



Shareholders' AGM of April 24, 2018

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## **SHAREHOLDERS' AGM CALL NOTICE**

### SHAREHOLDERS' AGM CALL NOTICE

Shareholders are called to the Shareholders' AGM at the registered office in Turin – Largo Maurizio Vitale, 1, for 11.00 AM on April 24, 2018 in single call, to consider motions on the following Agenda:

1. Statutory Financial Statements at December 31, 2017, accompanied by the Directors' Report, the Independent Auditors' Report and the Board of Statutory Auditors' Report. Presentation of consolidated Financial Statements. Allocation of the result for the year. Resolutions thereon.
2. Remuneration Report in accordance with Article 123-ter of the Consolidated Finance Act. Resolutions thereon.
3. Proposal to purchase and utilization of treasury shares. Resolutions thereon.

**1. STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2017, ACCOMPANIED BY THE DIRECTORS' REPORT, THE INDEPENDENT AUDITORS' REPORT AND THE BOARD OF STATUTORY AUDITORS' REPORT. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS. ALLOCATION OF THE RESULT FOR THE YEAR. RESOLUTIONS THEREON.**

Dear Shareholders,

in the presentation for the approval of the Shareholders' Meeting for the 2017 Financial Statements and the relative Directors' Report we propose the allocation of the net profit of Euro 4,507,884.53 as follows:

-	to the Legal reserve	Euro	225,394.23
-	to each of the 54,713,523 ordinary shares in circulation (excluding the 6,280,079 treasury shares held at March 19, 2018), a dividend of Euro 0.06 before withholding taxes for an amount of	Euro	3,282,811.38
-	to retained earnings the residual amount, equal to	Euro	999,678.92

The dividend will be paid from May 23, 2018, with record date of May 22, 2018 and coupon date (No. 11) of May 21, 2018.

We also propose that, if at the dividend coupon date the number of shares with dividend rights is lower than indicated above due to any share buy-backs by the company, the relative dividend will be allocated to retained earnings, as will any rounding made on payment.

We propose therefore the following:

**MOTION**

the Shareholders' Meeting of BasicNet S.p.A., having reviewed the 2017 results, the Directors' Report and having noted the Board of Statutory Auditors' Report and that of the Independent Audit Firm EY S.p.A.,

**RESOLVES**

to approve the Directors' Report and the Financial Statements at December 31, 2017, in relation to each individual part and in its entirety, in addition to the proposal for the allocation of the Net Profit of Euro 4,507,884.53 and the dividend proposal.

Turin, March 19, 2018

for the Board of Directors

**The Chairman**

Marco Daniele Boglione

## 2. Remuneration Report in accordance with Article 123-ter of the Consolidated Finance Act. Resolutions thereon.

### Introduction

This Report, prepared in accordance with Article 123-ter of the CFA and Article 84 of the Issuers' Regulation, illustrating the Remuneration Policy of the company, was approved on March 19, 2018 by the Board of Directors of the company, with the expression of a favourable opinion by the Remuneration Committee.

The Remuneration Report was prepared in accordance with the template established by the Issuers' Regulation and comprises two sections:

- Section I): outlines the remuneration policy of the members of the Board of Directors and the managers with strategic responsibilities, in addition to the procedures utilised for the adoption and implementation of the policy;
- Section II): outlines in detail the remuneration of the Directors and Statutory Auditors of the company, in addition to their remuneration for 2017, breaking down each of the relative items. Section II in addition reports, in accordance with Article 84-quater, paragraph 4 of the Issuers' Regulation, details on investments held in the company by Directors, by Statutory Auditors, in addition to closely linked individuals, on the basis of communications received from the former.

The Board of Directors and the Board of Statutory Auditors in office at the date of this report comprised:

### Board of Directors:

Name and Surname	Office held on the Board	Office held on the Committees	
		Remuneration Committee	Control and Risks Committee
Marco Boglione	Chairman		
Daniela Ovazza	Non-executive Vice Chairman	Member	
Giovanni Crespi	Chief Executive Officer		
Paola Bruschi	Director		
Paolo Cafasso	Director		
Elisa Corgi	Independent and non-executive director	Member	Member
Alessandro Gabetti	Non-Executive Director		
Renate Hendlmeier	Independent and non-executive director	Member	Chairman
Adriano Marconetto	Independent and non-executive director	Member	Member
Carlo Pavesio	Non-Executive Director	Chairman	
Elisabetta Rolando	Director		
Franco Spalla	Director		

In 2017, the Board of Directors has identified, two Managers with strategic responsibilities: the Vice President Sales, Lorenzo Boglione and in charge as Executive Officer in BasicTrademark S.A., Superga Trademark S.A. and Basic Properties America S.A. and BasicItalia's Chief Executive Officer Alessandro Boglione.

## Board of Statutory Auditors

Name and Surname	Office held on the Board
Maria Francesca Talamonti	Chairman
Sergio Duca	Statutory Auditor
Alberto Pession	Statutory Auditor
Giulia De Martino	Alternate Auditor
Maurizio Ferrero	Alternate Auditor

The Remuneration Policy, outlined at Section I of this Report, was submitted for the consultative vote of the Shareholders' AGM called, for among other matters, the approval of the 2017 Annual Accounts, in single call for April 24, 2018. In accordance with Article 123-ter, paragraph 6 of the Consolidated Finance Act, the Shareholders' AGM in fact must express a non-binding opinion (in favour or against) concerning the first section of the Remuneration Report.

This document is available for consultation, at the registered office, on the company website [www.basicnet.com](http://www.basicnet.com), 2018 Shareholders' AGM section, in addition to the centralised authorised storage mechanism 1Info, [www.1info.it](http://www.1info.it).

## **SECTION I**

### **a. Boards or parties involved in the preparation and approval of the remuneration policy, specifying the respective roles, in addition to the Boards or parties responsible for the correct implementation of the policy.**

The bodies involved in the preparation, approval and implementation of the remuneration policy are the following:

- the Shareholders' Meeting which:
  - on appointment sets the annual remuneration of each Director, in addition to the right of the Chairman and certain Directors who hold executive offices, to receive post-employment benefits;
  - annually expresses its consultative and non-binding opinion on section I of the Remuneration Report. With respect to this last task, we would like to refer to the result of the Shareholders' Meetings' vote on Section I of the 2016 Remuneration Report (27 April 2017). The proposal was approved by the majority with:
    - votes in favour: no. 28,122,622, equal to 94.14% of voters;
    - votes against: no. 1,749,544, equal to 5.86% of voters;
- the Board of Directors which:
  - defines and approves the Remuneration Policy, on the proposal on the Remuneration Committee;
  - establishes the remuneration of directors who hold executive offices, in line with the Remuneration Policy, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, including any post-employment benefits;
- the Remuneration Committee which:
  - draws up for the Board proposals on the remuneration policies;
  - periodically assess the suitability, overall consistency and actual implementation of the remuneration policy for directors and managers with strategic responsibilities (if any), using, to this end, the information provided by the Chief Executive Officer; supervises the implementation of the decisions adopted by the Board, verifying, in particular, the actual achievement of performance objectives;
  - presents to the Board proposals for the remuneration of directors who hold executive offices.

### **b. Involvement of the Remuneration Committee or another Committee on the issue of remuneration. Composition (with a distinction between non-executive and independent directors), duties and procedures.**

The Remuneration Committee currently in office comprises the Non-Executive Directors Carlo Pavesio – Chairman, and Daniela Ovazza, and the Non-executive and Independent Directors Elisa Corghi, Renate Hendlmeier and Adriano Marconetto. The Committee was appointed at the Board meeting of April 28, 2016. At the meeting of February 15, 2017, the Board of Directors called the non-executive and independent Director Elisa Corghi to sit on the Committee.

The Board, on appointment, considered that the knowledge and experience of the Independent Directors and the Non-Executive Directors called to sit on the Committee guarantees its independence and proper functioning.

The Committee meets on the call of the Chairman, where considered opportune or where requested by the Executive Directors or the Board of Statutory Auditors. The work of the Committee is overseen and coordinated by the Chairman.

The Remuneration Committee may access the necessary information and departments for the discharge of their duties.

The proposals of the Remuneration Committee are fully reported in the minutes of the Board of Directors meetings at which they are drawn up and are reported in the minutes' book of the Remuneration Committee.

The Executives Directors do not take part in the Committee's meetings.

The Remuneration Committee presents proposals or expresses opinions to the Board of Directors on the remuneration of Executive Directors and other managers with strategic responsibilities, in addition to any proposals on the allocation of an additional remuneration component, as better defined in letter e below.

**c. Details of independent experts involved in the preparation of the remuneration policy.**

No independent experts were utilised in the preparation of the remuneration policy.

**d. Purposes of the remuneration policy, underlying principles and any changes to the policy compared to the previous year.**

The remuneration policy of BasicNet S.p.A. seeks to attract, maintain and motivate individuals with the professional qualities and capacities required by the Company and the Group. The remuneration of Executive Directors and Senior Executives is structured in such a manner so as to provide an incentive towards improving company performance, through the satisfaction and motivation of personnel.

**e. Description of the fixed and variable remuneration component policies, particularly in relation to the weighting in terms of overall remuneration and a distinction between the short and long-term variable component.**

The remuneration structure establishes:

- a fixed remuneration, based on the responsibility and competences related to the office held by each Director. The fixed remuneration comprises a sufficiently high percentage of total remuneration, such as to allow the Company to pursue a flexible policy in terms of additional remuneration or bonuses. In particular, the fixed component must sufficiently remunerate Directors according to the responsibilities of their individual roles, independently from any additional component or bonus;
- any additional remuneration identified by the Board of Directors, on the proposal of the Remuneration Committee. This amount is normally identified on approval of the preliminary results where advances for the key financial indicators are reported on the previous year. In addition, for the Executive Directors any additional remuneration is generally assigned to reward a strong result by the entire company, as senior management have joint responsibility and powers; otherwise, any additional remuneration or remuneration-based decisions for executives or employees should primarily reflect individual performances or team results. As such, within the total amount assigned to the Remuneration Committee, the allocations are established by the Vice Presidents of the company, having full and best visibility of the individual contributions.

**f. Policy in relation to non-monetary benefits.**

In addition to the fixed component, a number of benefits may be conferred, such as, for example purposes, life or health insurance policies for Directors and/or the allocation of a motor vehicle, also for private use. In addition, the Chairman of BasicNet S.p.A., for the duration of mandate, is granted the use of a property located within the "BasicVillage" called "Foresteria – loft People on the move."

**g. Description of the performance objectives upon which the variable components are based and disclosure on the link between the change in results and the change in remuneration.**

The Group has not introduced remuneration plans based on an evaluation of the performance objectives or on financial instruments of any type.

**- Clawback Clause**

There are no contractual clauses which permit the company to request the repayment, in full or in part, of the variable component of the remuneration paid, determined on the basis of figures which subsequently are manifestly erroneous, also in view of that reported at point e) above, any additional remuneration is identified ex post.



- h. Criteria utilised for the evaluation of the performance objectives on which the conferment of shares, options, other financial instruments or other variable remuneration components is based.**

The Group has not introduced remuneration plans based on an evaluation of the performance objectives or on financial instruments of any type.

- i. Information establishing the link between the remuneration policy and the pursuit of long-term corporate goals and with the risk management policy, where established.**

The remuneration structure, based on a fixed component which represents a sufficiently high percentage of total remuneration, seeks to encourage a conduct which promotes the development of medium/long-term results and operations.

- j. Vesting periods, any systems of deferred payment and indexing of deferred payments and the criteria utilised for the determination of these periods and, if established, *ex-post* correction mechanisms.**

This is not applicable to the Group remuneration policies.

- k. Clauses for the maintenance in portfolio of financial instruments after their acquisition: maintenance periods and criteria utilised for the establishment of this period.**

This is not applicable to the Group remuneration policies.

- l. Policy relating to benefits on termination of office, with specification of the circumstances giving rise to such rights and any link between this benefit and the Company performance.**

The Board, on the indication of the Shareholders' AGM, establishes the amount of post-employment benefits through an annual allocation, also provided through a leading insurance company, on behalf of the Company, of an insurance policy, related to an annual constant premium of an amount equalling the amount of the post-employment benefit, in favour of the Chairman or other Executive Directors.

The Board may approve an indemnity in the case of the advanced conclusion of mandate to the Chairman or other Executive Directors.

The Board of Directors may sign non-competition agreements with Executive Directors for a period subsequent to the conclusion of mandate, establishing a fee for this commitment.

There is no link between such benefits and the Company performance.

- m. Insurance coverage, social security or pension payments, other than obligatory payments.**

Insurance coverage, social security or pension payments, other than the obligatory payments, are not provided for, with the exception of any benefits represented by life or health policies for a number of Executive Directors.

For the sake of completeness, it should be noted that, within the Group, a D&O -Directors' & Officers' Liability cover is in place for events linked to the performance of Directors' and Officers' duties, except in cases of wrongful misconduct.

- n. Remuneration policy in relation to: (i) Independent Directors; (ii) Committee attendance and (iii) the discharge of particular positions (Chairman, Vice Chairman).**

The remuneration of the Board of Directors is established by the Shareholders' AGM and is allocated equally among Directors.

Non-executive Directors and Independent Directors called to the Control and Risks Committee and the Remuneration Committee are allocated, on the approval of the Board of Directors and with the favourable opinion of the Board of Statutory Auditors, a fixed annual fee based on the commitment required.

Directors assigned particular roles or responsibilities (Chairman of the Board of Directors, Chief Executive Officer, Executive Directors) are allocated a remuneration, on the proposal of the Remuneration Committee, based on a motion of the Board of Directors, with the favourable opinion of the Board of Statutory Auditors. This remuneration takes into account any employee-based component, in addition to remuneration concerning offices held in subsidiary companies.

**o. Remuneration policy established using the policies of other companies as a benchmark, and the criteria utilised for the choice of these companies.**

For the setting of the remuneration policy, BasicNet did not refer to the remuneration policies of other companies.

## **SECTION II**

The items comprising the remuneration of Directors, Corporate Boards and Managers with strategic responsibilities of the Company is outlined below.

The remuneration structure of the members of the Board of Directors of BasicNet S.p.A., in office at the date of the Report, provides for:

- **Fixed Remuneration**

- for all Directors: an annual fee of Euro 20 thousand, approved by the Shareholders' AGM of April 28, 2016;
- for Senior Directors, including the Executive Officer for Financial Reporting and the Director in charge of the Internal Control System: a fixed fee approved, as per Article 2389 of the Civil Code, by the Board of Directors on the proposal of the Remuneration Committee, having consulted with the Board of Statutory Auditors, at the meeting of May 13, 2016.  
This remuneration was established taking into account also that the Non-Executive Vice Chairman Franco Spalla and the Executive Directors Paola Bruschi, Paolo Cafasso and Elisabetta Rolando, and the Managers with strategic responsibilities Lorenzo Boglione e Alessandro Boglione, are also Executives of BasicNet S.p.A. and hold positions on the Board of Directors of other subsidiaries;

- **Committee Remuneration**

Each member of the Remuneration Committee and the Control and Risks Committee receives a fixed fee of Euro 5 thousand gross annually, determined at the Board of Directors' meeting of May 13, 2016.

- **Bonuses and other incentives**

For 2017, no bonuses or other incentives were granted to the Executive Directors.

- **Non-monetary benefits**

In the Board meeting May 13, 2016, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, the following non-monetary benefits were awarded:

- for the Chairman of the Board of Directors, Marco Boglione:
  - a) confirmation of a "term-life constant capital" life policy for an ensured capital amount of Euro 1.5 million;
  - b) confirmation of the benefit of use of the residential unit located in the "BasicVillage" called "Foresteria – Loft People on the move" and relative expenses, of a normal value of Euro 85 thousand annually;
- for the Chief Executive Officer, Giovanni Crespi:
  - a) a "term-life constant capital" life policy for an ensured capital amount of Euro 1.5 million. The policy was subscribed from 2017 and therefore shall be included in the remuneration relating to this year.

- **Post-employment benefits**

The Board of Directors on May 13, 2016, as approved by the Shareholders' AGM of April 28, 2016, on appointment also approved, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors:

- for the Chairman of the Board of Directors, Marco Boglione:
  - an annual allocation of Euro 500 thousand as Post-Employment Benefits, proposing the assignment, from a leading insurance company, in the name of the company, of an insurance policy, related to an annual constant premium of an amount equal to the amount of the post-employment benefit approved and the assignment as beneficiary of the capital guaranteed on maturity of the policy the same insured Director, or persons indicated by him in the case of

death, granting to these parties the right to receive any gains from the insurance policy, to be considered as supplements of the above-stated indemnity.

- **Indemnity of the Directors in case of dismissal or termination of employment following a public purchase offer**

The Board of Directors, in the meeting of May 13, 2016, and on the proposal of the Remuneration Committee, and with the favourable opinion of the Board of Statutory Auditors, decided that on conclusion of office or of the duties conferred for just cause or revocation without just cause, the following is allocated:

- for the Chairman of the Board of Directors, Marco Boglione:
  - an all-inclusive indemnity, which according to the time of interruption of mandate (the "Event") during the three-year period, will amount to: (i) an amount equal to the difference between the overall remuneration indicated above at letters a), b) and c), matured at the date of the Event, and the overall remuneration indicated above on an annual basis, in addition to a fixed sum of Euro 2 million, gross of withholding taxes, where the Event takes place during 2016; (ii) an amount equal to the overall remuneration indicated above at letters a), b) and c), matured at the date of the Event, in addition to a fixed sum of Euro 1.750 million, gross of withholding taxes, where the Event occurs during 2017; and (iii) an amount equal to the overall remuneration indicated above at letters a), b) and c), matured at the date of the Event, in addition to a fixed sum of Euro 1.5 million, gross of withholding taxes, where the Event occurs during 2018 or on a subsequent date until the conclusion of mandate;
- for the Chief Executive Officer, Giovanni Crespi:
  - in the case in which the mandate of the Chief Executive Officer is not reviewed for a further three-year period, unless for just cause, a total gross indemnity of Euro 150 thousand.

- **Non-competition agreement**

The Board of Directors of the company, at the meeting of April 28, 2016, subsequent to the appointment of the Executive Boards and the granting of relative powers, noting the lapsing of the duties and powers granted to the current Director Franco Spalla, allocated under previous mandates, as the Chief Executive Officer of the company, implemented the motion undertaken at the meeting of April 29, 2013, on the basis of which, against the obligation of the then Chief Executive Officer Franco Spalla to abstain from carrying out, directly or indirectly, activities in competition with the company or the BasicNet Group, throughout the European Union for a period of three years from conclusion of the office of Director or the substantial reduction of the duties conferred to him, or a change of role - except in the case of termination of mandate or employment for just cause from the time of the latter of these events if not contemporaneous, that the company would pay in three equal annual instalments, the first of which on the verification of any of the events listed above and the two successive instalments on any anniversary of this date, an amount of Euro 1.5 million, which therefore matured at the maintenance of the agreement in three annual rates of € 500 thousand each.

In a second time, it was proposed to Mr. Spalla, who accepted, to amend the payment maturities on the basis of six years, rather than three, to be paid by May 10 of each year from May 2016. On the basis of the non-competition agreement, which became executive, in the case of his passing, any residual instalments should be paid to the heirs of Mr. Franco Spalla. This risk is covered by a specific insurance policy with BasicNet S.p.A. as the beneficiary.

**Table 1 – Remuneration paid to Directors, Statutory Auditors, General Managers and to other executives with strategic responsibilities.**

The following table breaks down the remuneration of Directors, Statutory Auditors, General Managers and, at an aggregate level, other Managers with strategic responsibilities. Separate indication is provided of remuneration received from subsidiaries and/or associated companies. All parties which during the year have held the above offices are included, even if for a portion of the year. Remuneration concerns that accrued in the year. Post-employment indemnity is indicated for the period in which it matured, even if not paid, for those concluding employment during the year or for those reaching the end of mandate and/or contract.

## Directors

	Description of office			Fixed Remuneration			Non-equity variable remuneration						
				Emoluments approved by Shareholders' AGM	Remuneration as per ex Art. 2389 CC		Remuneration for committee participation	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Post-employment benefits
Name and Surname	Office held	Period of office	Concl. of office			Employee							
Directors													
Marco Boglione (1)	Chairman	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000	876.000					107.065	500.000	1.503.065	
(II) Remuneration from subsidiaries and associates													
Total				20.000	876.000					107.065	500.000	1.503.065	
Daniela Ovazza (*)	Vice Chairman	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000			5.000					25.000	
(II) Remuneration from subsidiaries and associates													
Total				20.000			5.000					25.000	
Crespi Gianni (2)	Chief Executive Officer	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000	450.000					46.927		516.927	
(II) Remuneration from subsidiaries and associates													
Total				20.000	450.000					46.927		516.927	
Paola Bruschi (3)	Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000	5.000	110.602						135.602	
(II) Remuneration from subsidiaries and associates											2.000	2.000	
Total				20.000	5.000	110.602					2.000	137.602	
Paolo Cafasso (4)	Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000	35.000	90.120						145.120	
(II) Remuneration from subsidiaries and associates					70.000							70.000	
Total				20.000	105.000	90.120						215.120	
Elisa Corghi (**)	Independent Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000			9.370					29.370	
(II) Remuneration from subsidiaries and associates													
Total				20.000			9.370					29.370	
Alessandro Gabetti (***)	Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000								20.000	
(II) Remuneration from subsidiaries and associates													
Total				20.000								20.000	
Renate Hendlmeier (****)	Independent Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000			10.000					30.000	
(II) Remuneration from subsidiaries and associates													
Total				20.000			10.000					30.000	
Adriano Marconetto (*****)	Independent Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000			10.000					30.000	
(II) Remuneration from subsidiaries and associates													
Total				20.000			10.000					30.000	
Carlo Pavesio(*****)	Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000			5.000					25.000	
(II) Remuneration from subsidiaries and associates													
Total				20.000			5.000					25.000	
Elisabetta Rolando (5)	Director	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				20.000		80.437						100.437	
(II) Remuneration from subsidiaries and associates				120.000								120.000	
Total				140.000		80.437						220.437	
Franco Spalla (6)	Vice Chairman	01/01/2017-31/10/2017											
	Director	31/10/2017-31/12/2017	approv. 2018 accounts			55.886							
(I) Remuneration from company preparing the accounts				20.000	100.000	55.886				13.514		189.400	
(II) Remuneration from subsidiaries and associates													
Total				20.000	100.000	55.886				13.514		189.400	
Manager with strategic responsibilities (7)													
(I) Remuneration from company preparing the accounts						189.195						189.195	
(II) Remuneration from subsidiaries and associates					50.724							50.724	
Total					50.724	189.195						239.919	

**NOTE:**

- (1): "Non-monetary benefits" relate to a "term-life constant capital" life policy for an insured capital amount of Euro 1.5 million, for Euro 22,065, and the use of the residential unit located at the "BasicVillage" called "Foresteria – Loft People on the move" and the relative expenses, of a normal value of Euro 85 thousand annually.  
"Other remuneration" relates to the annual allocation of Post-employment benefits.
- (2): Non-monetary benefits refer to a "term-life constant capital" life policy for an insured capital amount of Euro 1,5 million;
- (3): The remuneration as per Article 2389 of the Civil Code concerns the office of Director in charge of the internal control and risks management system, allocated by the Board of Directors at the meeting of April 28, 2016.  
The other remuneration is received as a member of the Supervisory Board of the subsidiary BasicItalia S.p.A. (appointment of April 28, 2016).
- (4): The remuneration as per Article 2389 of the Civil Code relates to the position of Executive Officer for Financial Reporting, allocated by the Board of Directors at the meeting of April 28, 2016.  
The remuneration from other subsidiaries relates principally to the role of legal representative for BasicItalia S.p.A. (Euro 20,000) and at the Italian branches Superga Trademark S.A. (Euro 10,000) and Basic Trademark S.A. (Euro 10,000) and as Director with specific powers of BasicVillage S.p.A. (Euro 30,000).
- (5): Remuneration from subsidiaries as Chairman of the Board of Directors of BasicItalia S.p.A.
- (6): Non-executive Vice Chairman, with responsibility for corporate operations, until October 31, 2017, Director from November 1, 2017.  
The remuneration for office of Vice Chairman (amount calculated on the Euro 120 thousand annually under the BoD motion of May 13, 2016), and the non-monetary benefits refer to a "term-life constant capital" life policy for an insured capital amount of Euro 1 million were received until October 31, 2017.  
As detailed on page 9 of this report, during the year the portion relating to the non-competition agreement amounting to 500 thousand euros accrued. (The amount has not been shown in the present table because it is indicated in full in the Table of Section II of the Report for the 2016 financial year).
- (7): With reference to two managers with strategic responsibilities
- (\*) Euro 5,000 for the Remuneration Committee  
(\*\*) Euro 5,000 for the Control and Risks Committee and 4,369 for the Remuneration Committee from February 15, 2017  
(\*\*\*) Euro 5,000 for the Control and Risks Committee  
(\*\*\*\*) Euro 5,000 for the Control and Risks Committee and Euro 5,000 for the Remuneration Committee  
(\*\*\*\*\*) Euro 5,000 for the Remuneration Committee and Euro 5,000 for the Control and Risks Committee  
(\*\*\*\*\*) Euro 5,000 for the Remuneration Committee

Statutory Auditors		Description of office		Fixed Remuneration			Non-equity variable						
Name and Surname	Office held	Period of office	Concl. of office	Emoluments approved by Shareholders' AGM	Remuneration as per ex Art. 2389 CC	Employee	Remuneration for committee participation	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Post-employment benefits
Maria Francesca Talamonti	Chairman	01/01/2017-31/12/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				36.000								36.000	
(II) Remuneration from subsidiaries and associates													
<b>Total</b>				<b>36.000</b>								<b>36.000</b>	
Carola Alberti (8)	Statutory Auditor	01/01/2017-27/04/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				8.000								8.000	
(II) Remuneration from subsidiaries and associates				4.200								4.200	
<b>Total</b>				<b>12.200</b>								<b>12.200</b>	
Massimo Boidi (9)	Statutory Auditor	01/01/2017-27/04/2017	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				8.000								8.000	
(II) Remuneration from subsidiaries and associates				24.200								24.200	
<b>Total</b>				<b>32.200</b>								<b>32.200</b>	
Sergio Duca	Statutory Auditor	27/04/2017-31/12/2017	approvazione bilancio 2018										
(I) Remuneration from company preparing the accounts				16.000								16.000	
(II) Remuneration from subsidiaries and associates				-								-	
<b>Total</b>				<b>16.000</b>								<b>16.000</b>	
Alberto Pession	Statutory Auditor	27/04/2017-31/12/2017	approvazione bilancio 2018										
(I) Remuneration from company preparing the accounts				16.000								16.000	
(II) Remuneration from subsidiaries and associates				-								-	
<b>Total</b>				<b>16.000</b>								<b>16.000</b>	

NOTE:

(8): Remuneration from subsidiaries as Statutory Auditor of BasicVillage S.p.A.

(9): Remuneration from subsidiaries: received as the Chairman of the Board of Statutory Auditors of BasicItalia (Euro 18,000) and BasicVillage S.p.A. (6.200 Euro).

**Investments held by the members of the Board of Directors and Control Boards and by Senior Executives**

Name and Surname	Office held	Number of shares held on 31.12.2016	Number of shares purchased in 2017	Number of shares sold in 2017	Number of shares held on 31.12.2017
Marco BOGLIONE(*)	Presidente	22.614.169		2.096.436	20.517.733
Giovanni CRESPI	Director	58.200	30.000		88.200
Alessandro GABETTI(**)	Director	796.350			796.350
Renate HENDLMEIER	Director	2.000			2.000
Carlo PAVESIO	Director	100.000			100.000

(\*) 20,206,065 shares held through the subsidiary BasicWorld S.r.l. and 311,668 held directly. The nr. 2,096,436 shares were transferred to two Newcos as the result of the division of 23 June 2017. Due the division Mr. Marco Boglione is sole partner of BasicWorld Srl

(\*\*) 225,000 held by spouse

\*\*\*\*\*

Given that, in accordance with Article 123-ter, paragraph 6 of the Consolidated Finance Act, the Shareholders' Meeting must express a non-binding opinion (in favour or against) concerning the first section of the Remuneration Report, we propose a favourable vote on "Section I", adopting the following motion:

The Shareholders' AGM,

- noting the Remuneration Report prepared by the Board of Directors in accordance with Article 123-ter of the Consolidated Finance Act and the indications of Article 84-quater of the Issuers' Regulation;
- having examined "Section I" concerning the policy of the company in relation to remuneration and the procedures utilised for the adoption of this policy;

RESOLVES

to approve "Section I" of the Remuneration Report".

for the Board of Directors

**The Chairman**

Marco Daniele Boglione

Turin, March 19, 2018



### **3. 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

## **SHAREHOLDERS' MEETING REGULATION**

### **Article 1**

The present regulation applies to the Ordinary and Extraordinary Shareholders' Meeting. It is filed at the registered offices and available to Shareholders and all those with the right to attend the Shareholders' Meeting.

The amendments to the present Regulation were approved by the Ordinary Shareholders' Meeting.

### **Article 2**

Those holding shares in accordance with applicable legislation and the by-laws, or their proxies or representatives, may attend and speak at the Shareholders' Meetings.

Proof of personal identity is required for attendance at the Shareholders' Meeting. Unless otherwise indicated in the Call Notice, the personal identification and the verification of the right to attend takes place at the location of the Shareholders' Meeting at least one hour before the time fixed for the meeting.

Attendees are assured the possibility to follow and take part in the discussion and to exercise their right to vote using the technical methods established on each occasion by the Chairman.

Those leaving the location of the meeting for whatever reason must communicate such to the Company personnel in charge of the meeting.

### **Article 3**

The Company staff may assist at the Shareholders' Meeting, in addition to Directors and staff of companies belonging to the Group. On the invitation, and however with the consent of the Chairman, professionals, consultants, financial analysts, university students and qualified and accredited journalists may follow the business of the Meeting, without the right to intervene and vote.

Persons accredited to follow the meeting must report for identification by the Company's appointees at the entrance of the premises where the meeting is to be held and collect a special badge to be exhibited upon request.

### **Article 4**

The Chairman directs the business of the Shareholders' Meeting. The Chairman of the Shareholders' Meeting utilises assistants to verify the voting rights of those attending the Meeting and the propriety of proxies granted.

The Chairman is assisted by the secretary, appointed by the Shareholders' Meeting on the proposal of the Chairman, or where necessary or considered beneficial, by a notary. The secretary and the notary must utilise the assistance of trusted persons, also non-shareholders.

The Shareholders' Meeting may be subject to audio/video recording, both for transmission/projection to the rooms of the Shareholders' Meeting or in order to assist the Board in the minute taking and preparation of responses.

The information provided to the Shareholders' Meeting by the Corporate Boards may be communicated also through the company website.

For the management of the voting procedures, the Chairman of the Shareholders' Meeting may appoint one or more tellers from among attending shareholders, in the number considered most appropriate.

Under the direction of the Chairman of the Shareholders' Meeting, a sheet of attendees is prepared, in which those who attend on their own behalf, by proxy or in another manner established by law, are indicated, specifying the number of shares held.

Where the necessary number of attendances for the constitution of the Shareholders' Meeting is not reached, the Chairman of the Shareholders' Meeting, following a lapse of time considered adequate after the time fixed for the beginning of the Shareholders' Meeting, announces such to the attendees, declaring the meeting void and postponing the handling of the matters on the Agenda to the subsequent call.

The business of the Shareholders' Meeting may be suspended if the Chairman of the Shareholders' Meeting considers such correct, and with the consent of the meeting, for a period of not greater than three hours.

Audio and/or video recording and transmission equipment are not permitted in the rooms of the Shareholders' Meeting without the prior consent of the Chairman of the Meeting.

## **Article 5**

In handling the matters on the Agenda, the Chairman, with the consent of the Meeting, may follow a different Agenda from that posted on the Call Notice.

Similarly, a single discussion on two or more points on the Agenda may be held.

The matters are handled by the Chairman and, on his invitation, by the Directors, by the Statutory Auditors, by the employees of the Company and/or the subsidiaries, in addition to any external experts invited.

Except where the Chairman considers it opportune or where a specific request is presented, approved by the Shareholders' Meeting, the documentation which is filed in advance is not read, which is made available to interested parties as indicated in the Call Notice.

The Chairman, taking account of the subject matter and importance of the individual items on the Agenda, may establish at the start of the meeting the time to be allotted to each speaker, which must not be less than 10 minutes. Following this period, the Chairman of the Shareholders' Meeting may invite the speaker to conclude his/her contribution within five minutes.

The Chairman of the Shareholders' Meeting may remind speakers to comply with the time limits for speaking established in advance and to keep to the matters stated in the Agenda.

Those with voting rights have the right to take the floor on each of the matters under discussion. Those who have already made a contribution may request to take the floor for a second occasion on the same matter only to make a reply or to formulate a voting proposal. Those who wish to take the floor must request such in writing from the Chairman of the Shareholders' Meeting or the secretary, indicating the matter on the Agenda which the contribution concerns. The request may be presented until the Chairman of the Shareholders' Meeting has declared the discussion on the matter closed.

The Chairman and, on his invitation, the Directors, Statutory Auditors, employees of the Company and/or subsidiaries, in addition to any external experts invited, respond to orators at the end of all contributions under discussion, or after each contribution, taking account also of any questions drawn up by shareholders before the Shareholders' Meeting, which have not been responded to by the Company.

## **Article 6**

The voting at the meeting is made by open ballot.

The Chairman of the Shareholders' Meeting adopts the appropriate measures for the orderly carrying out of votes. The Chairman of the Shareholders' Meeting may require, according to the circumstances, that the voting on a particular issue is carried out immediately after the closure on the discussion on the issue, or at the end of the discussion of all matters on the Agenda.

The vote must be clear, by the raising of hands or in another manner indicated by the Chairman at the time of voting, also through the use of technical instruments which support the counting of votes. The votes expressed in a manner other than that indicated by the Chairman of the meeting are void. If the vote is not unanimous, the Chairman, on a case by case basis, invites those abstaining and those voting against, if a lesser number than those in favour, to declare or make known, also through the method or instrument indicated, their intention in relation to the vote.

Following the vote and the necessary counting with the support of the tellers and the secretary, the Chairman proclaims the results of voting.