors is considered beneficial.

In accordance with the Self-Governance Code for listed companies, the exiting Board of Directors (the “**Board**”) of Retelit S.p.A. (“**Retelit**” or the “**company**”), in view of the renewal of the Corporate Boards, has drawn up, having heard the opinion of the Appointments and Remuneration Committee and taking account of the results of the self-assessment, its opinions on the future composition of the Board of Directors to be submitted to shareholders of the company at the Shareholders’ Meeting called for April 27, 2018.

The Board considers the current number of nine directors as adequate, while the By-Laws provides for a minimum number of three and a maximum of fifteen directors.

The new Board of Directors should primarily maintain a significant presence of independent directors, with a level of diversity, also from a gender and seniority viewpoint, in line with the applicable legal provisions.

The expertise of the new Board of Directors should be well-balanced and feature considerable knowledge of Retelit’s business, also with regards to company dynamics and in view of the experience acquired during the current mandate and considering the current state of the telecommunication sector, in order to implement the major turnaround process initiated by the Board.

In any case, the managers and professionals comprising the new Board of Directors should include individuals: (i) bringing experience in management roles, preferably in the telecommunications sector, (ii) who have held managerial roles also at complex multinational enterprises and (iii) with specific expertise in corporate operations.

The new Board should in addition feature a desire to work as a team, balance in reaching consensus, in line with its role, a capacity to manage conflicts constructively, a capacity to work with management and an availability to take part in the Retelit Board Committees.

With regards to the Chairman of the Board of Directors, the requirements for this role, in addition to those applicable to all directors, are:

- high level of authority and professional standing;
- experience in leading the Boards of listed companies;
- prior experience as a director at a company of similar complexity to Retelit.

With regards to the Chief Executive Officer, the requirements for this role, in addition to those applicable to all directors and in view of the complexity of Retelit’s sector, are:

- experience as a Chief Executive Officer or a differing top management role at listed companies of similar complexity to Retelit;
- a significant degree of credibility and authority on Retelit’s international market;

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- specific telecommunication sector know-how;
- successful track record in managing a significantly sized operating company (and not only a parent/holding).

With regards to the relationship between the Chairman and the Chief Executive Officer, account should be taken of the need for a constructive and complementary relationship between these positions to ensure the effective functioning of the Board of Directors and, more in general, of company governance.

Finally, it is considered that the duties and size of the existing committees should be confirmed.