



Please do not
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margin

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

**Please complete
legibly, preferably
in black type, or
bold block lettering**

Note
Please read the notes
on page 3 before
completing this form

* insert full name
of company

0 insert name(s) and address(es) of all the directors

**To the Registrar of Companies
(Address overleaf - Note 5)**

For official use

Company number

4063120

Name of company

* Pipex Homecall Limited (the Company)

X/We see appendix 1

† delete as appropriate

§ delete whichever
is inappropriate

~~XXXXXXXXXXXX~~ [all the directors] † of the above company do solemnly and sincerely declare that

The business of the company is

[illegible]

(c) something other than the above §

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~XXXXXXXXXXXXXXXXXXXX~~

The assistance is for the purpose of [that acquisition] XXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX †

The number and class of the shares acquired or to be acquired is 3 ordinary shares of
£1.00 each

Presentor's name address and
reference (if any)
Addleshaw Goddard LLP
Alder Castle
10 Noble Street
London
EC2V 7JW

DX 47 London
ECH/1770308v1

For official Use
General Section

THURSDAY



LD4 15/11/2007 120
COMPANIES HOUSE

The assistance is to be given to (note 2) Tiscali UK Holdings Limited and Tiscali UK Limited

Please do not
write in this
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Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of

see appendix 2

The person who [has acquired] ~~XXXXXXX~~ † the shares is

† delete as
appropriate

Tiscali UK Limited

The principal terms on which the assistance will be given are

see appendix 3

The amount of cash to be transferred to the person assisted is £ see appendix 4

The value of any asset to be transferred to the person assisted is £ nil

The date on which the assistance is to be given is within 8 weeks of the date hereof

Appendix 1 to Form 155(6)a given by Pipex Homecall Limited (registered number 4063120)

Directors

Name MASSIMO CRISTOFORI

Address VIA TERENCEIO 12

MILAN

20133

ITALY

Name MICHAEL JOHN HILL

Address CARSAIG

WATERHOUSE LANE

KINGSWOOD

SURREY

KT20 6HU


Name MARY TURNER

Address 4 WOODVILLE ROAD

EALING

LONDON

W5 2SF

 M. TURNER
12/11/07

Appendix 2 to Form 155(6)a given by Pipex Homecall Limited (registered number 4063120)

Form of Assistance


Terms defined in this statutory declaration (including in the Appendices) have the same meaning in this Appendix unless otherwise stated or the context requires otherwise

The assistance will take the form of the execution, delivery and performance by the Company of the following documents (as the same may be amended, varied, supplemented or substituted from time to time)

- 1 an accession agreement (**Company Term Loan Accession Agreement**) to be entered into between, among others, the Company and Tiscali UK Holdings Limited (**Tiscali UK**) whereby the Company agrees to become an Additional Guarantor (as defined in the Term Loan Facility Agreement) and to be bound by the terms of a €150 million committed and uncommitted term loan facility agreement dated 13 September, 2007 and made between Tiscali S p A , as parent, Tiscali UK, as borrower, the parties named therein as original guarantors, Intesa Sanpaolo S p A - London Branch as mandated lead arranger, the financial institutions named therein as original lenders, Intesa Sanpaolo S p A - London Branch as facility agent (**Facility Agent**) and Intesa Sanpaolo S p A - London Branch as original hedging counterparty (**Term Loan Facility Agreement**) as an Additional Guarantor pursuant to Clause 28 6 of the Term Loan Facility Agreement,
- 2 an accession agreement (**Company Revolving Credit Accession Agreement**) to be entered into between, among others, the Company and Tiscali UK whereby the Company agrees to become an Additional Guarantor (as defined in the Revolving Credit Facility Agreement) and to be bound by the terms of a €50 million committed revolving credit facility agreement dated 13 September, 2007 and made between Tiscali S p A , as parent, Tiscali UK, as borrower, the parties named therein as original guarantors, Intesa Sanpaolo S p A - London Branch and J P Morgan plc as mandated lead arrangers, the financial institutions named therein as original lenders, Intesa Sanpaolo S p A - London Branch as facility agent and Intesa Sanpaolo S p A - London Branch as original hedging counterparty (**Revolving Credit Facility Agreement**) as an Additional Guarantor pursuant to Clause 28 6 of the Revolving Credit Facility Agreement,
- 3 an accession document (**Company Senior Bridge Accession Document**) to be entered into by, among others, the Company whereby the Company agrees to become an Additional Guarantor (as defined in the Senior Bridge Facility Agreement (as defined below)) and to be bound by the terms of a €400 million senior bridge facility agreement dated 13 September 2007 and made between Tiscali UK as borrower, Tiscali S p A as parent, Intesa Sanpaolo S p A - London Branch and J P Morgan plc as mandated lead arrangers and bookrunners, J P Morgan as administrative agent (**Administrative Agent**) and Intesa Sanpaolo S p A - London Branch as security agent (**Security Agent**) (**Senior Bridge Facility Agreement**) as an Additional Guarantor pursuant to Section 11 5 of the Senior Bridge Facility Agreement,
- 4 a security agreement to be entered into between the Company as chargor (**Chargor**) and Intesa Sanpaolo S p A as security agent (**Security Agreement**),
- 5 a deed of accession (**Company Collateral Sharing Deed of Accession**) to be entered into between, among others, the Company and the Security Agent whereby the Company agrees to be bound by the terms of a collateral sharing agreement dated 13 September 2007 and made between Tiscali UK as borrower, Tiscali S p A as parent, the Obligors (as defined therein), Intesa Sanpaolo S p A - London Branch as Term Facility Agent, Revolving Facility Agent and Security Agent (each term as defined therein), J P Morgan Europe Limited as

Senior Bridge Agent and Rights Issuance Bridge Agent (each term as defined therein) and others (**Collateral Sharing Agreement**) pursuant to Clause 18.3 of the Collateral Sharing Agreement, and

- 6 an intra-group loan agreement for the provision of loan facilities to be made available by, among others, the Company to Tiscali UK and to be made between, among others, Tiscali UK and the Company (**Intra-Group Loan Agreement**)

 - E. MARTIN
12/11/07.

Appendix 3 to Form 155(6)a given by Pipex Homecall Limited (registered number 4063120)

Principal Terms

Terms defined in this statutory declaration (including the other Appendices) have the same meaning in this Appendix unless otherwise stated or the context otherwise requires

The principal terms on which assistance will be given are as follows

1 The Company Term Loan Accession Agreement and Term Loan Facility Agreement

In this paragraph 1 of Appendix 3 the following terms shall have the following meanings

Accession Agreement means a letter, substantially in the form of Schedule 8 (General Form of Accession Agreement) of the Term Loan Facility Agreement, with such amendments as the Facility Agent and the Company may agree

Acquisition means the acquisition by Tiscali UK Limited of the Target Group pursuant to the terms of the Acquisition Documents and in accordance with the Structure Memorandum

Acquisition Documents means the Share Sale and Purchase Agreement, the Transitional Services Agreements and the Tax Deed

Additional Guarantor means a member of the Group which becomes a Guarantor after the date of the Term Loan Facility Agreement

Administrative Party means the Arranger or the Facility Agent

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company

Arranger means Intesa Sanpaolo S p A

Borrower means Tiscali UK Holdings Limited

Closing Date means

- (a) the date on which the Acquisition is completed, being the date on which the loans under the Senior Bridge Facility Agreement are made and consideration for the Acquisition is paid, and
- (b) the date the Facility Agent provides a notice to the Company pursuant to Clause 2 (Conditions precedent) of the Term Loan Facility Agreement that the conditions precedent listed in Schedule 2 (Conditions Precedent Documents) of the Term Loan Facility Agreement have been satisfied

Collateral Sharing Agreement means the agreement between, among others, Intesa Sanpaolo S p A , JPMorgan Chase Bank, N A as lenders under each of the Revolving Credit Facility, the Rights Issuance Bridge Facility and the Senior Bridge Facility and Intesa Sanpaolo S p A as facility agent under the Term Loan Facility Agreement, regulating the relationship between them dated on or about the Closing Date

Company means Tiscali S p A

Facility Agent means Intesa Sanpaolo S p A

Fee Letter means the fee letter dated 13 July 2007 between Intesa Sanpaolo S p A , J P Morgan plc, J P Morgan Chase Bank, N A , Tiscali S p A and Tiscali International B V, as amended and restated from time to time, the fee letter dated on or about the date of the Term Loan Facility Agreement between Intesa San Paolo S p A - London Branch and Tiscali UK Holdings Limited and any other letter entered into by reference to the Term Loan Facility Agreement between one or more Administrative Parties and the Company setting out the amount of certain fees referred to in the Term Loan Facility Agreement

Finance Document means

- (a) the Term Loan Facility Agreement,
- (b) a Security Agreement,
- (c) a Fee Letter,
- (d) the Hedging Strategy,
- (e) a Hedging Document,
- (f) the Collateral Sharing Agreement,
- (g) a Transfer Certificate,
- (h) an Accession Agreement,
- (i) a Resignation Request, or
- (j) any other document designated as such by the Facility Agent and the Company

Finance Party means a Lender, an Administrative Party or the Hedging Counterparty

Guarantor means an Original Guarantor or an Additional Guarantor

Group means Tiscali S p A and its Subsidiaries (including Tiscali UK Holdings Limited)

Hedging Arrangement means any interest rate swap, cap, collar or floor transaction or arrangement having similar or analogous effect or any combination thereof provided to an Obligor by a Hedging Counterparty in accordance with the Hedging Strategy

Hedging Counterparty means

- (a) the Original Hedging Counterparty or one of its Affiliates, or
- (b) any person which becomes a Hedging Counterparty after the date of the Term Loan Facility Agreement

Hedging Document means any agreement in relation to any Hedging Arrangement

Hedging Strategy means the hedging strategy set out in the letter dated on or about the date of the Term Loan Facility Agreement from the Borrower to the Arrangers

Holding Company of any other person, means a company in respect of which that other person is a Subsidiary

Lender means

- (a) an Original Lender, or
- (b) any person which becomes a Lender after the date of the Term Loan Facility Agreement in accordance with the provisions of the Term Loan Facility Agreement

Obligor means the Company, the Borrower or any Guarantor

Original Guarantor means Tiscali S p A,, Tiscali Italia S p A , Tiscali UK Limited, Tiscali Services S p A and Tiscali International B V

Original Hedging Counterparty means Intesa Sanpaolo S p A

Original Lender means Intesa Sanpaolo S p A

Resignation Request means a letter in the form of Schedule 9 (Form of Resignation Request) of the Term Loan Facility Agreement, with such amendments as the Facility Agent and the Company may agree

Revolving Credit Facility Agreement means a revolving credit facility agreement dated on or about the Closing Date, between, among others, the Borrower, Intesa Sanpaolo S p A and J P Morgan Chase Bank, N A as Revolving Credit Lenders, Intesa Sanpaolo S p A and J P Morgan plc as Arrangers and Intesa Sanpaolo S p A as administrative agent

Rights Issuance Bridge Facility means a pay-in-kind bridge facility in an aggregate principal amount of €150 million made available under the Rights Issuance Bridge Facility Agreement

Rights Issuance Bridge Facility Agreement means a pay-in-kind bridge facility agreement dated on or about the Closing Date between, among others, the Borrower, Intesa Sanpaolo S p A and J P Morgan Chase Bank N A as Bridge Lenders and J P Morgan Europe Limited as Rights Issuance Bridge Administrative Agent

Security Agreements means the security agreements listed in Schedule 10 (Security Agreements) of the Term Loan Facility Agreement

Senior Bridge Facility means a senior bridge facility in an aggregate principal amount of €400 million made available under the Senior Bridge Facility Agreement

Senior Bridge Facility Agreement means a senior bridge facility agreement dated on or about the Closing Date between, among others, the Borrower, Intesa Sanpaolo S p A and J P Morgan Chase Bank N A as Bridge Lenders and J P Morgan Europe Limited as Administrative Agent

Share Sale and Purchase Agreement means the share sale and purchase agreement dated 13 July 2007 between among others, Pipex Communications plc as seller, Tiscali UK Holdings Limited as buyer and Tiscali S p A as guarantor

Structure Memorandum means the structure memorandum entitled "Project Pamela Structure Memorandum" prepared by the Company and dated on or about the date of the Term Loan Facility Agreement outlining, among other things, the proposed corporate and tax structure of the Acquisition

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent of the voting capital or similar right of ownership and control

for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise

Target Group means the group of companies representing the broadband and voice division of Pipex Communications Plc to be acquired by Tiscali UK Limited as contemplated in the Structure Memorandum

Tax Deed means the deed of covenants relating to Pipex Internet Limited and others to be entered into on or about the Closing Date between Pipex Communications plc and Tiscali UK Holdings Limited

Transfer Certificate means

- (a) for a transfer by assignment, a certificate, substantially in the form of Part 1 Schedule 5 (Form of Transfer Certificate) of the Term Loan Facility Agreement, or
- (b) for a transfer by novation, a certificate, substantially in the form of Part 2 Schedule 5 (Form of Transfer Certificate) of the Term Loan Facility Agreement,

in each case with such amendments as the Facility Agent may approve or reasonably require, or any other form agreed between the Facility Agent and the Company

Transitional Services Agreements means

- (a) the agreement dated 13 July, 2007 between Pipex Communications UK Limited and Tiscali UK Holdings Limited relating to certain services to be provided by Tiscali UK Holdings Limited to Pipex Communications UK Limited on a transitional basis, and
- (b) the agreement dated 13 July, 2007 between Tiscali UK Holdings Limited and Pipex Communications UK Limited relating to certain services to be provided by Pipex Communications UK Limited to Tiscali UK Holdings Limited on a transitional basis

Under the terms of the Company Term Loan Accession Agreement and the Term Loan Facility Agreement

- (a) the Company irrevocably and unconditionally jointly and severally (with each other Guarantor)
 - (i) guarantees to each Finance Party punctual performance by the Borrower of all the Borrower's obligations under the Finance Documents,
 - (ii) undertakes with each Finance Party that, whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand by the Facility Agent pay that amount as if it was the principal obligor in respect of that amount, and
 - (iii) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the loss or liability under such indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover,
- (b) the obligations of the Company as described in paragraph (a) above will not be affected by any act, omission, or thing which, but for Clause 15.4 of the Term Loan Facility Agreement as set out in this paragraph (b), would reduce, release or

prejudice any of its obligations described in paragraph (a) above (whether or not known to it or any Finance Party) including

- (i) any time or waiver granted to, or composition with, any person,
 - (ii) any release of any person under the terms of any composition or arrangement,
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person,
 - (iv) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
 - (v) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person,
 - (vi) any amendment however fundamental of a Finance Document or any other document or security,
 - (vii) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, or
 - (viii) any insolvency or similar proceedings,
- (c) the Company gives various representations, warranties, undertakings and indemnities to the Finance Parties and agrees to pay certain costs fees and expenses to the Finance Parties

2 **The Company Revolving Credit Accession Agreement and Revolving Credit Facility Agreement**

In this paragraph 2 of Appendix 3, defined terms shall have the same meaning assigned to them in paragraph 1 of Appendix 3 except where defined below

Arrangers means Intesa Sanpaolo S p A – London Branch and J P Morgan plc

Collateral Sharing Agreement means the agreement between, among others, Intesa Sanpaolo S p A JPMorgan Chase Bank, N A as lenders under each of the Credit Facility, the Rights Issuance Bridge Facility, the Senior Bridge Facility and the Revolving Credit Facility Agreement regulating the relationship between them dated on or about the Closing Date

Under the terms of the Company Revolving Credit Accession Agreement and the Revolving Credit Facility Agreement

- (a) the Company irrevocably and unconditionally jointly and severally (with each other Guarantor)
 - (i) guarantees to each Finance Party punctual performance by the Borrower of all the Borrower's obligations under the Finance Documents,
 - (ii) undertakes with each Finance Party that, whenever the Borrower does not pay any amount when due under or in connection with any Finance

Document, it shall immediately on demand by the Facility Agent pay that amount as if it was the principal obligor in respect of that amount, and

- (iii) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the loss or liability under such indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover,
- (b) the obligations of the Company as described in paragraph (a) above will not be affected by any act, omission, or thing which, but for Clause 15.4 of the Revolving Credit Facility Agreement as set out in this paragraph (b), would reduce, release or prejudice any of its obligations described in paragraph (a) above (whether or not known to it or any Finance Party) including
 - (i) any time or waiver granted to, or composition with, any person,
 - (ii) any release of any person under the terms of any composition or arrangement,
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person,
 - (iv) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
 - (v) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person,
 - (vi) any amendment however fundamental of a Finance Document or any other document or security,
 - (vii) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, or
 - (viii) any insolvency or similar proceedings,
- (c) the Company gives various representations, warranties, undertakings and indemnities to the Finance Parties and agrees to pay certain costs fees and expenses to the Finance Parties

3 The Company Senior Bridge Accession Document and Senior Bridge Facility Agreement

In this paragraph 3 of Appendix 3 the following terms shall have the following meanings

Accession Document means a document substantially in the form set out in Exhibit C to the Senior Bridge Facility Agreement with such amendments as the Administrative Agent and the Borrower may agree

Accounting Standards means accounting standards which, in each case, in effect from time to time, are

- (a) in the case of Accounts of the Parent, IFRS, and
- (b) in the case of Accounts of any other member of the Bridge Group, generally accepted in the jurisdiction of incorporation of that member of the Bridge Group and approved by the relevant regulatory or other accounting bodies in that jurisdiction

Accounts means each set of financial statements required to be prepared by a member of the Bridge Group and supplied to the Administrative Agent under the Senior Bridge Facility Agreement

Acquisition means the acquisition by Tiscali UK Limited of the Target Group pursuant to terms of the Acquisition Documents

Acquisition Documents means the Share Sale and Purchase Agreement, the Transitional Services Agreements and the Tax Deed

Additional Guarantor means a member of the Bridge Group which becomes a Guarantor after the Signing Date pursuant to Section 11.5 of the Senior Bridge Facility Agreement

Administrative Agent means J P Morgan Europe Limited, acting as agent pursuant to Article XIV or any successor or replacement Administrative Agent, acting in such capacity

Administrative Agent Fee Letter that certain letter, dated on or about the Signing Date, among the Borrower, the Parent, the Administrative Agent, and the other parties thereto, as such letter may be amended from time to time, including any side letters thereto

Administrative Party means an Arranger, the Administrative Agent or the Security Agent

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, **control**, as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise, provided that Beneficial Ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms **controlling**, **controlled by** and **under common control with** have correlative meanings. Neither the Lenders nor any of their Affiliates will be treated as an Affiliate of the Parent, the Borrower or any of its Subsidiaries for purposes of the Senior Bridge Facility Agreement.

Arrangers means Intesa Sanpaolo S.p.A. – London Branch and J P Morgan PLC

Arrangers Fee Letter means that certain Amended and Restated Fee Letter, dated on or about the Signing Date, among the Borrower, the Parent, the Arrangers and the Underwriters, as such letter may be amended from time to time, including any side letters thereto

Assignment and Acceptance shall mean an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in the form of Exhibit A to the Senior Bridge Facility Agreement

Attributable Indebtedness in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to

the rate of interest implicit in such transaction, determined in accordance with the Accounting Standards, provided, however, that if such sale and leaseback transaction results in a Finance Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of **Finance Lease Obligation**

Availability Period means the period from and including the Signing Date until and including the earliest of (a) the date upon which the payment of consideration is to be made to the shareholders of Target Group on Completion, and (b) October 31, 2007 to the Senior Bridge Facility Agreement

Bankruptcy Law means (a) the U.S. Bankruptcy Code 1978 or (b) any other law of the United States (or any political subdivision thereof), the United Kingdom (or any political subdivision thereof) (including, for the avoidance of doubt, the Insolvency Act 1986, the Insolvency Rules 1986, the Insolvency Act 2000 and the Enterprise Act 2000), or (c) Dutch Bankruptcy Act (Faillissementswet) or the laws of any other jurisdiction or any political subdivision thereof relating to bankruptcy, insolvency, winding up, liquidation, examinership, reorganization or relief of debtors

Beneficial Owner has the meaning assigned to such term in Rule 13d 3 and Rule 13d 5 under the Exchange Act, except that in calculating the beneficial ownership of any particular **person** (as that term is used in Section 13(d)(3) of the Exchange Act), such **person** will be deemed to have beneficial ownership of all securities that such **person** has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms **Beneficially Owns**, **Beneficially Owned** and **Beneficial Ownership** have a corresponding meaning

Board of Directors means

- (a) with respect to a corporation, the Board of Directors of the corporation, the managing board (de directie) or any committee thereof duly authorized to act on behalf of such board,
- (b) with respect to a partnership, the Board of Directors of the general partner of the partnership,
- (c) with respect to a limited liability company, the managing member, the managing board (de directie) or members or any controlling committee of managing members thereof, and
- (d) with respect to any other Person, the board or committee of such Person serving a similar function

Borrower means Tiscali UK Holdings Limited, a private company with limited liability incorporated under the laws of England and Wales (registered number 03907276)

Bridge Finance Document means

- (a) the Senior Bridge Facility Agreement as may be amended from time to time,
- (b) any Promissory Note,
- (c) each Bridge Security Document, or
- (d) any Related Document

Bridge Finance Parties means the Lenders and the Administrative Parties

Bridge Group means the Parent and its Restricted Subsidiaries from time to time (including the Target Group on and from the Completion)

Bridge Loan means a loan made by any Lender to the Borrower pursuant to Section 2.1(a) of the Senior Bridge Facility Agreement the proceeds of which will be applied as provided for in Section 2.1(d) of the Senior Bridge Facility Agreement or any amount outstanding for the time being of that loan

Bridge Security Document means each document set forth on Schedule 6 of the Senior Bridge Facility Agreement and any other document evidencing or creating any guarantee or security over any asset of any Obligor to secure any obligation of an Obligor to a Bridge Finance Party under the Bridge Finance Documents

Capital Stock means

- (a) in the case of a corporation, corporate stock,
- (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock,
- (c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests, and
- (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock

Closing Date means the date of Completion, being the date on which the Loans under the Senior Bridge Facility Agreement are made and consideration for the Acquisition is paid

Collateral means any assets in which a Lien has been granted (or is purported to be granted) pursuant to any Bridge Security Document or otherwise to secure all or a part of the Obligations, the Loans or any other Bridge Finance Document

Collateral Sharing Agreement means that certain Collateral Sharing Agreement dated on or about the Signing Date between, among others, the Obligors, the administrative agent, the Security Agent, and the lenders, respectively, under each of the Revolving Credit Facility Agreement, the Credit Facility, the Rights Issuance Bridge Finance Document and the Senior Bridge Facility Agreement

Commitment Letter means that certain commitment letter dated July 13, 2007 among the Parent, the Borrower, the Arrangers and the Underwriters

Completion means the completion of the sale and purchase of the Target Shares in accordance with the Share Sale and Purchase Agreement

Credit Facility means a credit facility in an aggregate principal amount of €150 million (of which €100 million is uncommitted as of the Signing Date) made available under the Credit Facility Agreement

Credit Facility Agreement means that certain Credit Facility, dated on the Signing Date, among inter alios, the Borrower, Intesa Sanpaolo S p A , London Branch as arranger and facility agent

Credit Facility Finance Document has the meaning of Finance Document as such term is defined in the Credit Facility Agreement

Engagement Letter means that certain engagement letter, dated as of July 13, 2007, among the Borrower, the Parent and the Managers, as such agreement may be amended from time to time

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock)

Escrow Account has the meaning specified in the Escrow Agreement

Escrow Agent has the meaning specified in the Escrow Agreement

Escrow Agreement means the escrow agreement relating to the escrow of the Exchange Notes to be entered into among the Borrower, the Guarantors, the Administrative Agent on behalf of the Lenders, and the Escrow Agent as agreed pursuant to Section 5 24 of the Senior Bridge Facility Agreement

European Union means the European Union, including the countries of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became a member of the European Union after January 1, 2004

Exchange Act means the U S Securities Exchange Act of 1934, as amended

Exchange Note Indenture means the indenture relating to the Exchange Notes, among the Borrower, the Guarantors, and the Exchange Note Trustee, in the form as agreed pursuant to Section 5 24 of the Senior Bridge Facility Agreement

Exchange Note Trustee means, on any date of determination, the trustee under the Exchange Note Indenture

Exchange Notes means the senior Exchange Notes of the Borrower in the form attached as an exhibit to the Exchange Note Indenture, guaranteed by the Guarantors, placed into the Escrow Account (as provided for in Section 5 24 of the Senior Bridge Facility Agreement) to be issued in exchange for certain Term Loans pursuant to Section 2 3 of the Senior Bridge Facility Agreement

Extended Maturity Date means the six-year anniversary of the Initial Maturity Date

Facility Agent and Security Agent Fee Letter means that certain Letter, dated on or about the Signing Date, among the Borrower, the Parent, the Security Agent, and the other parties thereto, as such letter may be amended from time to time, including any side letters thereto

Fee Letters means the Arrangers Fee Letter, the Administrative Agent Fee Letter and the Facility Agent and Security Agent Fee Letter

Finance Document means a Bridge Finance Document, a Credit Facility Finance Document, a Revolving Credit Facility Finance Document or a Rights Issuance Bridge Finance Document

Finance Lease Obligation means, at the time any determination is to be made, the amount of the liability in respect of a finance lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with the Accounting Standards, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty

Floating Rate Note Finance Document means

- (a) the Floating Rate Note Indenture,
- (b) the Floating Rate Note Security Documents,
- (c) the Collateral Sharing Agreement,
- (d) the Hedging Letter,
- (e) the Floating Rate Notes, or
- (f) the guarantees of the Floating Rate Notes

Floating Rate Note Indenture means the indenture(s) relating to the Floating Rate Notes

Floating Rate Notes means debt securities anticipated to be issued by the Borrower which have been privately placed or otherwise sold in an offering exempt from registration with the SEC to refinance the Loans as contemplated by the Engagement Letter or otherwise

Floating Rate Note Security Document means each document granting a Lien to secure the obligations under the Floating Rate Note Finance Documents as contemplated by the Structure Memorandum, such Liens being on the same assets as those securing the Loans pursuant to the Bridge Security Documents, and permitted by the Collateral Sharing Agreement

Guarantor means the Parent and each Subsidiary Guarantor

Hedging Letter means the letter dated on or about the date of the Senior Bridge Facility Agreement between Borrower and the Administrative Agent relating to the Hedging Obligations required to be effected by the Bridge Group with respect to the Finance Documents

Hedging Obligations means, with respect to any specified Person, the obligations of such Person under

- (a) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements,
- (b) other agreements or arrangements designed to manage interest rates or interest rate risk, and
- (c) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices

IFRS means the international accounting standards promulgated from time to time by the International Accounting Standards Board (or any successor board or agency) and as adopted by the European Union

Indebtedness means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent

- (a) in respect of borrowed money,
- (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof),
- (c) in respect of banker's acceptances,
- (d) representing Finance Lease Obligations or Attributable Indebtedness in respect of sale and leaseback transactions,
- (e) representing the balance deferred and unpaid of the purchase price of any property or services due more than twelve months after such property is acquired or such services are completed, or
- (f) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit, Attributable Indebtedness and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with the Accounting Standards. In addition, the term **Indebtedness** includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. For the avoidance of doubt and notwithstanding the above, the term **Indebtedness** excludes any accrued expenses, trade payables and amounts payable in respect of Operating IRUs

Initial Maturity Date means the one-year anniversary of the Closing Date

Lenders means (a) each Person that has executed a counterpart to the Senior Bridge Facility Agreement (other than an Obligor and other than any such Person that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any Person that has become a party hereto pursuant to an Assignment and Acceptance

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction

Loan means a Bridge Loan or a Term Loan

Managers has the meaning specified in the Engagement Letter

Maturity Date means the Initial Maturity Date or Extended Maturity Date, as the case may be

Non-Recourse Indebtedness means Indebtedness

- (a) as to which neither the Parent nor any of its Restricted Subsidiaries (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender,
- (b) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Parent or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity, and
- (c) as to which by its terms, the lenders will not have any recourse to the stock or assets of the Parent or any of its Restricted Subsidiaries

Obligations means all obligations and liabilities existing at the date of the Senior Bridge Facility Agreement or arising thereafter of any of the Obligors to any and all of the Bridge Finance Parties arising under or in connection with the Bridge Finance Documents, whether absolute or contingent, and whether for principal, interest, penalties, premium, fees, indemnifications, reimbursements, damages, or otherwise and specifically including post-petition interest (whether or not an allowable claim)

Obligor means each of the Borrower, Parent and any Subsidiary Guarantor

Operating IRU means an indefeasible right of use of, or operating lease or payable for lit or unlit fiber optic cable or telecommunications conduit or the use of either thereof for a period constituting all or substantially all of the expected useful life thereof

Parent means Tiscali S P A public company liability incorporated under the laws of the Republic of Italy under fiscal code and VAT number 02375280928

Permitted Shareholder Loan Obligor means any of the Parent or any wholly-owned Subsidiary of the Parent (including Tiscali Finance S A) that is (a) not a parent entity of the Borrower or any Guarantor unless such Subsidiary is or becomes a Guarantor and the creation of such Subsidiary does not affect the Collateral and (b) not a Subsidiary of Tiscali Italia S p A or Tiscali International B V , *provided* that such Person is or becomes a party to, or enters into a new agreement on substantially the same terms as, the Shareholder Loan Subordination Deed

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or other entity

Promissory Note means a promissory note of the Borrower in the form attached as Exhibit B to the Senior Bridge Facility Agreement evidencing the Bridge Loan and (if applicable) Term Loan of any Lender

Related Documents means the Exchange Notes, the Exchange Note Indenture, the Hedging Letter, any Assignment and Acceptance, the Commitment Letter, Shareholder Loan Amendment, the Shareholder Loan Subordination Deed, any Accession Document, the Escrow Agreement, the Engagement Letter, the Fee Letter, any Bridge Security Document, the Collateral Sharing Agreement and any other document or agreement designated as such by the Administrative Agent, on the one hand, and the Borrower on the other hand

Restricted Subsidiary of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary

Revolving Credit Facility Agreement means that certain agreement, dated on or about the Signing Date, relating to a €50 million facility for the Borrower arranged by Intesa Sanpaolo S p A , London Branch and J P Morgan plc, with Intesa Sanpaolo S p A , London Branch as administrative agent and as security agent

Revolving Credit Facility Finance Document has the meaning of Finance Document as such term is defined in the Revolving Credit Facility Agreement

Rights Issuance Bridge Facility Agreement means a pay-in-kind bridge facility agreement dated on or about the Signing Date, among, inter alios, the Borrower, Intesa Sanpaolo S p A , London Branch and J P Morgan plc as arrangers and J P Morgan Europe Limited as administrative agent

Rights Issuance Bridge Finance Document has the meaning of Finance Document as such term is defined in the in the Rights Issuance Bridge Facility Agreement

SEC means the U S Securities and Exchange Commission

Security Agent means Intesa Sanpaolo S p A , London Branch, acting as agent pursuant to the Bridge Security Documents or any successor or replacement Security Agent, acting in such capacity

Shareholder Loan means that certain Loan Agreement, dated June 20, 2004, by and between Andalus Limited and Tiscali Finance S A (or such other Permitted Shareholder Loan Obligor as is permitted by the Senior Bridge Facility Agreement) in the principal amount of €27,500,000, as amended by the Shareholder Loan Amendment on or prior to the Signing Date

Shareholder Loan Amendment means the letter, dated on or prior to the Signing Date, between Andalus Limited and Tiscali Finance S A regarding the amendment of the Shareholder Loan

Shareholder Loan Subordination Deed means the letter, dated on or prior to the Signing Date, between Andalus Limited, Tiscali Finance S A , the Lenders, the Administrative Agent and the other parties thereto regarding the subordination of the Shareholder Loan

Share Sale and Purchase Agreement means that certain share sale and purchase agreement, dated July 13, 2007, among Pipex Communications plc as the seller, Tiscali UK Holdings Limited as the buyer, Tiscali S p A as the guarantor and Pipex Communications UK Limited

Signing Date means the date of the Senior Bridge Facility Agreement

Stated Maturity means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Closing Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof

Subsidiary means, with respect to any specified Person

- (a) any corporation, association or other business entity of which more than 50.0% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof), and
- (b) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof)

Subsidiary Guarantor means (i) each Subsidiary of the Parent listed as a Guarantor on Schedule 1 to the Senior Bridge Facility Agreement and (ii) each Subsidiary of the Parent that becomes an Additional Guarantor after the Signing Date pursuant to Section 11.5 (which, for the avoidance of doubt, includes each member of the Target Group that accedes hereto as a Subsidiary Guarantor on and from the Target Whitewash Date)

Target Group means (a) Pipex Internet Limited, a company incorporated in England and Wales under company number 5306519, (b) Pipex Homecall Limited, a company incorporated in England and Wales under company number 4063120, (c) Toucan Residential Limited, a company incorporated in England and Wales under company number 4775696, (d) Toucan Residential Ireland Limited, a company incorporated and registered in the Republic of Ireland under company number 400751, to the extent acquired pursuant to the Acquisition Documents, (e) Switch2 Telecoms Limited, a company incorporated in England and Wales under company number 5199682, and (f) each direct and indirect Subsidiary of any of the foregoing

Target Shares means all the shares (of whatever class) of each company listed in clauses (a) through to (e) of the definition of Target Group acquired pursuant to the Share Sale and Purchase Agreement

Target Whitewash Date means for each relevant member of the Target Group the date by which the Company has complied with its obligations under Section 5.29 of the Senior Bridge Facility Agreement in respect of that member and that member of the Target Group accedes to the Finance Documents as an Additional Guarantor pursuant to Section 5.20 and Section 11.5 of the Senior Bridge Facility Agreement

Tax Deed means the deed of covenant relating to Pipex Internet Limited and others to be entered into on or about the Closing Date between Pipex Communications plc and Tiscali UK Holdings Limited

Term Loan means a Bridge Loan whose Maturity Date or any part thereof is extended pursuant to Section 2.2 of the Senior Bridge Facility Agreement

Tiscali UK Limited means Tiscali UK Limited, a company incorporated in England and Wales under company number 03408171

Transaction Documents means

- (a) the Finance Documents,
- (b) the Collateral Sharing Agreement,

- (c) the Acquisition Documents, and
- (d) the Floating Rate Note Finance Documents

Transitional Services Agreements means (a) that certain Agreement, dated July 13, 2007, between Pipex Communications UK Limited and Tiscali UK Holdings Limited relating to certain services to be provided by Tiscali UK Holdings Limited to Pipex Communications UK Limited on a transitional basis, and (b) that certain Agreement, dated July 13, 2007, between Tiscali UK Holdings Limited and Pipex Communications UK Limited relating to certain services to be provided by Pipex Communications UK Limited to Tiscali UK Holdings Limited on a transitional basis

Underwriters means Intesa Sanpaola S p A – London Branch and J P Morgan Chase Bank N A

Unrestricted Subsidiary means any Subsidiary of the Parent that is designated by the Board of Directors of the Parent as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary

- (a) has no Indebtedness other than Non-Recourse Indebtedness,
- (b) except as permitted by Section 5.4 of the Senior Bridge Facility Agreement, is not to any agreement, contract, arrangement or understanding with the Parent or any Restricted Subsidiary of the Parent unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Parent or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent,
- (c) is a Person with respect to which neither the Parent nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results, and
- (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Parent or any of its Restricted Subsidiaries

Voting stock of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person

Under the terms of the Company Senior Bridge Accession Document and the Senior Bridge Facility Agreement

- (a) the Company absolutely, unconditionally and irrevocably (with each other Guarantor) guarantees the full and punctual payment (whether at Stated Maturity, upon acceleration or otherwise) of the principal of and interest, fees and premium (if any) on the Loans and the Promissory Notes, and the full and punctual payment and performance of all other Obligations of the Borrower under the Senior Bridge Facility Agreement, the Promissory Notes and the other Bridge Finance Documents (other than Obligations under the Exchange Notes and the Exchange Notes Indenture which shall be covered in the Exchange Notes Indenture), including all reasonable costs of collection and enforcement thereof and interest thereon which would be owing by the Borrower but for the effect of any Bankruptcy Law (collectively, the **Guaranteed Obligations**),

- (b) the Company agrees that its obligations as described in paragraph (a) above shall be unconditional and absolute and shall not be released, discharged or otherwise affected by
- (i) any extension, renewal, settlement, compromise, waiver or release in respect of any Obligation of the Borrower under the Senior Bridge Facility Agreement, the Promissory Notes or any other Bridge Finance Document, by operation of law or otherwise,
 - (ii) any modification or amendment of or supplement to the Senior Bridge Facility Agreement, the Promissory Notes or any of the other Bridge Finance Documents,
 - (iii) any release, non-perfection or invalidity of any direct or indirect security for, or any other Person's guarantee of, any of the Guaranteed Obligations,
 - (iv) any change in the corporate existence, structure or ownership of the Borrower or any other guarantor of the Borrower's Obligations, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or any obligor or any of their respective assets or any resulting release or discharge or any Obligation of the Borrower contained in the Bridge Finance Documents,
 - (v) the existence of any claim, set-off or other rights which any Obligor may have at any time against the Borrower or any other Person, whether in connection with the Senior Bridge Facility Agreement or with any unrelated transactions, provided that nothing in the Senior Bridge Facility Agreement shall prevent the assertion of any such claim by separate suite or compulsory counterclaim,
 - (vi) any invalidity or enforceability relating to or against the Borrower for any reason of the Senior Bridge Facility Agreement, the Promissory Notes or any other Bridge Finance Document, or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of the principal of, interest, premium or fees on the Loans or any other amount payable by the Borrower under the Senior Bridge Facility Agreement, the Promissory Notes or any of the other Bridge Finance Documents, or
 - (vii) any other act or omission to act or delay of any kind by the Borrower or any other Person or any other circumstances whatsoever which might, but for the provisions of section 11.1 of the Senior Bridge Facility Agreement as set out in this paragraph (b), constitute a legal or equitable discharge of Guaranteed Obligations under the Senior Bridge Facility Agreement, and
- (c) the Company gives various representations, warranties, undertakings and indemnities to the Lenders and agrees to pay certain costs fees and expenses to the Lenders

4 The Security Agreement

In this paragraph 4 of Appendix 3 the following terms shall have the following meanings

Borrower means Tiscali UK Holdings Limited

Cash Equivalent has the meaning given to that term in the relevant Facility Agreement

Collateral Sharing Agreement means the agreement between, among others, Intesa Sanpaolo S p A , JP Morgan Chase Bank, N A as lenders under each of the Revolving Credit Facility Agreement, the Rights Issuance Bridge Facility Agreement and the Senior Bridge Facility Agreement and Intesa Sanpaolo S p A as facility agent under the Credit Agreement, regulating the relationship between them dated 13 September 2007

Credit Agreement means the credit agreement dated 13 September, 2007, between, amongst others, Tiscali UK Holdings Limited as borrower, the Security Agent and Tiscali S p A

Event of Default has the meaning given to that term in the relevant Facility Agreement

Exchange Notes has the meaning given to that term in the Senior Bridge Facility Agreement

Exchange Note Indenture has the meaning given to that term in the Senior Bridge Facility Agreement

Facility Agreement means each of the Credit Agreement, the Revolving Credit Facility Agreement and the Senior Bridge Facility Agreement

Finance Document

- (a) has the meaning given to that term in each of the Credit Agreement and the Revolving Credit Facility Agreement, and
- (b) means each Bridge Finance Document (as that term is defined in the Senior Bridge Facility Agreement)

Floating Rate Notes has the meaning given to that term in the Credit Agreement

Floating Rate Note Finance Documents has the meaning given to that term in the Senior Bridge Facility Agreement

Group has the meaning given to that term in the Credit Agreement

Insurances has the meaning given to that term in the relevant Facility Agreement

Intellectual Property has the meaning given to that term in the Credit Agreement

Liability has the meaning given to that term in the relevant Facility Agreement

Obligors has the meaning given to that term in the relevant Facility Agreement

Permanent Securities has the meaning given to that term in the relevant Facility Agreement

Plant and Machinery means any of the Company's plant, machinery, computers, office equipment or vehicles

Receiver means an administrative receiver, a receiver and manager or a receiver, in each case, appointed under the Security Agreement

Relevant Contract means in relation to the Company any agreement specified in Part 3 of Schedule 1 of the Security Agreement (Security Assets)

Revolving Credit Facility Agreement means a revolving credit facility agreement dated 13 September, 2007, between, among others, the Borrower, Intesa Sanpaolo S p A and JPMorgan Chase Bank, N A as Revolving Credit Lenders, Intesa Sanpaolo S p A and J P Morgan plc as Arrangers and Intesa Sanpaolo S p A as Administrative Agent

Rights Issuance Bridge Facility Agreement means a pay-in-kind bridge facility agreement dated 13 September, 2007, between, among others, the Borrower, Intesa Sanpaolo S p A and JP Morgan Chase Bank N A as bridge lenders and JP Morgan Europe Limited as rights issuance bridge administrative agent

Secured Creditors means

- (a) the Finance Parties (as those parties are defined in each of the Credit Agreement and the Revolving Credit Facility Agreement),
- (b) the Bridge Finance Parties (as those parties are defined in the Senior Bridge Facility Agreement),
- (c) the holders of the Exchange Notes (if any),
- (d) upon the issuance of the Floating Rate Notes, the holders of the Floating Rate Notes, and
- (e) upon the issuance of any Permanent Securities (other than the Floating Rate Notes pursuant to paragraph (c) in the definition of "Secured Liabilities" in the Security Agreement) all of the holders or lenders of the Permanent Securities (other than the Floating Rate Notes)

Secured Liabilities means

- (a) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of any Obligor to any Secured Creditor under any Finance Document,
- (b) all obligations and liabilities existing at the date of the Security Agreement or arising thereafter of any of the Obligors to any and all of the holders of the Exchange Notes arising under or in connection with the Exchange Note Indenture and the Exchange Notes and any other documents and obligations relating thereto (including, without limitation, any security document, guarantee and the Collateral Sharing Agreement), whether absolute or contingent, whether incurred by the Obligors alone or jointly and whether as principal or surety or in some other capacity and whether for principal, interest, penalties, premium, fees, indemnifications, reimbursements, damages (including, if applicable, liquidated damages), or otherwise and specifically including post-petition interest (whether or not an allowable claim),
- (c) upon the issuance of the Floating Rate Notes, all obligations and liabilities existing at the date of the Security Agreement or arising thereafter of any of the Obligors to any and all of the holders of Floating Rate Notes arising under or in connection with the Floating Rate Note Finance Documents and any other documents and obligations relating thereto (including, without limitation, any security document, guarantee and the Collateral Sharing Agreement), whether absolute or contingent, whether incurred by the Obligors alone or jointly and whether as principal or surety or in some other capacity and whether for principal, interest, penalties, premium, fees, indemnifications, reimbursements, damages (including, if applicable, liquidated

damages), or otherwise and specifically including post-petition interest (whether or not an allowable claim), and

- (d) upon the issuance of any Permanent Securities (other than the Floating Rate Notes pursuant to paragraph (c) above), all obligations and liabilities existing at the date of the Security Agreement or arising thereafter of any of the Obligors to any and all of the holders or lenders of the Permanent Securities (other than the Floating Rate Notes) arising under or in connection with any debt instrument and any other documents and obligations relating thereto (including, without limitation, any security document, guarantee and the Collateral Sharing Agreement), whether absolute or contingent, whether incurred by the Obligors alone or jointly and whether as principal or surety or in some other capacity and whether for principal, interest, penalties, premium, fees, indemnifications, reimbursements, damages (including, if applicable, liquidated damages), or otherwise and specifically including post-petition interest (whether or not an allowable claim),

in each case, excluding any obligation or liability which, if it were so included, would result in the Security Agreement contravening any law (including section 151 of the Companies Act 1985) and excluding any obligation or liability which arises or is owed exclusively pursuant to or in connection with the Rights Issuance Bridge Facility Agreement alone

Security means any security created by the Security Agreement

Security Agent means Intesa Sanpaolo S p A – London Branch

Security Assets means all assets of the Company the subject of the Security

Senior Bridge Facility Agreement means a senior bridge facility agreement dated 13 September, 2007, between, among others, the Borrower, Intesa Sanpaolo S p A and JP Morgan Chase Bank N A as Bridge Lenders and J P Morgan Europe Limited as Administrative Agent

UK Group Member means any member of the Group from time to time that is incorporated in England and Wales

Under the terms of the Security Agreement and subject to the terms of the Collateral Sharing Agreement the Company creates security in favour of the Security Agent for the payment discharge and performance of all the Secured Liabilities

(a) **Fixed Charges**

Under the terms of the Security Agreement, the Company charges

- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Company a right to acquire, occupy or use property, this includes any specified in Part 1 of Schedule 2 of the Security Agreement (**Security Assets**),
- (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Company a right to occupy or use property,

A reference in the Security Agreement to any freehold or leasehold property includes

- (A) all buildings, erections, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on that property owned by the Company, and
 - (B) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property and any moneys paid or payable in respect of those covenants,
- (iii) by way of a first legal mortgage
- (A) all shares in any UK Group Member owned by it or held by any nominee on its behalf, this includes any specified in Part 2 of Schedule 2 of the Security Agreement,
 - (B) its interest in all other shares, stocks, debentures, bonds, warrants, coupons or other securities and investments (including all Cash Equivalents) owned by it or held by any nominee on its behalf,

A reference in the Security Agreement to any share, stock, debenture, bond, warrant, coupon or other security or investment includes

- (C) any dividend, interest or other distribution paid or payable, and
- (D) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

in relation to that share, stock, debenture, bond, warrant, coupon or other security or investment,

- (iv) by way of a first fixed charge all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession,
- (v) by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any bank account it has with any person and the debt represented by that account,
- (vi) by way of a first fixed charge all amounts payable to it under or in connection with its Insurances and all of its rights in connection with those amounts A reference in the Security Agreement to any amounts excludes all amounts received or receivable under or in connection with any third party liability Insurance and required to settle a liability of an Obligor to a third party,
- (vii) by way of a first fixed charge all of its rights in respect of
 - (A) its Relevant Contracts,
 - (B) any letter of credit issued in its favour, and
 - (C) any bill of exchange or other negotiable instrument held by it,

- (viii) by way of a first fixed charge all of its rights in respect of any Intellectual Property, this includes any specified in Part 5 of schedule 2 to the Security Agreement,
- (ix) by way of first fixed charge all of its rights in respect of any Intellectual Property,
- (x) by way of a first fixed charge
 - (A) any beneficial interest, claim or entitlement it has to any assets of any pension fund,
 - (B) its goodwill,
 - (C) the benefit of any authorisation (statutory or otherwise) held in connection with its business which as a matter of any applicable law is capable of being charged or the use of any Security Asset,
 - (D) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (C) above, and
 - (E) its uncalled capital

(b) Assignments

Under the terms of the Security Agreement, the Company

- (i) assigns absolutely, subject to a proviso for reassignment on redemption, all amounts payable to it under or in connection with each of its insurance policies referred to in clause 7.4 (Mandatory prepayments – insurance proceeds) of the Term Loan Facility Agreement and all of its rights in connection with those amounts,
- (ii) to the extent that they are not effectively assigned under paragraph (i) above, the Company charges by way of first fixed charge all amounts and rights described in paragraph (i) above

A reference in the Security Agreement to any amounts excludes all amounts received or receivable under or in connection with any third party liability Insurance and required to settle a liability of an Obligor to a third party

(c) Floating Charge

Under the terms of the Security Agreement, the Company

- (i) charges by way of a first floating charge all of its assets whatsoever and wheresoever not otherwise effectively mortgaged, charged or assigned under the Security Agreement,
- (ii) except as provided in the Security Agreement, the Security Agent may by notice to the Company convert the floating charge created by the Company under the Security Agreement into a fixed charge as regards any of the Company's assets specified in that notice, if

- (A) an Event of Default is continuing,
- (B) the Security Agent (acting in good faith) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy, or
- (C) the Company fails to comply, or takes or threatens to take any action which, in the reasonable opinion of the Security Agent, is likely to result in it failing to comply with its obligations under Clause 4 (Restrictions on Dealings) of the Security Agreement

(d) **Indemnities**

Under the terms of the Security Agreement, the Company must

- (i) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with the Security Agreement by any Secured Creditor, Receiver, attorney, manager, agent or other person appointed by the Security Agent under the Security Agreement including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise, and
- (ii) keep each of those persons indemnified against any failure or delay in paying those costs and expenses

(e) **Further Assurance**

Under the terms of the Security Agreement, the Company must, at its own expense, take whatever action the Security Agent or a Receiver may require for

- (i) creating, perfecting or protecting any security intended to be created by or pursuant to the Security Agreement,
- (ii) facilitating the realisation of any Security Asset,
- (iii) facilitating the exercise of any right, power or discretion exercisable by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset, or
- (iv) creating and perfecting security in favour of the Security Agent (equivalent to the security intended to be created by the Security Agreement) over any assets of the Company located in any jurisdiction outside England and Wales

This includes

- (A) the re-execution of the Security Agreement,
- (B) the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee, and
- (C) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may think expedient

(f) **Waiver of Defences**

Under the terms of the Security Agreement, the obligations of the Company under the Security Agreement will not be affected by any act, omission or thing which, but for Clause 21.3 of the Security Agreement as described in this paragraph (f), would reduce, release or prejudice any of its obligations under the Security Agreement (whether or not known to it or any Secured Creditor). This includes

- (i) any time or waiver granted to, or composition with, any person,
- (ii) any release of any person under the terms of any composition or arrangement,
- (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person,
- (iv) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (v) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person,
- (vi) any amendment of a Finance Document or any other document or security,
- (vii) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security or the failure by any member of the Group to enter into or be bound by any Finance Document, or
- (viii) any insolvency or similar proceedings

5 The Company Collateral Sharing Deed of Accession and Collateral Sharing Agreement

In this paragraph 5 of Appendix 3 the following terms shall have the following meanings

Acquisition Date has the meaning given to such term in the Term Loan Agreement

Additional Obligor has the meaning given to such term in clause 18.3 (New Obligors) of the Collateral Sharing Agreement

Borrower means Tiscali UK Holdings Limited, a company incorporated with limited liability under the laws of England and Wales (registered number 03907276)

Creditor means a Super Priority Creditor, a Term Creditor, a Senior Creditor, a Rights Issuance Creditor or an Intercompany Creditor, as the context requires

Debt means any or all of the Super Priority Debt, the Term Debt, the Senior Debt, the Rights Issuance Bridge Debt and the Intercompany Debt, as the context requires

Engagement Letter means the engagement letter dated July 13, 2007 among the Parent, the Borrower, Intesa Sanpaolo S.p.A. and J.P. Morgan Securities Ltd, setting out, among other

things, the terms of engagement of Intesa Sanpaolo S p A and J P Morgan Securities Ltd in respect of the matters set forth therein

Exchange Note Indenture has the meaning given to the term **Exchange Note Indenture** in the Senior Bridge Loan Agreement

Exchange Note Trustee means any financial institution that is, from time to time, acting as trustee under the Exchange Note Indenture and which becomes a Party in accordance with Clause 18 6 (Senior Note Trustee) of the Collateral Sharing Agreement

Exchange Noteholders means the holders of Exchange Notes from time to time

Exchange Notes has the meaning given to the term **Exchange Notes** in the Senior Bridge Loan Agreement

Facilities means any or all of the Revolving Credit Facility, the Term Loan Facility, the Senior Bridge Facility and/or the Rights Issuance Bridge Facility, as the context requires

Finance Documents means the Super Priority Finance Documents, the Term Finance Document, the Senior Finance Documents, the Rights Issuance Bridge Finance Documents and the Intercompany Documents

Group means the Parent and its Subsidiaries

Guarantee means any guarantee from time to time granted by any member of the Group in respect of the Liabilities of an Obligor under any Finance Documents

Guarantor means each Original Guarantor and each Additional Guarantor

Hedge Counterparty means any person which becomes a Party to the Collateral Sharing Agreement as a Hedge Counterparty under clause 11 1 (Accession of Hedge Counterparties) of the Collateral Sharing Agreement, in each case in its capacity as provider of Hedging to an Obligor

Hedging means any interest rate or currency swap, derivative transaction or hedging facility

Hedging Agreement means each master agreement, confirmation or other document evidencing any Hedging provided by a Hedge Counterparty to an Obligor, which complies with Clause 11 1 (Accession of Hedge Counterparties) of the Collateral Sharing Agreement

Hedging Debt means all Liabilities of any Obligor to any Hedge Counterparty under or in connection with the Hedging Agreements or the Collateral Sharing Agreement

High Yield Indenture means any indenture or other agreement relating to any Permanent Securities (as defined in the Engagement Letter) issued by the Borrower to replace or refinance the amounts outstanding under the Senior Bridge Finance Documents

High Yield Noteholders means the holders of the High Yield Notes from time to time

High Yield Notes means any securities issued or to be issued under the High Yield Indenture (including any additional notes issued under the High Yield Indenture)

High Yield Trustee means any financial institution that is, from time to time, acting as trustee under the High Yield Indenture and which becomes a Party in accordance with Clause 18 6 (Senior Note Trustee) of the Collateral Sharing Agreement

Insolvency means

- (a) any winding-up, bankruptcy, liquidation, dissolution, administration, receivership, administrative receivership, re-organisation, moratorium or judicial composition of or in respect of any Obligor, or
- (b) any proceedings in any jurisdiction analogous to those set out in paragraph (a) above and affecting any Obligor

Intercompany Creditor means each member of the Group which is a creditor in relation to any Intercompany Debt

Intercompany Debt means all Liabilities of any member of the Group which is an Obligor to another member of the Group

Intercompany Documents means all documents evidencing (or guaranteeing) any Intercompany Debt

Liability means in relation to any document, agreement or obligation, any present or future liability (actual or contingent) payable or owing under or in connection with that document, agreement or obligation, whether or not matured and whether or not liquidated, together with

- (a) any refinancing, novation, deferral or extension of that liability,
- (b) any claim for breach of representation, warranty, undertaking or on an event of default (howsoever described) or under any indemnity in connection with that document or agreement,
- (c) any further advance made under any document or agreement supplemental to that document or agreement, together with all related interest, fees and costs,
- (d) any claim for damages or restitution in the event of rescission of that liability or otherwise in connection with that document or agreement,
- (e) any claim flowing from any recovery of a payment or discharge in respect of that liability on the grounds of preference or otherwise, and
- (f) any amount (such as post-insolvency interest) which would be included in any of the above but for its discharge, non-provability, unenforceability or non-allowability in any Insolvency or other proceedings

Obligor means an Original Obligor or an Additional Obligor

Original Guarantor means the Subsidiary of the Borrower listed in Part 1 of Schedule 1 to the Collateral Sharing Agreement

Original Obligor means the Borrower or an Original Guarantor

Parent means Tiscali S p A, a public company with limited liability incorporated under the laws of the Republic of Italy under fiscal code and VAT number 02375280928

Party means a party to a Collateral Sharing Agreement in the case of the Senior Note Trustee for itself and as trustee for the relevant Senior Noteholders

Priority Hedging Debt means Senior Hedging Debt and Term Hedging Debt

Revolving Credit Agreement means the revolving credit facility dated on or about the date of the Collateral Sharing Agreement relating to €50 million revolving credit facility between, amongst others the Borrower, the Parent, the Revolving Lenders, the Revolving Facility Agent and the Security Agent

Revolving Credit Facility means the revolving credit facility made available under the Revolving Credit Agreement

Revolving Creditor means the Revolving Lenders and any person to whom any Revolving Debt may be payable or owing (whether or not matured) from time to time

Revolving Debt means all Liabilities of any Obligor to any Revolving Creditor under or in connection with the Revolving Facility Finance Documents

Revolving Facility Agent means Intesa Sanpaola S p A – London Branch as administration agent for the Revolving Lenders under the Revolving Credit Facility

Revolving Facility Finance Document has the meaning ascribed to such term in the Revolving Credit Agreement

Revolving Lenders means the Lenders as defined in the Revolving Credit Agreement

Rights Issuance Bridge Agent means J P Morgan Europe Limited as administrative agent for the Rights Issuance Bridge Lenders under the Rights Issuance Bridge Loan Agreement

Rights Issuance Bridge Debt means all Liabilities of any Obligor to any Rights Issuance Creditor under or in connection with the Rights Issuance Bridge Finance Documents

Rights Issuance Bridge Facility means the rights issuance bridge facility made available under the Rights Issuance Bridge Loan Agreement

Rights Issuance Bridge Finance Document has the meaning given to the term **Bridge Finance Document** in the Rights Issuance Bridge Loan Agreement, and includes any Promissory Notes (as defined therein) issued pursuant thereto

Rights Issuance Bridge Lenders means the Lenders as defined in the Rights Issuance Bridge Loan Agreement

Rights Issuance Bridge Loan Agreement means the rights issuance bridge facility agreement dated on or about the date of the Collateral Sharing Agreement relating to the €150 million rights issuance bridge facility, by and among, inter alia, the Borrower, the Parent, Intesa Sanpaolo S p A – London Branch and JP Morgan Chase Bank N A as arrangers and bookrunners, the Rights Issuance Bridge Agent as the administrative agent and the Security Agent as the security agent

Rights Issuance Creditor means the Bridge Finance Parties as defined in the Rights Issuance Bridge Loan Agreement

Security means any mortgage, pledge, lien, charge (fixed or floating), assignment, hypothecation, set-off agreement, trust arrangement for the purpose of creating security, reservation of title or security interest, or any other agreement or arrangement entered into for the purpose of, and having the effect of, providing security

Security Agent means Intesa Sanpaolo S p A - London Branch in its capacity as agent and trustee for any Creditors of the Security conferred under the Transaction Security Documents, and any sub-agent, sub-trustee or custodian appointed by it

Senior Bridge Agent means J P Morgan Europe Limited as administrative agent for the Senior Bridge Lenders under the Senior Bridge Loan Agreement

Senior Bridge Debt means all Liabilities of any member of the Group to any Senior Creditor under or in connection with the Senior Bridge Finance Documents or any Senior Bridge Hedging Debt

Senior Bridge Facility means the senior bridge loan facility made available under the Senior Bridge Loan Agreement

Senior Bridge Finance Document has the meaning given to the term **Bridge Finance Document** in the Senior Bridge Loan Agreement (in its form at the date of the Collateral Sharing Agreement), and includes any Promissory Notes (as defined therein) issued pursuant thereto

Senior Bridge Hedging Debt means any Hedging Debt with respect to any Liabilities of any member of the Group to any Senior Creditor under or in connection with the Senior Bridge Finance Documents

Senior Bridge Loan Agreement means the senior secured bridge facility agreement dated on or about the date of the Collateral Sharing Agreement relating to the €400 million senior bridge facility made between, amongst others, the Parent, the Borrower, the Guarantors named therein, Intesa Sanpaolo S p A – London Branch and J P Morgan plc as mandated lead arrangers and bookrunners, the Senior Bridge Agent as administrative agent and the Security Agent as security agent

Senior Bridge Lenders means the Lenders as defined in the Senior Bridge Loan Agreement

Senior Creditor means each of

- (a) the Bridge Finance Parties as defined in the Senior Bridge Loan Agreement,
- (b) the Senior Noteholders,
- (c) the Senior Note Trustee and any agent (including any security agent) of it under the relevant Senior Note Indenture, and
- (d) any Hedge Counterparty with respect to any Senior Bridge Hedging Debt or Senior Note Hedging Debt

Senior Debt means the Senior Bridge Debt and the Senior Note Debt

Senior Finance Documents means the Senior Bridge Finance Documents and the Senior Note Documents

Senior Hedge Counterparty means any Hedge Counterparty with respect to any Senior Hedging Debt

Senior Hedging Debt means Hedging Debt related to Hedging of any Senior Debt

Senior Note Creditor means a Senior Noteholder, a Senior Note Trustee or a Hedge Counterparty with respect to Senior Note Hedging Debt

Senior Note Debt means all Liabilities of any member of the Group to any Senior Note Creditor or any Senior Note Hedging Debt

Senior Note Documents means

- (a) the High Yield Indenture (including any Guarantees contained therein),
- (b) any High Yield Notes,
- (c) the Exchange Note Indenture (including any Guarantees contained therein),
- (d) any Exchange Notes,
- (e) any notation of Guarantee relating to the High Yield Notes and Exchange Notes,
- (f) any Transaction Security Documents in respect of any Liabilities under paragraphs (a) to (e) above and the VNIL Share Pledge,
- (g) the Collateral Sharing Agreement,
- (h) any Hedging Agreements relating to the Senior Note Debt, and
- (i) any note depositary agreement, any fee letter and any indemnity letter in favour of any Senior Note Creditors in connection with the issue of the Senior Notes (but not any document to the extent it sets out rights of the initial purchasers of the Senior Notes (in their capacities as such) against any member of the Group)

Senior Note Hedging Debt means any Hedging Debt with respect to any Liabilities of any member of the Group to any Senior Note Creditor under or in connection with the Senior Note Documents

Senior Note Indenture means the High Yield Indenture and/or the Exchange Note Indenture, as the context requires

Senior Note Trustee means the High Yield Trustee and/or the Exchange Note Trustee, as the context requires

Senior Noteholders means the Exchange Noteholders and/or the High Yield Noteholders, as the context requires

Senior Notes means High Yield Notes or Exchange Notes

Senior Term Creditor means a Senior Bridge Creditor or a Senior Note Creditor other than a Hedge Counterparty

Senior Term Debt means Senior Debt other than Hedging Debt

Subsidiary has the meaning ascribed to such term in the Revolving Credit Agreement

Super Priority Creditors means

- (a) Revolving Creditors, and

- (b) Super Priority Hedge Counterparties

Super Priority Debt means the Revolving Debt and the Super Priority Hedging Debt

Super Priority Finance Document means

- (a) each Revolving Facility Finance Document, and
- (b) each Hedging Agreement with respect to the Super Priority Hedging Debt

Super Priority Hedge Counterparty means any Hedge Counterparty with respect to any Super Priority Hedging Debt

Super Priority Hedging Debt means Hedging Debt related to Hedging of any Revolving Debt

Term Creditor means the Finance Party as defined in the Term Loan Agreement

Term Debt means all Liabilities of any Obligor to any Term Creditor under or in connection with the Term Finance Documents and any Priority Hedging Debt with respect to any such Term Debt

Term Hedging Debt means Hedging Debt related to Hedging of any Term Debt

Term Finance Document has the meaning given to the term **Finance Document** in the Term Loan Agreement (in its form at the date of the Collateral Sharing Agreement)

Term Loan Agreement means the credit facility agreement, dated on or about the date of the Collateral Sharing Agreement, relating to the €150 million (of which €100 millions is uncommitted as of the date of the Collateral Sharing Agreement) term loan facility for the Borrower arranged by Intesa Sanpaolo S p A – London Branch, with Intesa Sanpaolo S p A – London Branch as facility agent and security agent

Term Loan Facility means the term loan facility made available under the Term Loan Agreement

Transaction Security Documents means all of the documents listed in Schedule 3 of the Collateral Sharing Agreement (Transaction Security Documents) and any other documents entered into by any other Obligor creating or expressing to create any Security over all or any part of its assets in respect of any Debt (other than the VNIL Share Pledge)

VNIL Share Pledge means that certain English law pledge dated as of the Acquisition Date and given by Video Networks International Limited over its shares in Tiscali UK Limited to secure the Revolving Debt and the Senior Term Debt

Under the terms of the Collateral Sharing Agreement, the Company will among other things

- (a) acknowledge the arrangements between the Creditors regulating their claims against the Obligors,
- (b) subject to certain exceptions, undertake that it shall not (and none of its subsidiaries shall)
- (i) make any payment of or in respect of, or purchase, redeem or acquire, any Intercompany Debt in cash or in kind,

- (ii) demand or receive payment of or in respect of any Intercompany Debt, as applicable, in cash or in kind or apply any money or property in or towards the discharge of any Intercompany Debt, as applicable,
 - (iii) discharge any Intercompany Debt by set off, any combination of accounts or otherwise,
 - (iv) create or permit to subsist, or, as Intercompany Creditor, accept, any Security over any of its assets in favour of any of the Intercompany Debt,
 - (v) give, or, as Intercompany Creditor, accept, any financial support for or in connection with any of the Intercompany Debt,
 - (vi) as Intercompany Creditor allow any Intercompany Debt to be subordinated to any sums owing to any person,
 - (vii) take or omit to take any action whereby the ranking and/or subordination of the Intercompany Debt provided for in the Collateral Sharing Agreement is reasonably likely to be altered in a manner detrimental to the Super Priority Creditors, the Term Creditors, the Senior Creditors or the Rights Issuance Creditors,
- (c) subject to certain exceptions undertake that it will not
- (i) petition for, vote in favour of, or otherwise take any action or step with a view to, the Insolvency of any Obligor (to the extent such Insolvency would cause a default under the relevant Facility), or
 - (ii) exercise its ownership and other rights in, or in relation to, any member of the Group in a manner inconsistent with the Collateral Sharing Agreement, and
- (d) the Company gives various undertakings and indemnities to the Finance Parties and agrees to pay certain costs and expenses to the Finance Parties

6 The Intra-Group Loan Agreement

In this paragraph 6 of Appendix 3 the following terms shall have the following meanings

Collateral Sharing Agreement means the agreement between, among others, Intesa Sanpaolo S p A , JPMorgan Chase Bank, N A as lenders under each of the Revolving Credit Facility Agreement, the Rights Issuance Bridge Facility Agreement and the Senior Bridge Facility Agreement and Intesa Sanpaolo S p A as facility agent under the Term Loan Facility Agreement, regulating the relationship between them dated 13 September 2007

Revolving Credit Facility Agreement means the revolving credit facility dated 13 September 2007 relating to €50 million revolving credit facility between, among others, Tiscali UK Holdings Limited, Tiscali S p A, the Revolving Lenders, the Revolving Facility Agent and the Security Agent (each as defined therein)

Rights Issuance Bridge Loan Agreement means the rights issuance bridge facility agreement dated on or about the date of the Collateral Sharing Agreement relating to the €150 million rights issuance bridge facility, by and among, inter alia, Tiscali UK Holdings Limited, Tiscali S p A, Intesa Sanpaolo S p A – London Branch and JP Morgan Chase Bank

N A as arrangers and bookrunners, the Rights Issuance Bridge Agent (as defined therein) as the administrative agent and the Security Agent (as defined therein) as the security agent


Senior Bridge Facility Agreement means the senior secured bridge facility agreement dated 13 September 2007 relating to the €400 million senior bridge facility made between, among others, Tiscali UK Holdings Limited, Tiscali S p A, the Guarantors named therein, Intesa Sanpaolo S p A – London Branch and J P Morgan plc as mandated lead arrangers and bookrunners, the Senior Bridge Agent (as defined therein) as administrative agent and the Security Agent (as defined therein) as security agent

Term Loan Facility Agreement means the credit facility agreement, dated 13 September 2007, relating to the €150 million (of which €100 millions is uncommitted as of the date of the Collateral Sharing Agreement) term loan facility for the Borrower arranged by Intesa Sanpaolo S p A – London Branch, with Intesa Sanpaolo S p A – London Branch as facility agent and security agent

Under the terms of the Intra-Group Loan Agreement the Company will grant to Tiscali UK Holdings Limited, upon the terms and conditions of the Intra-Group Loan Agreement, loan facilities to enable Tiscali UK Holdings Limited to, amongst other things

- (a) make payments when due under and in accordance with the Term Loan Facility Agreement,
- (b) make payments when due under and in accordance with the Senior Bridge Facility Agreement,
- (c) make payments when due under and in accordance with the Revolving Credit Facility Agreement,
- (d) make payments for any other purpose agreed by the Company,

in each case to the extent permitted by the Term Loan Facility Agreement, the Senior Bridge Facility Agreement and the Collateral Sharing Agreement


 E MARTIN
12/11/07

Appendix 4 to Form 155(6)a given by Pipex Homecall Limited (registered number 4063120)

Amount of Cash to be Transferred

Terms defined in this statutory declaration (including the Appendices) have the same meaning in this Appendix unless otherwise stated or the context requires otherwise

Nil at the date of this statutory declaration, but such sums (if any) to be advanced by the Company to Tiscali UK under the Intra-Group Loan Agreement up to a maximum amount of €950,000,000


J. E. MARTIN
12/11/07



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The Directors
PipeX Homecall Limited
20 Broadwick Street
London
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Our ref bs/tt

Contact Bob Seale
020 7311 2025

12 November 2007

Dear Sirs

Auditors' report to the directors of PipeX Homecall Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 12 November 2007 in connection with the proposal that the company should give financial assistance for the purpose of the reduction or discharge of a liability incurred in connection with the purchase of the entire issued share capital of the company

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985 (the 'Act'). Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG Audit Plc
Registered Auditor