



**DISCLOSURE DOCUMENT RELATING TO THE REMUNERATION PLAN BASED ON THE ASSIGNMENT OF OPTIONS
(STOCK OPTION) FOR THE SUBSCRIPTION OF ORDINARY TISCALI S.p.A. SHARES SUBMITTED FOR THE APPROVAL OF
THE SHAREHOLDERS' MEETING AND DRAWN UP IN ACCORDANCE WITH ART. 84 *BIS* OF THE REGULATIONS
ADOPTED BY MEANS OF CONSOB RESOLUTION No. 11971/1999, AS SUBSEQUENTLY AMENDED AND
SUPPLEMENTED**

INTRODUCTION

This disclosure document (the “**Disclosure Document**”), drawn up in accordance with Article 84 *bis* of the Regulations adopted by CONSOB by means of resolution No. 11971 dated 14 May 1999 as subsequently amended and supplemented (the “**Issuers’ Regulations**”) and in compliance with Schedule 7 of Attachment 3A of the same Issuers’ Regulations, concerns the proposal to adopt the “2016-2021 Stock Option Plan” approved by the Board of Directors of the Company on May 12, 2016, and by the Nomination and Compensation Committee as of the same date.

The afore-mentioned proposal to adopt the “2016-2021 Stock Option Plan” will be submitted for the approval of the Company’s shareholders’ meeting called for 16 June 2016 in sole calling under the 1 point of the agenda of the ordinary session (and, with regard to the share capital increase producing shares, under the 2 point of the extraordinary session).

As of the date of this Disclosure Document, the proposal to adopt the “2016-2021 Stock Option Plan” has not yet been approved by the shareholders’ meeting. Therefore:

- (i) the Disclosure Document is drawn up exclusively on the basis of the contents of the proposal to adopt the “2016-2021 Stock Option Plan” approved by the Board of Directors of the Company on May 12, 2016, and by the Nomination and Compensation Committee as of the same date;
- (ii) each reference to the “2016-2021 Stock Option Plan” contained in this Disclosure Document must be understood as referring to the proposal to adopt the “2016-2021 Stock Option Plan”.

This Disclosure Document will be updated, if necessary and under the terms and by means of the formalities laid down by current legislation, if the proposal to adopt the “2016-2021 Stock Option Plan” is approved by Tiscali S.p.A.’s shareholders’ meeting and in compliance with the content of the resolutions adopted by the same shareholders’ meeting and by the bodies responsible for the implementation of the “2016-2021 Stock Option Plan”.

The “2016-2021 Stock Option Plan” should be considered to be of “particular importance” as per Article 114 *bis*, section 3, of Italian Legislative Decree No. 58 dated 24 February 1998 (the “**Consolidated Finance Law**”) and Article 84 *bis*, section 2, of the Issuers’ Regulations, since it applies to the Company’s Managing Director Riccardo Ruggiero to certain directors and executives with strategic roles in Tiscali Group.

DEFINITIONS

For the purposes of this Disclosure Document, the terms indicated below shall have the meaning assigned to them as and when appropriate.

Restructuring Agreements	The agreements governed by UK law finalised on 23 December 2014 (and amended on 26 November 2015), according to the circumstances, between: (i) Tiscali and certain Group companies (in the capacity of, according to the circumstances, Borrower, Guarantors, Intra-Group Lenders and Intra-Group Debtors); (ii) Wilmington Trust (London) Limited (in the capacity of Facility A Agent and Security Agent); (iii) Banca IMI (in the capacity of Facility B Agent); (iv) the Senior Lenders, relating to the restructuring of the debt of the Tiscali Group deriving from the contract entitled "Group Facilities Agreement", in turn entered into on 3 July 2009, as well as the recapitalisation of the Tiscali Group.
CEO	The Chief Executive Officer of the Company Mr. Riccardo Ruggiero.
Directors	The directors of the Tiscali Group companies indicated in paragraph 1.1.
Shareholders' meeting	The ordinary and extraordinary shareholders' meeting of the Company, called for June 16 2016, in sole calling, whose agenda includes: (i) the 2016-2021 Stock-Option Plan regarding the ordinary shares of Tiscali S.p.A. reserved to the beneficiaries of the Plan and pertinent and related resolutions; (ii) a share capital increase against payment, in tranches, through the issue of a total maximum of 314.528.189 ordinary shares lacking par value, associated with a maximum of 314.528.189 non-transferrable options, valid for the subscription of ordinary shares of the Company, to be reserved to the Beneficiaries of the 2016-2021 Stock-Option Plan, with exclusion of the purchase option, pursuant to art. 2441, paragraph 5 of the Italian Civil Code and pertinent and related resolutions.
Beneficiaries	(i) The Initial Beneficiaries and (ii) the Potential Beneficiaries to whom the Options have been actually assigned pursuant to this Regulation.

Initial Beneficiaries	The CEO, the Employees, the Executives and the Consultants in strategic roles in the Company or of any of the companies belonging to the Tiscali Group, which hold strategic positions or which are able to significantly contribute to pursue strategic tasks of the Tiscali Group, to whom the Options are offered and which, as of the date of this Disclosure Document, have already been identified by the Board of Directors, after consultation with the Appointments and Nomination and Compensation Committee.
Consultants	The consultants/collaborators/contractors with self-employment and/or collaboration and/or consultancy agreements with the Company or any of the companies belonging to the Tiscali Group, and which, as of the date of this Disclosure Document, have already been identified by the Board of Directors, after consultation with the Nomination and Compensation Committee.
Assignment Date	The Stock Market day open after the date of the Shareholders' meeting.
Employees	The employees with permanent employment contracts with any of the companies belonging to the Tiscali Group, which, as of the date of this Disclosure Document, have already been identified by the Board of Directors, after consultation with the Nomination and Compensation Committee.
Executives	The executives with permanent employment contracts with any of the companies belonging to the Tiscali Group, which, as of the date of this Disclosure Document, have already been identified by the Board of Directors, after consultation with the Nomination and Compensation Committee.
Disclosure Document	This informative document.
Senior Lenders	Jointly but not severally: BG Select Investments (Ireland) Ltd, SPV Capital Funding Luxembourg S.à r.l. and Intesa Sanpaolo S.p.A. – London Branch.
Tiscali Group	The Company and its subsidiaries, meaning those companies that are, at any given time, directly or indirectly controlled by the Company, pursuant to Article 2359 of the Italian Civil Code.
MTA	The Screen-based Share Market (MTA), organised and managed by Borsa Italiana S.p.A.
Option or Options	The right assigned to the Beneficiaries to subscribe newly issued ordinary Tiscali shares at a ratio of 1 ordinary share for each Option exercised, under the terms and formalities as per the regulations of the 2016-2021 Stock Option Plan.

Additional Options	The maximum number of 59.360.756 Options (out of n. 314.528.189 Options) which may be granted to the Potential Beneficiaries and/or the Initial Beneficiaries other than the CEO.
2016-2021 Stock Option Plan or Plan	The stock-option plan approved by the Board of Directors of the Company on 12 May 2016, and by the Nomination and Compensation Committee as of the same date, which will be submitted for the approval of the shareholders' meeting and which forms the subject matter of this Disclosure Document.
Potential Beneficiary or Potential Beneficiaries	Any employees and executives, or their successors, with permanent employment contracts with the Company or any of the Tiscali Group companies, and/or contractors/consultants, or their successors, with self-employment and/or collaboration and/or consultancy agreements with the Company or any of the Tiscali Group companies, in strategic roles, other than the Initial Beneficiaries, to whom the Additional Options might be offered, to be identified, upon proposal of the CEO approved by the Nomination and Compensation Committee and the Board of Directors, among those who have been hired or engaged by any of the Tiscali Group companies between May 12, 2016 and December 24, 2016.
Strike Price	According to the circumstances: <ul style="list-style-type: none"> • EUR 0.0700 with reference to the First Tranche; • EUR 0.0886 with reference to the Second Tranche; • EUR 0.1019 with reference to the Third Tranche.
First Tranche	The first tranche of Options, corresponding to a maximum aggregate amount of n. 188.716.915 Options, for the subscription of an equal number of ordinary Tiscali shares, to be exercised between 25 December 2017 and 24 December 2019 at a unit price per share of EUR 0.0700: <p>(a) as for the CEO, the whole amount of Options assigned to him;</p> <p>(b) as for the Initial Beneficiaries other than the CEO and the Potential Beneficiaries, 1/3 of the Options assigned in the aggregate to each of them.</p>
Labor Relationship	Depending on the case, the administration mandate and/or the employment and/or self-employment and/or collaboration and/or consultancy relationship between the Beneficiaries and/or the Potential Beneficiaries and the Company or any of the Tiscali Group companies.
Issuers' Regulations	The Regulations adopted by means of CONSOB resolution No. 11971 dated 14 May 1999, as subsequently amended and/or supplemented.

Second Tranche	The second tranche of Options, corresponding to a maximum aggregate amount of n. 62.905.637 Options, for the subscription of an equal number of ordinary Tiscali shares, to be exercised , by the Initial Beneficiaries other than the CEO and the Potential Beneficiaries, for 1/3 of the Options assigned in the aggregate to each of them, between 25 December 2019 and 24 December 2020 at a unit price per share of EUR 0.0886.
Company or Tiscali	Tiscali S.p.A. with registered office in Sa Illetta, S.S. 195, Km. 2.300, Cagliari, Italy, enrolled in the Cagliari Companies' Register under No. 02375280928.
Third Tranche	The third tranche of Options, corresponding to a maximum aggregate amount of n. 62.905.637 Options, for the subscription of an equal number of ordinary Tiscali shares, to be exercised , by the Initial Beneficiaries other than the CEO and the Potential Beneficiaries, for 1/3 of the Options assigned in the aggregate to each of them, between 25 December 2020 and 24 December 2021 at a unit price per share of EUR 0.1019.
Consolidated Finance Law	Italian Legislative Decree No. 58 dated 24 February 1998 and/or subsequently amended and/or supplemented.

1. BENEFICIARIES OF THE 2016-2021 STOCK OPTION PLAN

1.1 Name of the Beneficiaries which are members of the board of directors of the Company or of the companies directly or indirectly controlled by the latter

The following chart indicates the names of the Beneficiaries which are members of the board of directors of the Company or of other companies belonging to the Tiscali Group:

Name	Company	Office
Riccardo Ruggiero	Tiscali S.p.A.	Managing Director
Dario Amata	Veesible s.r.l.	Director
Massimo Castelli	Tiscali Italia S.p.A.	Director
Marco De Lorenzo	Tiscali Italia S.p.A.	Director
Paolo Perfetti	Tiscali Italia S.p.A.	Director
Daniele Renna	Aria S.p.A.	Director

1.2 Category of Beneficiaries which are employees or staff of the Company and its parent or subsidiary companies

In addition to the Directors indicated in Paragraph 1.1, the Plan is intended to the employees, executives and consultants of the Company or of one of the companies of the Tiscali Group, which hold strategically relevant positions and are able to make a significant contribution, in view of the pursuit of the strategic objectives of the Tiscali Group, some of which (more precisely the Initial Beneficiaries) at the date of this Disclosure Document have already been identified by the Board of Directors, after consultation with the Nomination and Compensation Committee.

1.3 Name of the parties who benefit from the Plan belonging to the following groups

a) General managers of the Company

Not applicable.

b) other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer

Not applicable.

c) Individuals which control the Company, who are employees or who collaborate in favour of the latter

Not applicable, since the Beneficiaries do not control the Company nor its parent companies.

1.4 Description and numeric indication of the Beneficiaries, divided up by categories

The Regulation identifies four categories of beneficiaries based on the relationship held the same with the Company or other Tiscali Group companies: employees, executives, employees and directors.

The four categories are differentiated by the number of Options granted, variable for individual beneficiaries, even within the same category. They are no differences in terms of application of the strike price.

The category of the Employees includes n. 1 Initial Beneficiaries, the category of the Executives includes n. 13 Initial Beneficiaries, the category of the Consultants includes n. 1 Initial Beneficiaries and the category of the Directors includes n. 6 Initial Beneficiaries. In addition to the Initial Beneficiaries, the Options may also be assigned to the Potential Beneficiaries.

The identification of Potential Beneficiaries and the determination of the actual number of options granted to each of them will be made upon proposal of the CEO approved by the Nomination and Compensation Committee and the Board of Directors, no later than 31 January 2017, taking into account the strategic importance of the position held by the person concerned within the Tiscali Group.

At the date of this Disclosure Document it is not possible to provide additional information, also with respect to the number, on the Potential Beneficiaries.

a) Of the executives with strategic responsibilities other than those indicated in letter b) of section 1.3.

Not applicable, since Tiscali falls within the smaller-sized companies as per Article 3.1, letter f) of the Regulations adopted by means of CONSOB resolution No. 17221 dated 12 March 2010.

b) In the case of smaller-sized companies, pursuant to Article 3.1, letter f) of Regulation No. 17221 dated 12 March 2010, the indication by aggregate of all the executives with strategic responsibilities of the issuer of the financial instruments

Without prejudice to what is provided for above in relation to Potential Beneficiaries, this category includes n. 8 executives with strategic responsibilities.

c) Of any other categories of employees or staff for which differentiated features of the plan have been envisaged

Not applicable.

2. REASONS WHICH JUSTIFY THE ADOPTION OF THE PLAN

2.1 The objectives intended to be achieved by means of assignment of the Plan

The Company, in line with best market practices adopted by listed companies at national and international level, believes that the compensation plans based on shares constitute an effective incentive and retention tool for individuals who hold key roles and for employees to maintain top and improve performance and help increase the growth and success of the Tiscali Group.

The adoption of the remuneration plans based on shares also complies with the Corporate Governance Code recommendations, Article. 6 recognizing that such plans are suitable instruments to allow the alignment of interests of executive directors and key management personnel of listed companies with those of shareholders, in order to pursue the priority objective of creating value in a medium horizon long period.

In particular with the Plan, in line with what is above indicated, Tiscali intends to promote and pursue the following objectives:

- to tie the overall remuneration and, in particular, the incentive system of the managerial staff and key persons of the Tiscali Group, the actual performance of the Company and the creation of new value for the Tiscali Group, as provided for by the Code of Conduct of listed companies;
- guide the Company's key staff towards strategies intended to the pursuit of long-term results;
- align the interests of top and middle management with those of shareholders and investors;

- further develop retention policies to retain key corporate resources and encourage their permanence in the Company or in the Tiscali Group;
- further develop the attraction policies to managers and professionals of talent in world markets, in view of the continuous development and strengthening of key and distinctive competencies of Tiscali.

2.1.1 Additional information

The Plan does not envisage a pre-established ratio between the number of Options assigned to the Beneficiaries and the remuneration received by the same in relation to the Labor Relationship.

2.2 Key variables, also in the form of performance indicators, considered for the purposes of assignment of the Options

The Options assigned do not envisage performance indicators for the purpose of their assignment and exercise.

As for the granting of the additional Options, these can be assigned to the Potential Beneficiaries in view of the strategic importance of the position held by the person concerned within the Tiscali Group.

2.2.1 Additional information

The envisaged timescale - with a period of 5 years for the exercise of the Options - has been identified for the purpose of avoiding that short-term logics may prejudice the objective of creating lasting value. The possibility of exercising the Options in several tranches (and at different values) complies with Tiscali's interest in graduating the inventive of the Beneficiaries within the sphere of its development strategies.

2.3 Elements underlying the determination of the entity of the remuneration based on financial instruments, or the criteria for its determination

The number of Options assigned to the Initial Beneficiaries has been established having taken into account the role and the responsibilities of the latter within the sphere of the future development strategies of the Tiscali Group.

As for the possible granting of Options to Potential Beneficiaries, the competent body will identify in case the Potential Beneficiaries and determine the number of Options to be assigned to each of them, after consultation with the Nomination and Compensation Committee, considering the strategic importance of each Potential Beneficiary in creating new value.

2.4 Reasons underlying the possible decision to assign remuneration plans based on financial instruments not issued by the Company

Not applicable, since the Plan is based on the assignment of Options which give the right to subscribe ordinary shares of the Company.

2.5 Appraisals regarding significant tax-related and accounting implications which have affected the definition of the Plan

There are no significant tax-related and accounting implications which have affected the definition of the Plan.

2.6 Possible support for the Plan by the Special fund for the incentive of workers' investment in companies, as per Article 4.112 of Italian Law No. 350 dated 24 December 2003

The Plan does not receive any support from the special fund for encouraging worker participation in companies as per Article 4.112 of Italian Law No. 350 dated 24 December 2003.

3. APPROVAL PROCESS AND TIMESCALE FOR APPROVAL OF THE PLAN

3.1 Sphere of the powers and functions delegated by the shareholders' meeting to the Board of Directors for the purpose of implementing the Plan

On 12 May 2016, the Board of Directors (and on the same date the Nomination and Compensation Committee) resolved, with the abstention of Riccardo Ruggiero, to submit the approval of the Plan to the shareholders' meeting for the assignment of 314.528.189 Options to the Beneficiaries.

The shareholders' meeting will be required to resolve on the approval of the Plan and also the granting to the Board of Directors of every power necessary or appropriate for executing said Plan, including therein the issue of the related shares stemming from the associated share capital increase, also subject to the approval of the shareholders' meeting and serving the execution of the Plan.

3.2 Indication of the parties appointed for the administration of the plan and their function and responsibility

Responsibility for the execution of the Plan belongs to the Board of Directors, according to the powers which shall be assigned to the same by the shareholders' meeting for this purpose.

3.3 Possible procedures existing for the review of the Plan

The Board of Directors in collective form shall have the faculty to make - to the regulations of the Plan (once it has been approved), as per the most appropriate methods - any change or addition which it deems to be useful or necessary for the best pursuit of the purposes of said Plan.

No procedures are envisaged for the review of the Plan, without prejudice to the faculty of the Board of Directors in collective form, if deemed necessary and with the favourable opinion of the Nomination and Compensation Committee, to make the amendments and/or additions deemed necessary for the purpose of ensuring the best management of the Plan.

3.4 Description of the formalities used to establish the availability and assignment of the financial instruments on which the Plan is based

The Plan envisages the free assignment to the Beneficiaries of Options valid for subscribing newly issued ordinary shares of the Company, at a ratio of 1 ordinary share for each Option exercised. The total maximum number of ordinary shares serving the Plan is established as 314.528.189 ordinary shares.

On 12 May 2016, the Board of Directors resolved - with the abstention of Riccardo Ruggiero, to submit, for the approval of the shareholders' meeting, the proposal to increase the share capital, against payment and in several tranches, for a maximum amount of Euro 25.193.708 to be booked to capital, with exclusion of the purchase option as per Article 2441, sections 5 and 6 of the Italian Civil Code, by means of the issue of a maximum of 314.528.189 new ordinary Tiscali shares, to be reserved for subscription by the Beneficiaries.

The Company shall make all the ordinary shares due to the Beneficiaries available to the same, further to the exercise of the Options under the terms and as per the formalities which will be established in the regulations of the Plan.

3.5 Role played by each director in the determination of the features of the Plan; any occurrence of conflicts of interest

The features of the Plan, to be submitted for the approval of the shareholders' meeting pursuant to and for the purposes of Article 114 *bis* of the Consolidated Finance Law, have been determined and approved in collective form by the Board of Directors on 12 May 2016, with the abstention of Riccardo Ruggiero. The Plan was also approved by the Nomination and Compensation Committee on 12 May 2016.

3.6 Date of the decision adopted by the competent body to propose the approval of the plans to the shareholders' meeting and by the Nomination and Compensation Committee

The Board of Directors approved the Plan on 12 May 2016 with the abstention of Riccardo Ruggiero. The Nomination and Compensation Committee approved the same Plan on the same date.

3.7 Date of the decision adopted by the competent body with regard to the assignment of the instruments and by the Nomination and Compensation Committee

Not applicable, since as of the date of this Disclosure Document, the Plan has not yet been approved by the shareholders' meeting.

3.8 The market price, registered on the afore-mentioned dates, for the financial instruments on which the Plan is based, if traded on organised markets

Not applicable, since as of the date of this Disclosure Document, the Plan has not yet been approved by the shareholders' meeting.

3.9 Terms and formalities according to which Tiscali shall take into account, within the sphere of the identification of the timescale for assignment of the instruments in accordance with the Plan, of the possible timing coincidence between: (i) said assignment or any decisions adopted in this connection by the Nomination and Compensation Committee, and (ii) the divulgation of any significant information as per Article 114.1 of the Consolidated Finance Law

The Plan envisages that the Board of Directors may suspend, in specific periods of the year and for justified reasons, the exercise by the Beneficiaries of the Options, if this corresponds with the interests of the Company and/or appears appropriate in relation to needs to safeguard the market. In this case, a specific written communication will be provided by the Board of Directors to the Beneficiaries.

In the Plan regulations, the Board of Directors shall also have the faculty to define the timescale for the assignment of the Options, possibly limiting the same also in relation to the moment of divulgation of possible significant information as per Article 114.1 of the Consolidated Finance Law.

The Plan also envisages that the exercise of the Options by the Beneficiaries be suspended in the period running between:

- (i) the day when: (a) the Board meeting is held which resolved the calling of the shareholders' meeting called to approve (1) the annual financial statements; and/or (2) the distribution of dividends; and; (b) the date when the related meeting is effectively held (or, in the event of resolution concerning the distribution of dividends, the date after that of detachment of the coupon);
- (ii) the day after the end of each mandatory accounting period until the date of initial disclosure of the economic-

financial data for the period (final or forecast).

4. FEATURES OF THE ASSIGNED INSTRUMENTS

4.1 Forms in which the Plan is structured

The Plan envisages the assignment without payment of Options which permit, under the conditions established by said Plan, the subsequent subscription of the ordinary Tiscali shares, with settlement by means of physical delivery. Therefore, this involves stock options.

Each Option assigned grants the Beneficiaries the right to subscribe 1 ordinary newly-issued Tiscali share, with regular dividend rights, against the payment to the Company of the Strike Price.

The Options assigned can be exercised by the Beneficiaries on three separate occasions, according to the First Tranche, the Second Tranche and the Third Tranche.

4.2 Period of effective implementation of the Plan

Plan has a duration until 24 December 2021, expiry date for the exercise of the Third Tranche. The Options assigned can be exercised by the Beneficiaries on three separate occasions, according to the First Tranche, the Second Tranche and the Third Tranche.

4.3 Expiry of the Plan

The expiry of the Plan, understood as the last subscription date of the share capital increase serving the same, is 24 December 2021.

4.4 Number of financial instruments, also in the form of options, assigned in each period

The Plan envisages the assignment of 314.528.189 Options, which provide the right to subscribe an equal number of ordinary newly-issued Tiscali shares.

All the Options will be assigned to the Beneficiaries in more times, depending if the assignment is made to the Initial Beneficiaries or is made with respect to the Additional Options, and will mature according to the First Tranche, the Second Tranche and the Third Tranche.

For year 2016 it is foreseen the assignment of n. 254.767.833 Options to the Initial Beneficiaries.

For year 2017 it is foreseen the assignment of n. 59.760.356 Options to the Potential Beneficiaries or the Initial Beneficiaries except the CEO.

The Additional Options can be allocated to the Potential Beneficiaries and the Initial Beneficiaries, excluding the CEO, to subscribe for an equal number of shares at the Strike Price.

The Additional Options may be granted to the Potential Beneficiaries to subscribe or purchase the Shares at the Exercise Price, according to the terms and conditions of this Regulation.

The identification of the Potential Beneficiaries and the actual number of Options allocated to each of them will be performed upon proposal of the CEO approved by the Nomination and Compensation Committee and the Board of Directors, in due course and in any case no later than 31 January 2017, after consideration of the strategic importance of the position held by the relevant person in the Tiscali Group.

In case within 31 January 2017 (i) no Potential Beneficiary is identified or (ii) the number of Options allocated to the

Potential Beneficiaries is less than the initial aggregate amount of Additional Options, the residual number of Additional Options not allocated to the Potential Beneficiaries will be allocated pro-rata to all Initial Beneficiaries except the CEO in the First Tranche, the Second Tranche and the Third Tranche and will vest and be exercisable proportionally according to the terms and conditions relating to the said tranches.

4.5 Formalities and clauses for implementation of the Plan

The Options can be exercised by the Beneficiaries on three separate occasions, according to the First Tranche, the Second Tranche and the Third Tranche. More in detail:

- as regards the First Tranche, to be exercised between 25 December 2017 and 24 December 2019, for the subscription of an equal number of Shares at a unit price per share of EUR 0,0700;
- as regards the Second Tranche, to be exercised between 25 December 2019 and 24 December 2020, for the subscription of an equal number of Shares at a unit price per share of EUR 0,0886;
- as regards the Third Tranche, to be exercised between 25 December 2020 and 24 December 2021, for the subscription of an equal number of Shares at a unit price per share of EUR 0,1019.

With regard to the further formalities and clauses for implementation of the Plan, please see the matters envisaged in the individual points of this Disclosure Document.

It is also pointed out that, until the complete repayment of the loans subject to the Restructuring Agreements, the Options cannot be exercised to such an extent as to lead to the issue of ordinary shares of the Company for the total quantity greater than 3% of the share capital, unless the consent of the Senior Lenders is established.

Without prejudice to what is provided for by preceding paragraph, the assignment of the Options is not subject to the occurrence of conditions or the achievement of tasks even in respect of performance.

4.6 Availability restrictions on the instruments assigned or on the instruments deriving from the exercise of the Options

The Plan envisages that the Options be assigned on a personal level and that they can be exercised solely by the Beneficiaries and their heirs, under the terms as per the regulations of the same Plan. The Options cannot be transferred, for any reason, unless due to *mortis causa*, or traded, afforded as pledge or subject to any other real right and/or granted as collateral by the Beneficiaries, unless in accordance with the provisions of the law.

The Options will become null and it will not be possible to exercise them further to attempted transfer or trading, including therein, by way of example, any attempt to transfer by deed among the living, affording as pledge, attachment or distraint of the Options or part of the same.

Restrictions on the transfer of the ordinary shares of the Company subscribed after the exercise of the Options are not envisaged.

4.7 Possible termination conditions in the event that the Beneficiaries carry out hedging transactions which make it possible to neutralise any restriction on the sale of the financial instruments assigned, also in the form of options, or of the financial instruments deriving from the exercise of these options

Not applicable, since: (i) termination conditions are not envisaged in the event the Beneficiaries carry hedging transactions

which make it possible to neutralise the restriction on the sale of the Options assigned; (ii) restrictions on the transfer of the ordinary shares of the Company subscribed after the exercise of the Options are not envisaged.

4.8 Description of the effects caused by the termination of the Labor Relationship between the Beneficiaries and the Company or other Tiscali Group company

The Options not yet exercised will definitively be forfeit and without any form of restoration in case the Beneficiary Labor Relationship with the relevant Tiscali Group company should cease for any reason whatsoever.

Notwithstanding anything to the contrary in the preceding paragraph, only and exclusively in the following cases:

- with reference to the CEO: (i) early termination ("*cessazione anticipata*") of his period of service with respect to the expiration of his mandate due to objective causes ("*cause oggettive*", beyond the control of the parties), company initiatives without just cause ("*giusta causa*"), at the initiative of the affected party for just cause ("*giusta causa*"); (ii) total or permanent invalidity; (iii) death;
- with reference to the other Beneficiaries Employees and Executives: (i) retirement; (ii) dismissal by the relevant Tiscali Group company for objective reasons ("*licenziamento per giustificati motivi oggettivi*") or without just cause ("*senza giusta causa*"); (iii) withdrawal ("*recesso*") of the relevant Beneficiary from the Labor Relationship for just cause ("*giusta causa*"); (iv) total and permanent invalidity; (v) death;
- with reference to the other Beneficiaries Consultants: (i) withdrawal ("*recesso*"), by the relevant Tiscali Group company, from the relevant Labor Relationship; (ii) termination of the agreement in force with the relevant Tiscali Group company for breach of contract ("*risoluzione per inadempimento*"); (iii) total and permanent invalidity; (iv) death;

the affected Beneficiary (or his/her heirs) shall be entitled to exercise only the Options vested as of the date of occurrence of the relevant event, being understood that, in any other case of discontinuance/termination of the Beneficiary Labor Relationship with the relevant Tiscali Group company, the vested Options shall be forfeit.

Upon the occurrence of such cases no compensation and/or indemnification is due by Tiscali for any damage and/or loss incurred by the Beneficiary. For the purposes of this provision the period of notice is not taken into account with regard to the vesting and/or the exercise of the Options.

In the case of unpaid leave, the Beneficiary will maintain the rights granted by the Plan, provided that the work is resumed as provided in the agreement governing the leave and the leave is not longer than 18 months. The Beneficiary will have no rights to the Options exercisable in respect of the period of leave on a pro rata temporis basis.

If a notification of disciplinary proceedings is sent, the right to exercise the Options will be suspended until receipt of the communication announcing the sanction to be applied or the communication notifying the recipient that no sanction will be applied.

All Options shall become immediately exercisable without prejudice to the final deadlines of each tranche specified above, in case a change of control regarding the Company pursuant to art. 93 of Italian Legislative Decree no. 58 of 24 February 1998 takes place, even when this does not give rise to the obligation to launch a take-over bid.

Notwithstanding the foregoing, the Board of Directors, after consultation with the Nomination and Compensation Committee, will still be able to decide, case by case, to grant to the Beneficiary or his successor more favorable conditions.

4.9 The indication of any other causes of cancellation of the Plan

Without prejudice to the matters indicated in the previous sections, there are no other cases of cancellation of the Plan.

4.10 Redemption by the Company of the financial instruments covered by the Plan

Redemption clauses in favour of the Company for the Options covered by the Plan, or for ordinary shares deriving from exercise of the same, are not envisaged.

4.11 Any loans or other concessions which are intended to be granted for the purchase of the shares in accordance with Article 2358 of the Italian Civil Code

Not applicable.

4.12 Appraisals regarding the estimated liability for the Company as of the date of related assignment, as can be determined on the basis of the terms and conditions already defined, by overall amount and in relation to each instrument of the Plan

Given that the possible exercise of the Options is performed through a paid capital increase, no expenses are to be borne by the Company for the subscription of the Shares. Accounting for any additional charges will be adequately disclosed where required (including in the budget documents).

4.13 The indication of any dilutory effects on the share capital

As of the date of this Disclosure Document, Tiscali's subscribed and paid-in share capital amounted to EUR 91.200.922,90, divided up into a total of 3,145,281,893 ordinary shares, lacking indication of the par value.

The maximum number of ordinary shares serving the Plan corresponds to 10% of the afore-mentioned subscribed and paid-in share capital of the Company.

4.14 Limits envisaged for the exercise of the voting right and for the assignment of the dividend rights

With reference to the ordinary shares deriving from the exercise of the options, no limits are envisaged for the exercise of the voting right and for the assignment of the dividend rights.

4.15 In the event that the shares cannot be traded on organised markets, any information useful for a complete assessment of the value attributable to them

Not applicable, since ordinary Tiscali shares are listed on the MTA.

4.16 Number of financial instruments underlying each Option

Each Option assigned, if exercised within the terms and under the conditions of the 2015-2019 Stock Option Plan, gives the right to subscribe an ordinary newly-issued Tiscali share.

4.17 Maturity of the Options

Reference is made to the matters specified in sections 4.2 and 4.3 above.

4.18 Exercise formalities, timescales and clauses

The Options shall have an "American" exercise method, so that they can be exercised at any time during the course of

the various exercise periods of the Options, in relation to which please see sections 4.2, 4.4 and 4.5.

4.19 Strike Price

The Strike Price of the Options is established as:

- EUR 0.0700 with reference to the Options of the First Tranche;
- EUR 0.0886 with reference to the Options of the Second Tranche;
- EUR 0.1019 with reference to the Options of the Third Tranche.

4.20 Reasons why the strike price of the Options is not determined in relation to the market price of the Company's Shares

Not applicable. It is believed that the method for setting the exercise price reflects the fair market value of the Shares on the Date of Grant of the Options.

4.21 Criteria on the basis of which different strike prices are envisaged between various parties or various categories of beneficiary parties

Not applicable, since the Plan envisages a sole Strike Price for all Beneficiaries.

4.22 In the event that the financial instruments underlying the options are not traded on organised markets, indication of the value which can be assigned to the underlying financial instruments or the criteria for establishing this value

Not applicable, since ordinary Tiscali shares are listed on the MTA.

4.23 Criteria for the adjustments which have become necessary further to extraordinary transactions on the share capital and other transactions which involve a change in the number of underlying instruments

In the case of extraordinary transactions on the share capital of the Company, as well as extraordinary situations not envisaged in this Regulation the Board of Directors shall make to said Regulation, autonomously and without need of further approval by the Company Shareholders' Meeting, all amendments or supplements deemed necessary or appropriate to maintain unchanged, within the limits permitted by the law in force at the time, the substantial and economic content of the Plan, according to the generally accepted methods.

4.24 Remuneration plans based on financial instruments

Table no. 1 of scheme 7 of Annex 3A to Regulation no. 11971/1999

Name and surname or category (1)	Office (only to be specified for parties named individually)	BOX 2							
		<i>Stock options</i>							
		<u>Section 1</u>							
		Options relating to plans, currently valid, approved on the basis of previous shareholders' meeting resolutions							
		Date of meeting resolution	Description of instrument (12)	Options held at the end of the previous year (11)	Options exercised (13)	Assignment date (10)	Exercise price	Market prices of the underlying shares on the assignment date	Potential exercise period (from-to)
Renato Soru	President of the Board of Directors of Tiscali S.p.A	16.2.2016	Call option on shares of Tiscali S.p.A.	Not applicable	Not applicable	Not applicable	Tranche 1 Euro 0,060 Tranche 2 Euro 0,069 Tranche 3 Euro 0,078	Not applicable	From 24.12.2016 to 24.6.2019 as follows: Tranche 1 from 24.12.2016 to 24.12.2018 Tranche 2 from 24.12.2017 to 24.12.2018 Tranche 3 from 24.12.2018 to 24.6.2019
Notes: Options aggregate n. 251.622.551 (exercisable in Tranche 1 n. 157.264.095, exercisable in Tranche 2 n. 47.179.228 exercisable in Tranche 3 n. 47.179.228)									

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(5)								
Notes								
(6)								
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(7)								
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