
tiscali:

CODE OF ETHICS

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1. INTRODUCTION

Since Tiscali S.p.A. (hereinafter Tiscali or the “Company”) acknowledges the importance of ethical and social responsibility in running its corporate affairs, it has prepared this code of ethics in order to clearly and transparently identify the values that underlie the activities of Tiscali S.p.A. and the Tiscali Group Companies.

Tiscali believes that its development and the achievement of corporate success must be carried out in compliance with established ethical and social principles, which the Company will promote.

Tiscali, therefore requests its employees, and all those who work on behalf of the company to comply with these corporate rules and principles as set out in this Code as they are considered vital to the proper operation, trustworthiness, reputation and image of the Company and the Tiscali Group.

2. AREA OF APPLICATION AND INTENDED AUDIENCE OF THE CODE

The principles and provisions of this Code of Ethics must be considered to be binding on the directors and management, employees, associates, and all those who, in whatever capacity, have contractual relations, including on an occasional or temporary basis, with all the Tiscali Group Companies, hereinafter referred to as the “Intended Audience”.

Specifically, the members of the Board of Directors will be guided by the principles set out in the Code of Ethics, when establishing the corporate mission and fundamental objectives, when outlining strategies, and when making any decision or action that regards management of the Company.

Similarly, the company management will set out the more detailed objectives and related strategies in full compliance with the aforesaid principles, with the mission and fundamental strategic objectives as identified above, and constantly contribute to the promotion of a corporate culture positively influenced by the ethics plan adopted, at all levels of the organisation.

The Company will give maximum importance to the fact that its employees and management, as the Intended Audience of the Code of Ethics, are considered and consider themselves to be people who form part of a unified group that works harmoniously together to achieve common goals in accordance with company values.

The associates, partners and anybody else who has a business relationship with the Company will also have to bring their conduct into line with the provisions of this Code, in accordance with the type of relationship they have with the Company.

To that end, the Company undertakes to promote the Code of Ethics to the Intended Audience, also in any contractual documentation, and to ensure that the principles and rules contained in it are fully and properly understood through the preparation and implementation of regular communication plans.

The main stakeholders of the Tiscali Group are: the shareholders, including the minority interests, the market, the directors and management, the employees, the consultants and other outside associates, the customers, the suppliers the competitors, the government and the environment.

3. PRINCIPLES AND REGULATIONS

3.1 Basic principles

Tiscali considers the following principles that unite the company activities in order to pursue the corporate purpose to be fundamental and can not be ignored:

LEGALITY AND COMPLIANCE

- √ Regarding all the prevailing legal provisions and regulations in the countries that the Group Companies operate in;
- √ Regarding the provisions contained in the articles of association;
- √ Regarding all internal rules, including those in the Code of Ethics and the Model pursuant to Legislative Decree no. 231/2001, the policies, and all other conduct protocols and all corporate procedures.

FAIRNESS

- √ Honesty, loyalty, fairness and good faith in relations with shareholders, directors, employees, associates, customers, suppliers, business partners and representatives of organisations and institutions, and more generally with all the stakeholders.

GOOD CORPORATE GOVERNANCE AND RISK MANAGEMENT

- √ Risks should generally be avoided; unavoidable risks should be evaluated and managed properly;
- √ Tiscali places great importance in running its business in an honest, prudent manner, which must always be in accordance with the principles of prudent, fair administration;
- √ Tiscali will create the conditions for the wide-ranging and conscious participation of the shareholders in the decisions that regard them, promoting equality and completeness in the information provided, and the full and effective protection of their interests for this purpose;
- √ The corporate governance system adopted by the Company will comply with the provisions of the law and will be in line with best market practices, with the following proposals:
 - To ensure uniformity in its management operations;
 - To identify, monitor and minimise risks;
 - To create maximum transparency with respect to parties who hold legitimate interests with respect to the Group Companies;

- To respond to the legitimate expectations of shareholders and the other holders of legitimate interests;
- To avoid any type of operation that would prejudice creditors or other stakeholders.

√ As noted, the corporate governance model adopted by Tiscali S.p.A. will implement the recommendations issued by Borsa Italiana S.p.A. as part of the Code of Conduct of Listed Companies to the best extent possible, and proposes to create an organisational model that will guarantee the optimal management of risk and prevention of any conflicts of interest between corporate management and the owners and the majority shareholders and minority interests. The organisational model and corporate governance model will be subject to continuous monitoring and updating.

TRANSPARENCY AND CONFIDENTIALITY

√ Tiscali believes that the correct management of the information flows within the company and towards the outside are fundamentally important. The management of significant information will be subject to the principles of transparency, fairness and balanced information in order to avoid any damage to the market interest and interests of the stakeholders.

√ Transparency and reliability will manifest themselves as a commitment to inform, through whatever means necessary, in a complete, clear, transparent and timely manner, all the stakeholders about its situation and performance, avoiding any unbalanced information, and ensuring the necessary and advisable confidentiality, without favouring any interest groups or single individuals.

√ All operations and transactions of the Company and other Group companies are guaranteed to be traceable. The operations and transactions made must always be recorded so as to ensure the accuracy, completeness and validity of the data, and in compliance with pre-tempore accountancy and other main national and international accounting standards that apply. Specifically, the Company will apply the national and international accounting standards in the best and fairest manner, continuously monitoring the standards and updating any internal procedures and information flows.

√ In addition, it must always be possible to check the decision-making, authorisation and implementation procedures of the aforesaid operations and transactions. Adequate supporting documentation must also be made for any controls to be made, at any time, that can attest to the characteristics and reasons behind the operation and identify the decision-making and authorisation process regarding the operation itself, with clarity and precision.

√ Tiscali guarantees that it will process any information it has in full compliance with the right to confidentiality and privacy of the interested parties and regulations protecting personal data.

In compliance with the principles of confidentiality, Tiscali S.p.A. has prepared specific internal rules that identify the Investors Relations Department as the only party in charge of communicating confidential information to the public, and define the various authorisation levels necessary in accordance with the type and nature of the information to be communicated.

To that end, each employee is requested to:

- Acquire and process only whatever data is necessary and directly related to performing the job;
- Keep said data in such a way as to ensure that external third parties may not access it;
- Communicate and reveal said data only in accordance with the established procedures or following authorisation by the Department in charge of said function;
- Determine the confidential nature of the information in accordance with the provisions of the relative procedures or in accordance with the relations, of any type, with third parties.

√ Tiscali has also adopted a internal Code of Conduct on Internal Dealing, which, in compliance with prevailing laws, including the market regulation provisions issued by Borsa Italiana S.p.A., and also in accordance with the principle of equality and impartiality noted below, identifies:

- The operations for which it has communication obligations;
- The parties who are subject to said communication obligations;
- The type of communication obligations, also including those of other interested parties;
- The sanctions applicable in the event the aforesaid obligations are not met.

√ Finally, it is also expressly noted, that all employees and associates that use privileged information, therefore confidential and not available to the public, in order to acquire, sell or conclude (including through a third party), or to advise others on, any operations on financial instruments, will commit a serious offence in addition to an action that is clearly contrary to the principles of lawfulness, honesty, fairness and transparency that underlie the actions of the Company and the Tiscali Group. It is also forbidden to communicate the aforesaid information to third parties so as not to incur other offences as provided under

prevailing law, or in any case, that breaches the obligations under this Code or the conduct models of the Company

EQUALITY AND IMPARTIALITY

- √ The Tiscali Group always attempts to reconcile the interests of the various stakeholders as best as possible. If there are multiple interests at stake, where possible, it avoids sacrificing one or more of these interests to the advantage of others, working to find solutions that can guarantee equal and correct reconciliation of the interests at stake.
- √ The Tiscali Group encourages and fosters integration and equality of people, regardless of age, gender, sexual orientation, health, race, nationality, political opinions or religious beliefs.
- √ Tiscali works at making the conditions of independence and objectivity of the parties involved in its business transparent, especially with regard to parties considered "significant". To that end, for example, it makes the financial and equity relations between the Companies and the directors, statutory auditors, general managers and executives of the Company available, and adopts any measures needed to prevent conflicts of interest within the Group.

This following provides a non-exhaustive list of potential conflicts of interest that should be examined and controlled with special attention:

- If employees are involved in profit-sharing, openly or in a concealed manner with suppliers, customers or competitors;
- Any type of work (general services, intellectual services, etc.) with customers, suppliers, competitors or with third parties that conflicts with the interests of the company;
- The use of a position in the company to benefit in a way that conflicts with the interests of the company;
- The use of information acquired at work to their own advantage or that of third parties, and in any case which conflicts with the interests of the Company or the Group.

CONSIDERATION FOR THE PERSON

Tiscali believes that consideration for people is a fundamental, meaningful element of its business, that applies to all parties with whom the company comes in contact with when carrying out its business. Specifically:

- √ Respect for the physical and cultural integrity of the person means guaranteeing workplace conditions that respect the dignity of the person and providing a safe work environment that is conducive to performing duties well. All necessary measures will be taken to avoid any possible request or threat aimed at convincing people to behave illegally or to

behave in a way that harms their convictions or moral or personal preferences;

√ Tiscali undertakes to try and vary the work of the employees so as to reduce all types of monotonous or repetitive work to the greatest extent possible, and to reduce the negative effects of the work on the health or personality of the person, increasing the positive effects in terms of gratification, involvement and expression of the hopes and abilities of the employees;

√ Human resources play a central part in the development of the Tiscali Group and in the work carried out by the business, therefore Tiscali is convinced that it is necessary to instil and maintain relations with the employees in a spirit of mutual loyalty and trust.

To this end, the Tiscali Group guarantees that its management of work relationships and associates will respect the rights of the workers¹ with the aim of fully valuing and developing their professional growth. Tiscali also undertakes to safeguard the health and safety of its employees and associates through the promotion of a culture of safety, the development of awareness of the risks and encouraging responsible behaviour by everybody.

Therefore the employees and associates are asked to commit to behave loyally when carrying out their duties, and in compliance with the commitments made to the company that they work in, and the other Group Companies and the principles set down in this Code of Ethics.

Specifically, each employee or associate of the company must:

- ✓ Work diligently to protect the company assets, using the resources carefully and responsibly, so as to maintain the efficiency as long as possible, and in any case, in accordance with the promotion of Group interests;
- ✓ Behave in accordance with the company operational procedures set out by the management when doing their jobs;
- ✓ Do everything possible to refuse gifts or other types of benefits that do not directly form part of standard courteous relations and immediately inform their superiors or the Internal Control Body or Supervisory Body;
- ✓ Maintain the technological, financial, legal, administrative, etc. knowledge and know-how acquired when working for Tiscali within the Company or the Group;

¹ Specifically, Tiscali undertakes to comply with privacy regulations and respect for the principle of non-discrimination starting from the staff recruitment and selection stage, where investigations or the gathering of information regarding the private lives of the candidates may not be made where they are unnecessary for the purpose of evaluating the suitability and reliability with reference to certain sensitive actions (for example the “antimafia” certificate) and, in any case, any future work relationship or collaboration may not be conditioned on the results of unnecessary information for the above-mentioned purposes.

- ✓ Do not do anything that could be considered to conflict or be in competition with the activities carried out by Tiscali due to their nature, objective or location.

3.2 Relations with third parties:

3.2.1 Services to the Customers

The Tiscali group believes that giving relations with customers and customer satisfaction central importance is one of the basic principles underlying its business ethos. The Tiscali Group undertakes to ensure that the behaviour of its employees, associates and partners with its customers is always marked by availability, mutual respect and courtesy, and in any case, aimed at instilling a highly professional collaborative relationship.

In line with the principles of impartiality and equal opportunity, Tiscali undertakes to:

- Provide all its customers with the same amount of attention;
- Provide high quality products and services, that meet the reasonable expectations of the customers and protects safety;
- Stick to the truth in its advertising and public announcements or any other type of communication.

When instilling relations with customers or third parties, the employees and associates of Tiscali must ensure that they comply with the quality requirements provided under internal rules, and not to instil relations of any type with parties considered undesirable and identified through suitable procedures and internal communications.

3.2.2 Relations with the suppliers

Tiscali will look for the greatest competitive advantage when making its purchases; in that light, it undertakes to guarantee equal opportunity to all suppliers and loyal, impartial treatment.

The selection of suppliers and establishment of the purchase conditions will therefore be made in accordance with objective criteria such as quality, price and the ability to provide and guarantee an adequate level of service.

Therefore, Tiscali forbids its employees from:

- Receiving payments of any kind or type from anyone to carry out some of their duties or something that conflicts with their duties;
- Being conditioned in any way by third parties, who are not so authorised, to make decisions and/or carry out actions related to their work.

Gifts offered, and those received, that are not customary, must be adequately recorded and communicated to the Personnel Manager and the Internal Control Body and/or the Supervisory Body.

3.2.3 Transparency and legality in relations with the Public Administration

Tiscali, aware that it is important for its commitments to the Public Administration and Public Institutions to be assumed in strict compliance with prevailing laws and regulations, in order to develop and maintain its integrity and reputation, will assign execution of the aforesaid activities to the exclusive competence of the authorised company departments set up on purpose, and establishes the obligation to collect and maintain the documentation on any contact with the Public Administration.

The employees, representatives or associates of the Group Companies are therefore prohibited from promising or offering to public officials, people appointed by the Public Service or employees in general of the Public Administration, money, goods, or more in general assets of any type as compensation for official actions carried out to promote or favour their own interests or the interests of the Group or to execute actions that conflict with their official duties. However, in general, it is forbidden to carry out any activity, including through third parties, aimed at influencing the independence of judgement or the decisions of the Public Administration or ensuring any undue advantage to the Group.

In that light, Tiscali permits the payment, authorised and properly recorded, of gifts, commercial courtesy items or benefits of any type (for example donations) provided that they are of limited value, and permitted under prevailing laws and regulations, and in any case, of such a type so as not to compromise the integrity or reputation of the parties, and that could not, in any case, be interpreted as aimed at obtaining an unfair advantage or favours.

On the other hand, the employees must not accept, directly or indirectly, benefits of any type from public officials, public service appointees or employees in general of the Public Administration; any proposals of that nature must be promptly communicated to the manager, the Internal Control Body and/or the Supervisory Body.

Tiscali also undertakes to rigorously comply with the applicable provisions of the law and regulations issued by national and international market regulatory authorities that aim at governing market activities in order to ensure equal market conditions and fair and free competition.

Therefore, Tiscali requests its employees to cooperate with the above-mentioned regulatory authorities, and to comply with any request for information made by said

bodies, and promptly provide them with data and information requested in a transparent, complete and correct manner.

3.2.4 Support of the community

Tiscali is aware of the effects that its business can have on the economic and social development and general well-being of the community, and so will work to ensure that all activities are carried out with respect for the local and national communities.

The Tiscali Group Companies will undertake to do the following as they carry out their work:

- Encourage dialogue with trade union organisations and other organisations in full respect for the mutual interests;
- Maintain relationships with political parties, their representatives or candidates in full compliance with prevailing laws;
- Encourage, or if it is the case, support, social, sporting, humanitarian or cultural initiatives through granting money to foundations, institutions, organisations or other entities involved in the promotion of respect for human dignity, in terms of affirmation, equality of all human beings, of recognition of personal and cultural diversity, freedom of thought and beliefs. In addition, as far as possible, the Company will work towards collaborating with associations involved in assisting poor people, the victims of both natural and man-made catastrophes, the victims of war or any other activity aimed at improving the conditions and quality of life and the promotion of a culture of peace and solidarity. These grants must be given in strict compliance with prevailing laws and regulations and properly recorded.

3.2.5 Relations with competitor companies

The Tiscali Group Companies undertake to behave with integrity, honesty, fairness, transparency and good faith in their dealings with competitor companies. Any fraudulent, violent or menacing behaviour aimed at preventing or disrupting the work of competing companies or any acts of unfair competition constitute a serious breach of this Code in addition to a potential criminal offence if the conditions apply.

3.3 Protection of the Environment

Tiscali undertakes to carry out its business with full respect for the environment and public health, in compliance with prevailing national and international laws and regulations.

In fact it has adopted strategies and operating management procedures that are subject to the principles of environmental sustainability in all its activities in consideration of the rights of future generations.

4. SUPERVISORY BODY (OdV)

Full application of the Tiscali Code of Ethics is guaranteed, firstly by its Intended Audience, which has the obligation of pointing out any possible breaches; in the second place it is guaranteed by the Supervisory Body established in accordance with article 6 letter b) of Legislative Decree no. 231/2001.

Since the Supervisory Body is a “technical” body, whose members meet requirements of professional competence, skill and experience, in addition to good reputation and independence, its duties are as follows:

- To constantly ensure that the interested parties are applying the terms of the Code through information supervision and inspections (acquisition of information, data and documents, inspections, periodic information analysis which it receives, etc.);
- Check out any alleged breaches of the Code by information supervision and inspections, and also following notification;
- Make the appropriate checks in order to check the reliability of notifications about alleged breaches;
- Propose or apply suitable sanctions in relation to breaches found to have occurred;
- Propose or express opinions with respect to any change in corporate procedures needed to prevent future breaches;
- Propose or express opinions regarding any changes to any more significant company policies, objectives, strategies or procedures in order to ensure their consistency with the Code of Ethics;
- Provide for the periodic review of the Code if necessary.

In order to ensure compliance with the Code, the Supervisory Body may access all the information and documentation needed and can collaborate with all the bodies involved in internal control, including, if present, the Supervisory Bodies of the other Group Companies, and the single company departments involved, with whom mutual and periodic information flows are provided for. The Supervisory Body can use external consultants.

Specifically, the Internal Audit department, which has the duty of evaluating the adequacy and efficiency of the internal control system of the Company, is charged with ensuring compliance of the Code of Ethics.

The Supervisory Body is part of the internal control system of the Company to all effects and purposes, and will have its own budget and broad independence, as it will refer directly and exclusively to the Board of Directors, the Committee for Internal Control and the Board of Statutory Auditors.

The Intended Audience must notify the Supervisory Board directly of each breach or suspected breach of the Code of Ethics, using appropriate communication channels; in the more serious cases, the notification should be made in writing; in any case the notification will not be made on an anonymous basis. The Supervisory Board will implement the necessary communication systems and notification filing systems.

The Internal Audit department, on its own initiative or if so appointed by the Supervisory Board, can make checks on the responsibilities regarding any infringements reporting the results of its investigations to the Supervisory Board.

If there is a verified breach of the Code of Ethics, the Supervisory Board will report the breach, any suggestions to improve the internal control system or any proposals for action, including sanctions, to the Board of Directors, and will notify any other Supervisory Boards that may have an interest in the matter.

Please refer to the reference to the Supervisory Board and the Code of Ethics contained in the Model pursuant to Legislative Decree no. 231/2001 adopted by the Tiscali Group Companies for anything not expressly provided herein.

5. DISCIPLINARY SYSTEM

Compliance with the provisions of the Code of Ethics may be considered to be an essential part of the contractual obligations of employees in accordance with article 2104 of the Civil Code “Due Diligence of the Employer”.

Breaches of the provisions of the Code of Ethics may involve:

- Non-compliance with the primary obligations of the work relationship or a disciplinary offence, in accordance with the procedures set out under article 7 of the Labour Statute, with all due consequences of the law, including regarding continuation of the work relationship and any consequent obligation to compensate for any damage that may have resulted;
- Non-compliance with the contractual obligations assumed by the non-employee associates or subjects with business relationships with the Group Companies.

Tiscali guarantees that the sanctions provided for and if necessary imposed in the event of a breach of the Code of Ethics will comply with the principles of proportionality, consistency, impartiality and uniformity, and will be carried out in compliance with prevailing labour laws.

In order to avoid any inconsistency or inequality in imposing said sanctions, Tiscali will prepare an adequate sanction code that will identify, in an unequivocal, clear and transparent manner, the type of sanctions applicable in accordance with each category of breach encountered. The provisions of the sanction system in the General Part of the Model pursuant to Legislative Decree 231/2001 will be valid for this purpose.

6. FINAL PROVISIONS

This Code of Ethics, acknowledging company procedures, is approved by the Board of Directors of Tiscali S.p.A. and applies to all the Tiscali Group Companies.

This Code of Ethics was approved and adopted by the Board of Directors of Tiscali SpA by resolution passed on 12 November 2010.