

## SHAREHOLDERS' MEETING OF APRIL 19, 2019

**Point 3 of the Agenda:****3 Appointment of the Board of Directors:**

- 3.1. setting of the number of members of the Board of Directors and the duration of office;**
- 3.2. appointment of the members of the Board of Directors and of the Chairperson;**
- 3.3. establishment of the remuneration of the members of the Board of Directors.**

Dear Shareholders,

with the approval of the financial statements at December 31, 2018, the mandate concludes of the Board of Directors of the company, appointed by the Shareholders' Meeting of April 28, 2016.

Consequently, you shall be called at the next Shareholders' Meeting to: (3.1) establish the number of members of the Board of Directors and the duration of office; (3.2) establish the remuneration of the members of the Board of Directors; (3.3) appoint the members of the Board of Directors and the Chairperson of the Board of Directors

**3.1 Establishment of the number of members of the Board of Directors**

Article 13 of the By-Laws (available on the website <http://www.basicnet.com/contenuti/gruppo/statuto.asp?menuSelectedID=2c>), establishes that: "The Company is administered by a Board of Directors, made up of between five and fifteen members, including non-shareholders. The Shareholders' Meeting, before their appointment, establishes the number of members of the Board of Directors and the duration of office in accordance with that permitted by law".

The Board of Directors therefore invites you to establish the number of members of the Board of Directors, within the above-stated limits, and also to establish the duration of office, on the basis of the proposals which may be drawn up by Shareholders (even during the Shareholders' Meeting itself).

**3.2 Appointment of the members of the Board of Directors and of the Chairperson; resolutions thereon.**

The appointment of the Board of Directors takes place, in accordance with Article 13 of the By-Laws, on the basis of slates presented by Shareholders, in which the candidates, numbering not more than fifteen, should be listed by progressive numbering. The slates, signed by the presenting shareholders and accompanied by exhaustive disclosure concerning the personal and professional background of the candidates, should be filed at the registered office of the Company, or by fax to +390112617354, or to the certified e-mail address [basicnet@legalmail.it](mailto:basicnet@legalmail.it), by the twenty-fifth day before the day of the Shareholders' Meeting, therefore March 25, 2019. According to the deadlines and means set out above, together with each slate, declarations in which the individual candidates accept their candidature must be filed at the company's registered office, stating in good faith, the inexistence of reasons for ineligibility and incompatibility, as well as the fulfilment of the requirements for the respective positions, including any declarations confirming their independence, in addition to information on directorships held in other companies. At least one member of the Board of Directors, or two if the Board of Directors is comprised of more than seven members, should be considered independent in accordance with law. Each slate should include at least one candidate considered independent. The slates should be drawn up so as to ensure that the resulting Board of Directors complies with the regulatory-established minimum gender quotas. In accordance with Law No. 120 of July 12, 2011, at least one-third of elected members, rounded upwards, are reserved for the under-represented gender.

The slates of candidates should be filed at the registered office of the Company, or by fax to +390112617354, or to the certified e-mail address [basicnet@legalmail.it](mailto:basicnet@legalmail.it), accompanied by the relative documentation, by the twenty-fifth day before the day of the Shareholders' Meeting, therefore March 25, 2019, by Shareholders who, alone or together with other shareholders, hold at least 4.5% of the share capital (as established by Consob through motion No. 3 of January 24, 2019). The holding, at the presentation date of the slate, should be

corroborated by the relevant communications produced by the filing intermediary and sent by e-mail to [basicnet@pecserviziottitoli.it](mailto:basicnet@pecserviziottitoli.it), also subsequent to filing, although by the deadline for the publication of slates by the Issuer, therefore March 29, 2019.

Each Shareholder, in addition to shareholders belonging to the same group, in accordance with Article 2359 of the Civil Code and the parties belonging to, also through subsidiaries, a shareholder agreement in accordance with Article 122 of Legislative Decree No. 58 of February 24, 1998, may not present, nor through nominees of trust companies, more than one slate. In the case of violation, no consideration is taken of the vote of the Shareholder for any slate presented. Slates presented that do not comply with all of the above formalities are considered as not presented. Each candidate can be presented only on one slate at the risk of being declared ineligible. Each Shareholder may vote for only one slate.

Finally, Shareholders presenting a "minority slate" should comply with the recommendations of Consob under Communication No. DEM/9017893 - Appointment of members of the Administration and Control Boards - of February 26, 2009.

The procedure for electing the Directors shall be as follows: a) from the slate which obtained the highest number of votes, based on the progressive order with which they are listed in the slate, all the members necessary are elected to fill the number of Directors established for the Shareholders' Meeting, while ensuring the gender balance provisions are complied with, except 1; b) from the slate which obtained in the Shareholders' Meeting the second highest number of votes one member is elected of the Board of Directors as the first candidate on this slate. Consideration is not taken of the slates which have not obtained at least the number of votes required by the Company By-Laws for the presentation of slates. Should two slates receive the same number of votes, a second vote of the entire Shareholders' Meeting is taken to decide between them with the candidate being elected through a simple majority of the votes. In the case of presentation of only one slate, or in the case of no slate presented, the Shareholders' Meeting deliberates by statutory majority.

In addition, in accordance with Article 13 of the By-Laws, the Shareholders' Meeting is granted the faculty to appoint the Chairperson of the Board of Directors.

We invite you therefore to appoint the members of the Board of Directors and its Chairperson, on the basis of the proposals which may be drawn up by Shareholders (even during the Shareholders' Meeting itself).

### **3.3 Establishment of the remuneration of members**

In accordance with Article 15 of the By-Laws "The Board of Directors receives remuneration as established by the Shareholders' Meeting and the directors have the right to the reimbursement of expenses incurred for the exercise of office. Senior directors also receive specific remuneration, to be calculated as per paragraph 3 of Article 2389 of the Civil Code."

The Board of Directors invites you, on the basis of the proposals which may be drawn up by Shareholders (even during the Shareholders' Meeting itself), therefore to:

- set the remuneration of the Board of Directors in accordance with Article 2389 of the Civil Code, including the right for the Chairperson and certain senior directors, yet to be appointed, to receive also termination benefits;
- establish that the remuneration of the Chairperson and of senior directors, is set, in accordance with Article 2389 of the Civil Code and Article 15 of the By-Laws, by the Board of Directors, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors.

\*\*\*

With regards to the recommendations of the Self-Governance Code of listed companies (see Article 1.C.1.g and h)), the Board of Directors of the company on March 8, 2019 confirmed the guideline to not express opinions upon the professional and managerial roles whose presence may be considered beneficial on the Board of the company, considering that the choice of the most appropriate individuals and the appointment of the Board of Directors is within the scope of the shareholders, both minority and majority, as an expression of the choice of slates presented. Similarly, it considered that the application of the regulatory provisions and the

SHAREHOLDERS' MEETING OF APRIL 19, 2019

By-Law provisions ensure a sufficiently diverse range of profiles on the Board of Directors and therefore decided not to adopt additional diversity policies than those required by law or recommended by the Self-Governance Code.

The Board also decided to resubmit to each candidate the assessment of compatibility in undertaking the position of Director at the company with any additional offices of directorship or statutory auditor held at other companies listed on regulated markets, in financial companies, banks, insurance companies or large companies. The Directors are however requested, both on the acceptance of office and during the period of their office and thereafter, to report in a timely manner to the Board of Directors operating appointments in competing groups.

Turin, March 8, 2019

for the Board of Directors  
The Chairperson

Marco Daniele Boglione