



**TISCALI S.p.A.**

Registered office in Cagliari, Sa Illetta, S.S. 195 km. 2.3

Paid-in Share Capital Euro 92,022,830.47

Tax Identification, VAT and

Register of Companies of Cagliari no. 02375280928

***REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSALS ON THE  
AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING 18 JULY 2014,  
PREPARED PURSUANT TO ARTICLE 3 MINISTERIAL DECREE 437/1998***

**Cagliari, 13 June 2014**

Dear Shareholders,

This document has been prepared by the Board of Directors of Tiscali S.p.A. ("Tiscali" or the "Company"), in compliance with current legislation, in relation to the Shareholders' Meeting of Tiscali convened in ordinary session in a single call on 18 July 2014 at 11 am at the registered office, to discuss and decide on the following:

### **Agenda**

1. Approval of the financial statements at 31 December 2013. Related and consequent decisions;
2. Examination of the first section of the Remuneration report. Related and consequent decisions.

\* \* \*

### **1. Approval of the financial statements at 31 December 2013. Related and consequential resolutions**

Dear Shareholders,

copy of the draft financial statements of Tiscali S.p.A. (the "**Company**") as at 31 December 2013 approved by the Board of Directors at its meeting 13 June 2014, and accompanied by the reports of the Directors, Statutory Auditors and the Company's independent auditor, shall be filed in accordance with the regulations in force at the registered office and Consob and shall be available on the website of the Company [www.tiscali.com](http://www.tiscali.com) – under *Governance/Shareholders' Meetings* – on 27 June 2014. For an overview of the draft financial statements, reference is particularly made to the report of the Directors.

The final figure of the draft financial statements of the Company reports a loss for FY 2013 of Euro 777,711.11. We propose to approve the entire financial statements as well as the individual items and to carry forward accumulated losses at December 31, 2013 amounting to Euro 30.921.878,85.

In this regard, we propose to adopt a decision in line with the following proposal:

*"The Ordinary Shareholders' Meeting of Tiscali S.p.A. analysed the draft financial*

statements for the year ended 31 December 2013, accompanied by the reports of the law, and after the Chairman's overview,

***r e s o l v e d***

1. *to approve the financial statements for 2013 as a whole as well as the individual entries, as prepared by the Board of Directors, which is given ample discharge of its management;*
2. *to carry forward accumulated losses at 31 December 2013 of Euro 27,454,282.61;*
3. *to grant the Chairman and Chief Executive Officer pro tempore the broadest powers, so that, even through attorneys and in compliance with the terms and conditions of the law, he may implement this decision and, where appropriate or necessary, make additions, formal amendments and deletions that may be requested by the competent authorities for registration in the register of companies."*

**2. Review of the first section of the Remuneration Report; Related and consequential resolutions;**

Dear Shareholders,

pursuant to article 123-ter of Legislative Decree 58/1998, the Shareholders' Meeting called annually to approve the financial statements has been called to cast their final vote on the policy adopted by the Company on the remuneration of the members of boards of directors, general managers and executives with strategic responsibilities and the procedures used for the adoption and implementation of these policies. We would like to note that, pursuant to paragraph 6 of the aforementioned article 123-ter of Legislative Decree 58/1998, the Shareholders' Meeting is called to decide in favour or against, solely concerning the first Section of the Remuneration Report, containing the Remuneration Policy of the Company, provided such decision is not binding.

We therefore submit for your approval the first Section of the Remuneration Report, containing the Company's Remuneration Policy of Directors and key management

personnel, drawn up in accordance with Annex 3A, 7-bis and 7-ter, of CONSOB Regulation 14 May 1999, no. 11971, which was made available to the public in accordance with the law and is available on the website [www.tiscali.com](http://www.tiscali.com) together with the second section of the same report that is not subject of the resolution. In this regard, we propose to adopt a decision in line with the following proposal:

*"The Ordinary Shareholders' Meeting of Tiscali S.p.A., after having analysed Section 1 of the Remuneration Report,*

***r e s o l v e d***

- 1. to express a favourable opinion for Section 1 of the 2013 Remuneration Report, as prepared by the Board of Directors;*
- 2. to grant the Chairman and Chief Executive Officer pro tempore the broadest powers, so that, even through attorneys and in compliance with the terms and conditions of the law, may implement this decision."*

Dear Shareholders,

We invite you to vote in favour on the proposals outlined above.

Cagliari, 13 June 2014.

**Tiscali S.p.A.**

On behalf of the Board of Directors

Chairman, Renato Soru