



TISCALI S.p.A.

Registered office: Località Sa Illetta, S.S. 195 km. 2.300, Cagliari, Italy.

Paid-in share capital EUR 169,076,822.67

Tax code, VAT Number and enrolment number in the
Cagliari Companies' Register 02375280928

***ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSALS
TO THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING TO BE HELD
ON 16 FEBRUARY 2016, DRAWN UP IN ACCORDANCE WITH ARTICLE 3 OF
ITALIAN MINISTERIAL DECREE No. 437/1998 AND ARTICLE 125-TER OF ITALIAN
LEGISLATIVE DECREE No. 58/1998***

Cagliari, 29 December 2015

Shareholders,

This document has been drawn up 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 called in single calling on 16 February 2016, at 11 a.m. at the registered office, in order to discuss and resolve on the following agenda:

Agenda

Ordinary Session

1. 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.
2. Appointment of the Board of Statutory Auditors and its Chairman, establishment of the fees. Related and consequent resolutions.
3. 2015-2019 Stock Option Plan concerning ordinary Tiscali SpA shares reserved for the Chairman of the Board of Directors of the Company Renato Soru. Related and consequent resolutions.

Extraordinary Session

4. Proposal to authorise the Board of Directors, pursuant to Article 2443.2 of the Italian Civil Code, to increase the share capital against payment, in one or more tranches, by means of the issue of a maximum total of 250,000,000 ordinary shares lacking par value, with the exclusion of the purchase option, pursuant to Article 2441.5 of the Italian Civil Code, reserved for Rigensis Bank AS or those parties which at the time of execution of the afore-mentioned share capital increase emerge as holders of the receivables due from the subsidiary Aria S.p.A. as per the loan agreement entered into between the parties on 22 October 2015 and amended on 16 December 2015. Consequent amendment of Article 5 of the Articles of Association with cancellation of the previous increase authorised for a maximum of 250,000,000 ordinary shares lacking par value, reserved for Bank Otkritie Financial Corporation (Public Joint-Stock Company) resolved by the shareholders' meeting held on 29

September 2015. Related and consequent resolutions, delegation of powers.

5. Proposal to increase the share capital against payment, in one or more tranches, by means of the issue of an maximum total of 295,241,904 ordinary shares lacking par value, to serve a maximum of 295,241,904 options, non-transferable, valid for the subscription of ordinary shares of the Company to be reserved for the Chairman of the Board of Directors of the Company Renato Soru as beneficiary of the 2015-2019 Stock Option Plan as per point 3 of the agenda above, with exclusion of the purchase option, pursuant to Article 2441, sections 5 and 8 of the Italian Civil Code. Consequent amendment of Article 5 of the Articles of Association, related and consequent resolutions, delegation of powers. 2015-2019 Stock Option Plan concerning ordinary Tiscali SpA shares reserved for the Chairman of the Board of Directors of the Company/Renato Soru. Related and consequent resolutions.

Pursuant to and for the purposes of Article 3 of Italian Ministerial Decree No. 437/1998 and Article 125-*ter* of Italian Legislative Decree 58/1998, we hereby submit for your attention this report with reference to point 1 and 2 of the ordinary part of the above agenda, deferring the illustration of point 3 of the ordinary part and points 4 and 5 of the extraordinary part until the reports which will be made public by the legal deadlines.

* * *

1. 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

As disclosed to the market on 24 December 2015 the merger via incorporation of Aria Italia S.p.A. in the Company finally became effective. On conclusion of this transaction, in consideration of the changed shareholding and industrial set-up of the Tiscali Group, on 27 and 28 December 2015 the Directors Gabriele Racugno, Franco Grimaldi, Luca Scano and Assunta Brizio tendered their resignation from office, with effect as from the date of appointment of the new management body.

Given the resignation of the majority of the Board of Directors, it is necessary to proceed with the appointment of the new management body and a specific point was therefore included on the agenda of this meeting, regarding the appointment of the Board of Directors.

With regard to the selection of the management body, the matters envisaged by Article 11 ("Board of Directors") of the Articles of Association, which came into force as a result of the above merger, are recalled.

"The Board of Directors takes steps to appoint a Chairman and possibly a Deputy Chairman, choosing from amongst its members, if the shareholders' meeting has not already taken steps to do 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 can be re-appointed.

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

Shareholders who, alone or together with others, are overall holders at the time of presentation of the lists of a shareholding representing at least 2.5% (two point five percent) of the share capital, have the right to present lists of candidates, without prejudice to the matters envisaged by applicable legislation.

Each shareholder may in any event present (or contribute towards presenting) and vote for just one list (with the specification that for the purposes of the matters envisaged by this article, "shareholder" shall be understood to be jointly the shareholder themselves and the individuals and legal entities which control, are controlled by or are subject to joint control with the shareholder in question), also if via third parties or through a trust company. The applications made and the votes expressed in violation of this restriction shall not be assignable to any list.

Each candidate may be present on one list only or be disqualified.

The lists presented by the shareholders must be deposited, as will also be indicated in

the notice of calling, at the Company's registered office by the twenty-fifth day prior to the date of the meeting called to resolve on the appointment of the Board members.

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 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 the eventual possession of the independence requisites established by applicable legislation in force, must be filed together with each list.

Each list shall have to indicate a number of candidates who present the independence requisites established by applicable legislation in compliance with the latter.

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) Irrespective of the number of lists presented, without prejudice to the limitations envisaged by these Articles of Association, for the purpose of the allocation of the directors to be elected, account will not be taken of the lists which have not achieved a percentage of votes at least equal to half that required by these Articles of Association for the presentation of the same lists.

a.2) In the event just one list is presented, all 9 (nine) candidates on the same shall be elected.

a.3) In the event that two or more lists are presented and none of these are voted for with regard to at least 34% (thirty-four percent) of the share capital, the candidates will

be divided up between the various lists as indicated below:

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

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

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

a.3.d) in the presence of five lists, the following will be elected: (i) the first 3 (three) candidates on the first list in terms of number of votes expressed by the shareholders; (ii) the first 2 (two) candidates on the second list in terms of number of votes expressed by the shareholders; (iii) the first 2 (two) candidates on the third list in terms of number of votes expressed by the shareholders; (iv) the first candidate on the fourth list in terms of number of votes expressed by the shareholders; (v) the first candidate on the fifth list in terms of number of votes expressed by the shareholders;

a.3.e) in the presence of six or more lists, the following will be elected: (i) the first 3 (three) candidates on the first list in terms of number of votes expressed by the shareholders; (ii) the first 2 (two) candidates on the second list in terms of number of votes expressed by the shareholders; (iii) the first candidate on the third list in terms of number of votes expressed by the shareholders; (iv) the first candidate on the fourth list

in terms of number of votes expressed by the shareholders; (v) the first candidate on the fifth list in terms of number of votes expressed by the shareholders; (vi) the first candidate on the sixth list in terms of number of votes expressed by the shareholders;

a.4) in the event that two or more lists are presented and only one of these is voted for with regard to at least 34% of the share capital, the candidates will be divided up between the various lists as indicated below:

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

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

a.4.c) in the presence of four lists, the following will be elected: (i) the first 5 (five) candidates on the first list in terms of number of votes expressed by the shareholders; (ii) the first 2 (two) candidates on the second list in terms of number of votes expressed by the shareholders; (iii) the first candidate on the third list in terms of number of votes expressed by the shareholders; (iv) the first candidate on the fourth list in terms of number of votes expressed by the shareholders;

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

a.5) *in the event that there are two lists voted for with regard to at least 34% of the share capital without any of the same having achieved a percentage of more than 50%, the matters envisaged by point a.3) above shall apply;*

a.6) *in the event that there are two lists voted for with regard to at least 34% of the share capital, one of which having achieved a percentage of more than 50%, the matters envisaged by point a.4) above shall apply.*

If, in all the cases envisaged by this point a), one or more lists should obtain a number of votes greater than the percentage indicated in point a.1) above but less than 5% (five percent) of the share capital, for the purposes of allocating the directors to be selected: (i) account will only be taken of the list which has received the most votes; (ii) only the first candidate indicated on this list will be elected; (iii) any remaining directors pertaining to this list on the basis of the matters envisaged by 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 possibly referred to as per the previous points a.5) and a.6), will be assigned to the list which is the first in terms of number of absolute votes, without prejudice to the matters respectively indicated therein with reference to the assignment of the directors pertaining to lists other than the first and the last.

b) if, as per the afore-mentioned appointment procedure, at least two members in possession of the independence requisites established by applicable legislation are not appointed, the last of those elected not in possession of these requisites taken from the list which has obtained the greatest 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 greatest 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 gender represented the most, on the list emerging as first in terms of number of votes expressed 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 gender represented the least on the list which is first in terms of number of votes expressed by the shareholders, in a number sufficient to go ahead with replacement, the afore-mentioned criteria will apply to the subsequent 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 for gender representation;

this requirement also applies to co-opting carried out by said Board of Directors in accordance with 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 2.5% (two 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 authorised 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 authorisation 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 9, in compliance with the matters envisaged by Article 11, new version, of the Articles of Association; (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, in line with the previous approach; (iv) likewise in line with the previous approach, an annual fee for the Directors not vested with specific appointments of EUR 25,000.00 gross, plus the reimbursement of the out-of-pocket expenses incurred for the performance of the appointment.

In conclusion, mention is made of the content of the agreement entered into on 25 September 2015 and published in accordance with the law, pursuant to which Renato Soru and the reference shareholders of the Aria Group – essentially, Aria Telecom

Holdings B.V., the shareholders of the latter, and Otkritie Disciplined Equity Fund SPC – undertook, amongst other aspects and with reference to the first Tiscali shareholders’ meeting which should be called after the date of effectiveness of the afore-mentioned merger and whose agenda includes the appointment of the directors and officers, to present and vote for a single list for the appointment of the Company’s Board of Directors. In relation to this agreement - whose extract as per Article 130 of the Regulations adopted by means of CONSOB Resolution No. 11971 dated 4 May 1999 (as subsequently amended and added to) is available on the following web page http://investors.tiscali.it/upload/docs/Estratto_130_patti_parasociali.pdf – it must hereby be indicated that the parties to the same hold an overall investment in Tiscali’s share capital of 51.34%. For greater information on the content of the agreement in question, reference should be made to the related extract, available to the public care of the web page indicated above.

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,

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1. *to establish the number of members of the Board of directors as 9 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 2017;*
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 [°°°°];*
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.”

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

As disclosed to the market on 24 December 2015 the merger via incorporation of Aria Italia S.p.A. in the Company finally became effective. On conclusion of this transaction, in consideration of the changed shareholding and industrial set-up of the Tiscali Group, on 28 December 2015 also the acting and alternate auditors of the Company tendered their resignation from office, with effect as from the date of appointment of the new body.

In light of the above, a specific point was therefore included on the agenda of this meeting, regarding the appointment of the Board of Statutory Auditors.

With regard to the selection of the Board of Statutory Auditors the matters envisaged by Article 18 (“Board of Statutory Auditors”) of the Articles of Association, which came into force as a result of the above merger, are recalled.

“The Board of Statutory Auditors is made up of three Statutory Auditors and two Alternate Auditors appointed by the Shareholders’ Meeting ensuring the balance between genders as per current legislation. The Statutory Auditors remain in office for a three-year period and can 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 Ministry 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 Auditor meetings can 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 office 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 on expiry of the afore-mentioned 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 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 Auditors 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 in 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 greatest 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 afore-mentioned 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 which the Auditors to be replaced belonged to, 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 Auditors appointed by the minority, the shareholders' meeting shall replace the same by majority vote, choosing from among the candidates on the list which the Auditor to be replaced belonged to, 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 can 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 2.5% (two 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 35,000.00 gross per annum for the Chairman and EUR 25,000.00 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 Article of Association 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.

Also in relation to the appointment of the Board of Statutory Auditors, mention must be made of the agreement entered into on 25 September 2015 and published in accordance with the law, pursuant to which Renato Soru and the reference shareholders of the Aria Group – essentially, Aria Telecom Holdings B.V., the shareholders of the latter, and Otkritie Disciplined Equity Fund SPC – undertook, amongst other aspects and with reference to the first Tiscali shareholders' meeting which should be called after the date of effectiveness of the afore-mentioned merger and whose agenda includes the appointment of the directors and officers, to present and vote for a single list for the appointment of the Company's Board of Statutory Auditors. In relation to this agreement - whose extract as per Article 130 of the

Regulations adopted by means of CONSOB Resolution No. 11971 dated 4 May 1999 (as subsequently amended and added to) is available on the following web page http://investors.tiscali.it/upload/docs/Estratto_130_patti_parasociali.pdf – it must hereby be indicated that the parties to the same hold an overall investment in Tiscali's share capital of 51.34%. For greater information on the content of the agreement in question, reference should be made to the related extract, available to the public care of the web page indicated above.

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, having heard the Chairman’s statement, on conclusion of the list voting procedure

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1. *to appoint until the date of the shareholders’ meeting called for the approval of the financial statements relating to 2017;*

- [°°] *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 [°°°°] and the gross annual fee of the Statutory Auditors as EUR [°°°°];*

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.”*

* * *

Shareholders,

deferring the illustration of point 3 of the agenda for the ordinary part and points 4 and

5 of the agenda for the extraordinary part 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, Italy, 29 December 2015.

Tiscali S.p.A.

on behalf of the Board of Directors

The Chairman, Renato Soru