



Shareholders' AGM of April 24, 2018

POINT 3 OF THE AGENDA:

Proposal to purchase and utilise treasury shares. Granting of powers and resolutions thereon.

Dear Shareholders,

with the approval of the financial statements at December 31, 2017, the authorisation to purchase treasury shares, as approved by the Shareholders' AGM of April 27, 2017, expires.

You have therefore been called in ordinary session to discuss and resolve upon the reallocation to the Board of Directors of the authorisation to purchase and utilise treasury shares in accordance with Article 2357 and 2357-ter of the Civil Code and Article 132 of the Consolidated Finance Act and the relative implementing provisions.

Reasons for the requested authorisation to purchase and dispose of treasury shares of the company

As in the past, the Board of Directors considers it beneficial to request the Shareholders' Meeting for the authorisation to carry out any purchase or disposal of shares operations.

The proposed authorisation for the purchase and utilisation of treasury shares is submitted in order to provide the Company with an instrument to assist projects developed upon the strategic guidelines under which share swap opportunities are presented or as a guarantee for financing operations, in addition to permit investments in treasury shares, also in accordance with market practice concerning the purchase of treasury shares for the establishment of the "securities reserve", permitted by Consob in accordance with Article 180, paragraph 1, letter c) of Legislative Decree 58/1998 with motion No. 16839 of March 19, 2009 and subject to Regulation EC No. 596/2014 of April 16, 2014 and enacting provisions, where applicable.

In addition, the authorisation to purchase treasury shares, where granted, will allow the company to carry out any investments on the market concerning its shares, also through financial intermediaries, in accordance with market practice in support of liquidity, permitted by Consob in accordance with Article 180, paragraph 1, letter c) of Legislative Decree 58/1998 with motion No. 16839 of March 19, 2009, subject to that established by EU Regulations No. 596/2014 of April 16, 2014 and relative enacting provisions, where applicable.

Maximum number, category and nominal value of the shares relating to the authorisation

We propose in accordance with Articles 2357 and 2357-ter of the Civil Code, the authorisation of:

- the purchase, on one or more occasions, of a maximum number of ordinary shares at a nominal value of Euro 0.52 each, which, taking into account those already held by the Company, does not exceed the legal limits, with mandate to the legal representatives to proceed individually with the purchase;
- the sale of treasury shares in portfolio and those acquired under the authorising motion of the present report, with mandate for the legal representatives to proceed individually with their sale.

The operations may be carried out also partly.

Useful information for a comprehensive review of compliance with the provisions of Article 2357, paragraph 3 of the Civil Code

At the date of the present Report, the share capital of BasicNet S.p.A. amounts to Euro 31,716,673.04, comprising 60,993,602 shares of a nominal value of Euro 0.52 each.

At the preparation date of the present Report, the Company holds 6.280.079 treasury shares, comprising 10,296% of the share capital. The subsidiaries of BasicNet S.p.A. do not hold parent company shares.

The purchase and utilisation operations of shares will be carried out in compliance with Article 2357 and subsequent of the Civil Code and Article 132 of Legislative Decree 58/98: in such an amount that, at any given time these shares do not exceed overall 20% of the share capital, while also within the limits of the retained earnings and available reserves of the last financial statements approved, with the consequent setting up, in accordance with Article 2357-ter, paragraph 3 of the Civil Code, of an undistributable reserve of an amount of the treasury shares from time to time acquired.

Duration of authorisation

The purchase authorisation is requested until the date of the Shareholders' AGM for the approval of the 2018 Annual Accounts. The Board may proceed with the authorised operations on one or more occasions and at any time, to an extent which may be freely established in compliance with the applicable rules and considered to be in the interest of the company. The authorisation for the utilisation of treasury shares is requested without time limit, subject to that established by the above-stated market practices and Regulation EU No. 596/2014 of April 16, 2014 and relative enacting provisions, where applicable.

Minimum and maximum payments for treasury shares purchased

The purchase price of the shares will be determined from time to time in accordance with applicable regulations and related market practices. The share purchase price may not be 15% above or below the official price recorded on the market trading day before each purchase operation.

The maximum financial commitment is Euro 3,500,000.

Manner by which the purchases and disposals will be made

Any purchase shall be made on the regulated markets, in compliance with Article 132 of Legislative Decree 58/1998 and Article 144-*bis*, first paragraph, letter b) of the Issuers' Regulation approved with CONSOB Motion No. 11971/1999, in addition to market practices recognised by CONSOB, as per Article 180, paragraph 1, letter c) of the CFA with motion No. 16839 of March 19, 2009, in addition to Regulation (EC) No. 596/2014 of April 16, 2014 and relative enacting provisions, where applicable.

The Board of Directors proposes also the authorisation to dispose, in accordance with Article 2357-*ter* of the Civil Code, at any moment, in full or in part, the treasury shares in portfolio and any share purchased based on the present proposal, through the disposal of such on the stock market, to blocks or otherwise outside the stock market, or as a guarantee within financing operations, attributing to the Board of Directors the power to establish, in compliance with applicable legal and regulatory provisions, the terms, manners and conditions for the disposal of treasury shares considered in the greatest interest of the company, provided that (i) the disposals paid in cash, in particular sales operations, must be carried out at a price not lower than 95% of the official price recorded for ordinary BasicNet S.p.A. shares in the stock market session before each operation; (ii) the disposals carried out, within industrial projects or extraordinary finance operations, through exchange, conferments or other disposals than those indicated at point (i), must take place at a value in line with the operation, considering the market performance.

The disposal operations of treasury shares in portfolio must be carried out in accordance with law and applicable regulations concerning the trading of listed securities and may take place on one or more occasions, also before all purchases have been completed.

Further information, where the purchase operation is instrumental for the reduction of the share capital through the cancellation of treasury shares acquired

The purchase operations are not instrumental for the reduction of the share capital of the Company.

In consideration of that outlined above, where in an agreement with the proposal of the Board, we invite you to pass the following motions:

The Shareholders' AGM of BasicNet S.p.A., having examined the Illustrative Report of the Board of Directors:

RESOLVES

- 1) to authorise, in accordance with Article 2357 of the Civil Code, the Board of Directors to purchase, for the above indicated purposes, on one or more occasions, a maximum number of ordinary shares of a nominal value of Euro 0.52 each, taking into account of those already held by the company, not exceeding the legal limits, for a period beginning from the date of the present Shareholders' AGM and extending until the date of the Shareholders' AGM for the approval of the 2018 Annual Accounts. The purchase price of the shares will be determined from time to time in accordance with applicable regulations and related market practices. In any case, such may not be 15% higher or lower than the official price recorded on the Stock Exchange on the day before each purchase operation and however in compliance with Article 132 of Legislative Decree 58/1998 and Article 144-*bis*, first paragraph,

letter b) of the Issuers' Regulations approved with CONSOB Motion No. 11971/1999, in addition to market practices recognised by CONSOB, as per Article 180, paragraph 1, letter c) of the CFA with motion No. 16839 of March 19, 2009, in addition to Regulations (EC) No. 596/2014 of April 16, 2014 and relative enacting provisions, where applicable. The maximum financial commitment is Euro 3,500,000.

- 2) to mandate the Board of Directors, and through them their legal representatives, appointed by the Board of Directors, separately, to purchase the shares at the conditions outlined above – including any intermediaries appointed in accordance with law - with the faculty to appoint nominees for the execution of the purchase operations considered in the present motion, also through specialised intermediaries, in addition to any other relative formalities, where considered in the interest of the company, according to that permitted by applicable regulations, in the manner established by the combined provisions of Article 132 of Legislative Decree 58/98 and subsequent amendments and supplements, Article 144-bis of Consob Regulations 11971/99 and EU Regulations No. 596/2014 of April 16, 2014 and relative enacting provisions, where applicable. The purchases may be made at any moment such that the shares are not above 20% of the share capital, as well as within the limits of the retained earnings and available reserves of the last financial statements approved, and effectively existing at the date of such purchases, and for an amount not greater than 3,500,000, with the consequent setting up, in accordance with Article 2357-*ter*, paragraph 3 of the Civil Code, of an undistributable reserve of an amount equal to the treasury shares from time to time acquired;
- 3) to authorise the Board of Directors, and through them the legal representatives appointed by the Board of Directors, separately, in accordance with Article 2357-*ter* of the Civil Code, to dispose of, at any moment, in full or in part, on one or more occasions, also before the purchases have been completed, the treasury shares in portfolio and any shares purchased based on the present proposal, through the disposal of such on the stock market, to blocks or otherwise outside the stock market, or as a guarantee within financing operations, attributing to the legal representatives appointed by the Board of Directors, separately, the power to establish, in compliance with legal and regulatory provisions, the terms, manners and conditions for the disposal of treasury shares considered in the greatest interest of the company, with the faculty to appoint nominees for the execution of the disposal operations considered in the present motion, in addition to any further formalities, provided that (i) the disposals paid in cash, in particular sales operations, must be carried out at a price not lower than 95% of the official price recorded for ordinary BasicNet S.p.A. shares in the stock market session before each operation; (ii) the disposals carried out, within industrial projects or extraordinary finance operations, through exchange, conferments or other disposals than those indicated at point (i), must take place at a value in line with the operation, considering the market performance. The authorisation considered in the present point is without time limits.

Turin, March 19, 2018

for the Board of Directors

The Chairman

Marco Daniele Boglione