



Shareholders' Meeting of April 19, 2019

REPORTS ON MATTERS ON THE AGENDA

CONTENTS

	PAGE
SHAREHOLDERS' AGM CALL NOTICE	3
STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2018, ACCOMPANIED BY THE DIRECTORS' REPORT, THE AUDITORS' REPORT AND THE BOARD OF STATUTORY AUDITORS' REPORT. ALLOCATION OF THE RESULT FOR THE YEAR. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE BASICNET GROUP. DELIBERATIONS THEREON	4
REMUNERATION REPORT AS PER ARTICLE 123-TER OF THE CONSOLIDATED FINANCE ACT. RESOLUTIONS THEREON	5
APPOINTMENT OF THE BOARD OF DIRECTORS: <ul style="list-style-type: none">• SETTING OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS AND THE DURATION OF OFFICE;• APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE CHAIRMAN;• SETTING OF THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS	18
APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS: <ul style="list-style-type: none">• APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS AND THE CHAIRMAN;• SETTING OF THE REMUNERATION OF THE STATUTORY AUDITORS.	21
PROPOSAL TO PURCHASE AND UTILISE TREASURY SHARES. DELIBERATIONS THEREON	24
SHAREHOLDERS' MEETING REGULATION	27

SHAREHOLDERS' AGM CALL NOTICE

Dear Shareholders,

the agenda for the Shareholders' Meeting scheduled for April 19, 2019 at 11:00 AM, called through notice published on the company website www.basicnet.com/contenuti/datifinanziari/assembleeazionisti.asp on March 8, 2019 and in the "il Giornale" newspaper on March 9 comprises:

1. Statutory Financial Statements at December 31, 2018, accompanied by the Directors' Report, the Auditors' Report and the Board of Statutory Auditors' Report. Allocation of the result for the year. Presentation of the consolidated financial statements of the BasicNet Group. Resolutions thereon.
2. Remuneration Report in accordance with Article 123-ter of the Consolidated Finance Act. Resolutions thereon.
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 Chairman;
 - 3.3. setting of the remuneration of the members of the Board of Directors;
4. Appointment of the Board of Statutory Auditors:
 - 4.1 appointment of the Board of Statutory Auditors and the Chairman;
 - 4.2 setting of the remuneration of the Statutory Auditors.
5. Authorisation to purchase and utilise treasury shares. Resolutions thereon.

Report of the Board of Directors on point 1 of the Agenda

Statutory Financial Statements at December 31, 2018, accompanied by the Directors' Report, the Auditors' Report and the Board of Statutory Auditors' Report. Allocation of the result for the year. Presentation of the consolidated financial statements of the BasicNet Group. Resolutions thereon.

Dear Shareholders,

in the presentation for the approval of the Shareholders' Meeting for the 2018 Financial Statements and the relative Directors' Report we propose the allocation of the net profit of Euro 12,954,413.75 as follows:

- to the Legal reserve	Euro	647,720.69
- to each of the 53,987,780 ordinary shares in circulation (excluding the 7,005,822 treasury shares held at March 8, 2019), a dividend of Euro 0.12 before withholding taxes for an amount of	Euro	6,478,533.60
- to retained earnings the residual amount, equal to	Euro	5,828,159.46

The dividend will be paid from May 22, 2019, with record date of May 21, 2019 and coupon date (No. 12) of May 20, 2019.

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' AGM of BasicNet S.p.A., having reviewed the 2018 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, 2018, in relation to each individual part and in its entirety, in addition to the proposal for the allocation of the Net Profit of Euro 12,954,413.75 and the dividend proposal.

Turin, March 8, 2019

for the Board of Directors

The Chairman

Marco Daniele Boglione

Report of the Board of Directors on point 2 of the Agenda:

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 8, 2019 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 Senior Executives, 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 2018, 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 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	
Gianni 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	Chairperson	
Elisabetta Rolando	Director		
Franco Spalla	Director		

The Board of Directors identified as Senior Executives of the company and of the Group the Vice President Sales, Lorenzo Boglione, acting also as an Executive Director of Basic Trademark S.A., Superga Trademark S.A., and Basic Properties America, Inc., and since January 2019, Chairman of the Board of Directors of BasicAir S.r.l. and Director of the French companies Kappa Europe S.A.S. and Kappa France S.A.S. and Alessandro Boglione, Chief Executive Officer of BasicItalia S.p.A. and, since January 2019, Chairman of the Board of Directors of the French companies Kappa Europe S.A.S. and Kappa France S.A.S.

Board of Statutory Auditors

Name and Surname	Office held on the Board
Maria Francesca Talamonti	Chairperson
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 2018 Annual Accounts, in single call for April 19, 2019. 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, 2019 Shareholders' AGM section, in addition to the centralised authorised storage mechanism lInfo, www.linfo.it.

SECTION 1

- 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 other Executive Directors, to receive post-employment benefits;
 - annually expresses its consultative and non-binding opinion on Section I of the Remuneration Report; In this regard, the Shareholders' Meeting of April 24, 2018 expressed a positive opinion on Section I of the Remuneration Report with:
 - votes in favour: 27,055,713 equal to 93.02% of the votes;
 - votes against: 2,030,712 equal to 6.98% of the votes;
- the Board of Directors which:
 - defines and approves the Remuneration Policy, on the proposal on the Remuneration Committee;
 - establishes the remuneration of Executive Directors, 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;
 - evaluates periodically, on the preparation of the annual remuneration report, the adequacy and the overall consistency and concrete application of the general policy adopted for the remuneration of directors and senior executives, referring in this latter regard to the information received from the Chief Executive Officer, monitoring the application of the decisions adopted by the Board itself, verifying in particular, where necessary, the effective achievement of the prefixed objectives;
 - presents to the Board proposals for the remuneration of Executive Directors and for the senior executives, where identified by the Group.

- b. **Involvement of a Remuneration Committee or another Committee on the issue of remuneration. Composition (with the 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 Corgi, 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 Corgi 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 Senior Executives of the Group, in addition to any proposals on the allocation of an additional remuneration component or provision to the HR Strategic Provision, 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;
- subject to the non-existence of any variable remuneration components in the Group remuneration contractual structure, the Board of Directors, on the proposal of the Remuneration Committee, reserves the faculty to establish any additional remuneration component. This amount is normally identified on approval of the preliminary results where advances for the key financial indicators are reported on the previous year and the forecast results for the current 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 Chairman 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 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 in the view of the fact, and also outlined in the previous point e) that any additional remuneration is awarded 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 structure of the fixed remuneration is established so as to produce conduct focused on the development of operations and the medium/long-term results and to encourage the undertaking of responsibility for such, without possible deviations which encourage the contractualisation of variable emoluments paid on the basis of short-term results.

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.

With regards to the recommendations, contained in the letter that the Chairperson of the Corporate Governance Committee sent to issuer companies on December 13, 2017, concerning the establishment of criteria and policies for the conclusion of mandate indemnities, the Board of Directors, at the meeting of February 19, 2018, decided to review the issue subsequent to the BoD’s renewal (the current mandate will

conclude with the approval of the 2018 Annual Accounts) and exclusively with regards to the mandate of the 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 completeness, within the Group, a third-party civil liability policy is in force for the corporate boards and the executives (D&O - Directors' & Officers' Liability) for circumstances relating to the exercise of their functions, excluding incidences of fraud. This however concerns insurance coverage (structurally not consisting of consideration) signed independently of the company for the benefit of all Group directors and statutory auditors in office.

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 account of 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 2

The items comprising the remuneration of Directors, Corporate Boards and Senior Management of the Company is outlined below. The structure of the Group does not incorporate General Managers or Senior Executives who are not members of the Board of Directors of BasicNet S.p.A. or the Chairman of BasicItalia S.p.A.

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 account also that the Executive Directors Paola Bruschi, Paolo Cafasso and Elisabetta Rolando, as well as the senior executives Lorenzo Boglione and 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:**

In the meeting of November 13, 2018, in accordance with the recommendation drawn up by the Remuneration Committee, the Board of Directors approved a bonus to top management in recognition of the activities and results to be recorded in the 2018 Financial Statements or in the HR Strategic Provision.

- At the meeting of March 8, 2019, the Board of Directors, having reviewed the proposal of the Remuneration Committee approved to allocate the amount to the HR Strategic Provision.

- **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, matured at the date of the Event, and the overall remuneration 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, 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, 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 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, 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 matures, on maintaining the agreement, expiring at the end of April 2019, in three annual amounts of Euro 500 thousand each.
- Subsequent to this agreement, it was proposed to Mr. Spalla, who accepted, to amend the payment maturities (while maintaining the economic amounts) 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, 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 other Senior Management.

The following table breaks down the remuneration of Directors, Statutory Auditors, General Managers and, at an aggregate level, other Senior Management. 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.

	Description of office			Fixed Remun.			Non-equity variable remuneration							
				Emoluments approved by Shareholders' AGM	Remuneration as per Art. 2389 CC	Employee	Remuneratio n for committee participation	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Post-employment benefits	
Name	Office held	Period of office	Concl. of office											
Directors														
Marco Boglione (1)	Chairman	01/01/2018-31/12/2018	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 Chairperson	01/01/2018-31/12/2018	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		
Gianni Crespi (2)	Chief Executive Officer	01/01/2018-31/12/2018	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	01/01/2018-31/12/2018	approv. 2018 accounts											
(I) Remuneration from company preparing the accounts				20,000	5,000	135,410						160,410		
(II) Remuneration from subsidiaries and associates											2,000	2,000		
Total				20,000	5,000	135,410					2,000	162,410		
Paolo Cafasso (4)	Director	01/01/2018-31/12/2018	approv. 2018 accounts											
(I) Remuneration from company preparing the accounts				20,000	35,000	98,268		77,400				230,668		
(II) Remuneration from subsidiaries and associates					70,000							70,000		
Total				20,000	105,000	98,268		77,400				300,668		
Elisa Corgi (**)	Independent Director	01/01/2018-31/12/2018	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		
Alessandro Gabetti	Director	01/01/2018-31/12/2018	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	01/01/2018-31/12/2018	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	01/01/2018-31/12/2018	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	01/01/2018-31/12/2018	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	01/01/2018-31/12/2018	approv. 2018 accounts											
(I) Remuneration from company preparing the accounts				20,000		80,739						100,739		
(II) Remuneration from subsidiaries and associates				120,000								120,000		
Total				140,000		80,739						220,739		
Franco Spalla (6)	Director	01/01/2018-31/12/2018	approv. 2018 accounts											
(I) Remuneration from company preparing the accounts				20,000		65,159						85,159		
(II) Remuneration from subsidiaries and associates														
Total				20,000		65,159						85,159		
Lorenzo Boglione	Senior Executive													
(I) Remuneration from company preparing the accounts						91,500						91,500		
(II) Remuneration from subsidiaries and associates					42,000							42,000		
Total					42,000	91,500						133,500		
Alessandro Boglione	Senior Executive													
(I) Remuneration from company preparing the accounts						91,500						91,500		
(II) Remuneration from subsidiaries and associates					42,000							42,000		
Total					42,000	91,500						133,500		

NOTE:

- (1) “Non-monetary benefits” relate to a “term-life constant capital” life policy for an insured capital amount of Euro 1.5 million and for Euro 22,065 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) The “non-monetary benefits” refer to a “term-life constant capital” life policy for an insured capital amount of Euro 1.5 million, for Euro 46,927.
- (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): as detailed at Section 2 of the Remuneration Report, the portion relating to the non-competition agreement of Euro 500 thousand matured. (The amount is not shown in the current table as included entirely in the Table of Section II of the 2016 Report).

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- (*) Euro 5,000 for the Remuneration Committee
- (**) Euro 5,000 for the Control and Risks Committee and Euro 5,000 for the Remuneration 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

	Description of office			Fixed Remun.			Non-equity variable remuneration						
Name	Office held	Period of office	Concl. of office	Emoluments approved by Shareholders' AGM	Remuneration as per Art. 2389 CC	Employee	Remuneratio n for committee participation	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Post-employment benefits
Maria Francesca Talamonti	Chairman	01/01/2018-31/12/2018	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				36,000								36,000	
(II) Remuneration from subsidiaries and associates													
Total				36,000								36,000	
Sergio Duca	Statutory Auditor	01/01/2018-31/12/2018	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				24,000								24,000	
(II) Remuneration from subsidiaries and associates				-								-	
Total				24,000								24,000	
Alberto Pession	Statutory Auditor	01/01/2018-31/12/2018	approv. 2018 accounts										
(I) Remuneration from company preparing the accounts				24,000								24,000	
(II) Remuneration from subsidiaries and associates				-								-	
Total				24,000								24,000	

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

Name	Office	Investee	Number of shares held at end of 2017	Number of shares purchased	Number of shares sold	Number of shares held at end of 2018
Marco BOGLIONE(*)	Chairman	BasicNet	20,517,733			20,517,733
Giovanni CRESPI	Director	BasicNet	73,200		25,000	98,200
Alessandro GABETTI (**)	Director	BasicNet	796,350			796,350
Renate HENDLMEIER	Director	BasicNet	2,000			2,000
Carlo PAVESIO	Director	BasicNet	100,000			100,000

(*) 20,206,065 shares held through the subsidiary BasicWorld S.r.l. and 311,668 held directly

(**) 225,000 held by spouse

Senior Executives	Investee	Number of shares held at end of 2017	Number of shares purchased	Number of shares sold	Number of shares held at end of 2018
Lorenzo Boglione	BasicNet	21,560			21,560
Alessandro Boglione	BasicNet	14,604			14,604

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' Meeting,

- 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".

Turin, March 8, 2019

for the Board of Directors

The Chairman

Marco Daniele Boglione

Report of the Board of Directors on point 3 of the Agenda:

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 Chairman;**
- 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 Chairman of the Board of Directors

3.1 Setting of the number of members of the Board of Directors and the duration of office.

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 Chairman.

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, 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 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, together with the relative documentation, by the twenty-fifth day before the day of the Shareholders' Meeting, therefore by March 25, 2019, by Shareholders which, individually or together with others, hold shares with voting rights comprising at least 4.5% of the share capital (as established by Consob executive motion No. 3 of January 24, 2019) have the right to present slates. 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, 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, through nominees or 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 the members of the Board of Directors.

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 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 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 Chairman

Marco Daniele Boglione

Report of the Board of Directors on point 4 of the Agenda:

Appointment of the Board of Statutory Auditors:

4.1 appointment of the Board of Statutory Auditors and the Chairman

4.2 establishment of the remuneration of the Board of Statutory Auditors.

Dear Shareholders,

with the approval of the financial statements at December 31, 2018, the mandate concludes of the Board of Statutory Auditors appointed by the Shareholders' Meeting of April 28, 2016. Consequently, you shall be called at the next Shareholders' Meeting to: (4.1) appoint three Statutory Auditors and two Alternate Auditors and the Chairperson and (4.2) establish the remuneration of the Chairperson of the Board of Statutory Auditors and of the Statutory Auditors.

4.1 Appointment of the Board of Statutory Auditors and the Chairman.

In accordance with Article 17 of the By-Laws (available on the website <http://www.basicnet.com/contenuti/gruppo/statuto.asp?menuSelectedID=2c>):

- the Board of Statutory Auditors should comprise three Statutory Auditors and two Alternate Auditors, while departing Statutory Auditors may be re-elected. The Statutory Auditors and Alternate Auditors are appointed for a period of three years, which concludes on the date of the Shareholders' Meeting called for the approval of the financial statements relating to the final year in office;
- the appointment of the Board of Statutory Auditors will take place according to the presentation of slates by Shareholders, in which the candidates are listed by progressive numbering. The slate is composed of two sections: one for the candidates for the office of Statutory Auditor and the other for candidates for the office of Alternate Auditor.

The slates should be drawn up so as to ensure that the resulting Board of Statutory Auditors 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, signed by the presenting shareholders, 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, by the twenty-fifth day before the day of the Shareholders' Meeting, therefore March 25, 2019.

The slates should be accompanied by exhaustive disclosure on the personal and professional background of the candidates, with indication of the presenting shareholders and the overall share capital holding, in addition to the declaration of shareholders other than those who hold, also jointly, a controlling or relative majority holding, declaring the absence of connecting relationships as per the applicable regulations, with these latter, or where in existence, the reasons why such are considered relevant.

According to the deadlines and means set out above, together with each slate, a declaration in which the individual candidates accept their candidature, must be filed, stating in good faith, the inexistence of reasons for ineligibility and incompatibility, as well as the existence of the requisites for the respective positions, in addition to information on directorships held in other companies.

Each candidate can be presented only on one slate at the risk of being declared ineligible.

Only Shareholders which, individually or together with others, hold shares with voting rights comprising at least 4.5% of the share capital (as established by Consob executive motion No. 3 of January 24, 2019) have the right to present slates. Shareholders should request their filing intermediaries to send to the e-mail address basicnet@pecserviziottoli.it, at the latest by the deadline for the publication of the slates by the Issuer, therefore by March 29, 2019, a communication, with efficacy at the slate presentation date, declaring the ownership of a number of shares, with voting rights, required for the presentation of the slate.

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, through nominees or 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.

Where only one slate is filed by March 25, 2019, or only related slates in accordance with the applicable regulation, further slates may be presented until the third subsequent day. In this case, the minimum percentage for the presentation of slates will be reduced to 2.25% of the share capital.

Slates presented that do not comply with all of the above formalities are considered as not presented.

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.

Each Shareholder may vote for only one slate.

The procedure for electing Statutory Auditors is as follows:

- a. from the slate which obtained the highest number of votes in the shareholders' meeting, based on the progressive order on the slate, 2 standing members and 1 alternate member are elected;
- b. from the slate which obtained the second highest number of votes at the shareholders' meeting, the remaining standing members and the other alternate member are elected, based on the progressive order on the slate.

The Chairperson of the Board of Statutory Auditors is the first candidate indicated on the slate that obtained the second highest number of votes.

In the case of parity of votes between slates, the candidates from the slate having a higher equity investment are elected or, subordinately, with the greater number of shareholders.

In the case of presentation of only one slate, all candidates will be taken from that slate, with the Chairman the first listed on the slate.

Subject to the incompatibilities under the applicable legal provisions, those not considered of good standing and professionalism as per Ministry of Justice Decree of March 30, 2000, No. 162 may not be appointed to the Board of Statutory Auditors, as stated also in the By-Laws. For the application of this decree and as established by Article 17 of the By-Laws, the matters strictly relating to company operations and the sectors closely linked to that in which the company operates are:

- the research, developments, styling, production and sale of products and services, in particular textile products, clothing, footwear, eyewear, leatherwear, sporting equipment and goods, in addition to accessories for these sectors;
- the management and development of brands.

The areas closely related to the company's sector are:

- industrial, commercial and tax law, in addition to economics and business, accountancy and corporate finance.

In addition, those who do not comply with the limit upon the cumulative number of administration and control positions established by the applicable legal and regulatory provisions may not be appointed to the Board of Statutory Auditors (art. 144-duodecies and subsequent of the Issuers' Regulation).

At the meeting of November 13, 2018, the Board of Directors considered that the application of the regulatory provisions and the By-Law provisions ensure a sufficiently diverse range of profiles on the Board of Directors and Board of Statutory Auditors and therefore decided not to adopt additional diversity policies than those required by law or recommended by the Self-Governance Code.

With regards to that outlined above, the Shareholders' Meeting is therefore called to appoint the Board of Statutory Auditors and its Chairperson for the years 2019-2020-2021.

4.2 Establishment of the remuneration of the Statutory Auditors.

With regards to the establishment of the remuneration of the members of the Board of Statutory Auditors, in accordance with Article 2402 of the Civil Code, such will be established by the Shareholders' Meeting on its appointment and for the entire mandate. You are therefore invited, on the basis of the proposals which may be drawn up by Shareholders (even during the Shareholders' Meeting itself), to establish the remuneration of the Board of Statutory Auditors.

Turin, March 8, 2019

for the Board of Directors

The Chairman

Marco Daniele Boglione

Report of the Board of Directors on point 5 of the Agenda

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

Dear Shareholders,

This report was prepared by the Board of Directors in compliance with Article 125-ter of Legislative Decree No. 58 of February 24, 1998 ("CFA"), in addition Article 73 of Consob Regulation No. 11971/1999 and amendments and supplements ("Issuers' Regulation"), to outline and submit for the approval of the Shareholders' Meeting the request for authorisation to purchase and dispose of treasury shares, in accordance with Articles 2357 and 2357-ter of the Civil Code, Article 132 of the CFA and Article 144-bis of the Issuers' Regulation, all in view of the rationale and according to the means and terms outlined below.

1. RATIONALE UNDERLYING THE AUTHORISATION REQUEST

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

The proposal for the authorisation to purchase and dispose of treasury shares is submitted in order to provide the Company with an instrument to assist projects developing upon the strategic guidelines under which share swap opportunities are presented or as a guarantee for financing operations, all within the limits of the applicable regulation and, where applicable, market practices endorsed by the oversight authority, in accordance with Article 13 of Regulation (EC) No. 596/2014 ("MAR").

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 Regulation No. 596/2014 of April 16, 2014 and relative enacting provisions, where applicable.

2. MAXIMUM NUMBER, CATEGORY AND NOMINAL VALUE OF THE SHARES TO WHICH THE AUTHORIZATION REFERS

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 Euro 0.52 each, which, taking 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.

3. INFORMATION USEFUL FOR ESTABLISHING THE MAXIMUM LIMIT TO WHICH AUTHORISATION REFERS

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 7,005,822 treasury shares, comprising 11.486% 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.

The amount of profits and available reserves shall be assessed at the time of undertaking purchases.

4. DURATION OF AUTHORISATION

The purchase authorisation is requested until the date for the Shareholders' AGM for the approval of the 2019 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.

5. MINIMUM AND MAXIMUM PURCHASE PRICE

It is proposed that purchases are undertaken - in compliance with the conditions established by Article 5 of Delegated Regulation (EC) 596/2014 Article 3 of Delegated Regulation (EC) 2016/1052 of the Commission of March 8, 2016 and the further applicable rules - at a unitary price of not more than 15% above or below the listed share price on conclusion of the trading session preceding its transaction.

With regards to the consideration for the disposal of treasury shares, such shall be established by the Board of Directors, also in compliance with the applicable regulation and according to the criteria and conditions that take account of the execution methods employed, the movement in the price of the share in the period preceding the transaction and in the best interest of the company.

The maximum financial commitment is Euro 4,000,000.

6. MANNER TO EXECUTE PURCHASE AND DISPOSAL TRANSACTIONS

Purchases may be made on one or more occasions, in compliance with the principle of the equal treatment of shareholders, as per Article 132 of the CFA and according to the means set out at Article 144-*bis*, paragraphs 1 and 1-*bis* of the Issuers' Regulation):

- (i) through purchases on the regulated market, in accordance with the operating means established by the management company (Borsa Italian S.p.A.) regulations which do not permit the direct linking of a purchase trading proposal with a corresponding pre-determined sales proposal (Article 144-*bis*, paragraph 1, letter b) of the Issuers' Regulation);
- (ii) according to the means established by market practices, as permitted by Consob, as per Article 13 MAR;
- (iii) the conditions indicated in Article 5 MAR and in the relative enacting rules.

Where convenient for the Board of Directors, purchases may be made according to methods differing from those indicated above, as long as permitted and/or compatible with the applicable legislative and regulatory rules, taking account of the need to comply with the principle of the equal treatment of shareholders.

It is proposed that disposals may be undertaken according to any means considered necessary or beneficial to achieve the purposes underlying the transaction, and therefore also outside the market or as part of corporate transactions; all in compliance with the applicable legal and regulatory provisions, and with approved market practices where applicable.

PROPOSAL

Dear Shareholders,

in light of that stated above, we propose the following motion:

“The Shareholders' Meeting of BasicNet S.p.A.,

- taking account of the provisions of Article 2357 and subsequent of the Civil Code, 132 of Legislative Decree No. 58/1998 (“CFA”) and CONSOB Regulation No. 11971/1999 and subsequent amendments (the “**Issuers' Regulation**”);
- noting the illustrative report of the Board of Directors, prepared in accordance with Articles 125-*ter* CFA and 73 Issuers' Regulation (the “**Report**”);

- acknowledging the opportunity to grant authorisation for the purchase and disposal of treasury shares for the purposes and according to the means indicated in the Report;

RESOLVES

- i) 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 Euro 0.52 each, taking 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 2019 Annual Accounts. The maximum financial commitment is Euro 4,000,000; in order:
 - to provide the Company with an instrument to assist projects developing upon the strategic guidelines under which share swap opportunities are presented or as a guarantee for financing operations, all within the limits of the applicable regulation and, where applicable, market practices endorsed by the oversight authority, in accordance with Article 13 of Regulation (EC) No. 596/2014 ("MAR");
 - 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 Regulation No. 596/2014 of April 16, 2014 and relative enacting provisions, where applicable;
- ii) to grant to the Board of Directors the broadest range of powers to execute the purchase transactions, according to the means indicated in the Report, at a unitary price of not more than 15% above or below the listed share price on conclusion of the trading session preceding its transaction; all in compliance with the applicable legal and regulatory provisions, including where applicable, permitted market practice;
- iii) to authorise the Board of Directors to dispose of, without time limit, the shares held in portfolio, on one or more occasions (and also before completing the purchases), for the purposes illustrated in the Report and according to the means permitted by the applicable regulation, with the faculty of the Board of Directors to establish on a case by case basis, considering the purposes pursued, the terms, means and conditions to utilise the treasury shares;
- iv) to grant to the Board of Directors and, on its behalf the Chairman and Chief Executive Officer in office, separately and with the faculty to sub-delegate, all powers necessary to adopt any executive and procedural provisions concerning these motions.

Turin, March 8, 2019

for the Board of Directors

The Chairman

Mr. 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 may 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.