



Shareholders' Meeting of April 9, 2020

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**REPORTS ON MATTERS ON THE AGENDA**

## CONTENTS

	PAGE
SHAREHOLDERS' MEETING CALL NOTICE	3
SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2019, 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: RESOLUTIONS RELATING TO THE FIRST SECTION IN ACCORDANCE WITH ART. 123- <i>TER</i> , PARAGRAPH 3- <i>TER</i> , OF LEGISLATIVE DECREE NO. N.58/1998	5
REMUNERATION REPORT: RESOLUTIONS RELATING TO THE SECOND SECTION IN ACCORDANCE WITH ART. 123- <i>TER</i> , PARAGRAPH 6 OF N.58/1998	6
PROPOSAL TO PURCHASE AND UTILISE TREASURY SHARES. DELIBERATIONS THEREON	7
ANNEX A - REMUNERATION POLICY AND REPORT DRAWN UP AS PER ARTICLES 123- <i>TER</i> OF THE CONSOLIDATED FINANCE ACT AND 84 <i>QUATER</i> OF THE ISSUERS' REGULATION	11
SHAREHOLDERS' MEETING REGULATION	30

## SHAREHOLDERS' MEETING CALL NOTICE

Dear Shareholders,

the agenda for the Shareholders' Meeting scheduled for April 9, 2020 at 11:00 AM, called through notice published on the company website [www.basicnet.com/contenuti/datifinanziari/assembleeazionisti.asp](http://www.basicnet.com/contenuti/datifinanziari/assembleeazionisti.asp) on March 9, 2020 and in the "il Giornale" newspaper on March 10 comprises:

1. Separate Financial Statements at December 31, 2019, 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: resolutions relating to the First Section as per Article 123-ter, paragraph 3-ter of Legislative Decree No. 58/1998.
3. Remuneration Report: resolutions relating to the Second Section as per Article 123-ter, paragraph 6 of Legislative Decree No. 58/1998.
4. Authorisation to purchase and utilise treasury shares. Resolutions thereon.

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

### **1. Separate Financial Statements at December 31, 2019, 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 2019 Financial Statements and the relative Directors' Report we propose the allocation of the net profit of Euro 14,486,568.37 as follows:

- |   |      |              |
|---|------|--------------|
| - to the legal reserve, until reaching the limit set by Article 2430 of the Civil Code.   | Euro | 32,418.32    |
| - reserve for unrealised exchange gains   | Euro | 62,494.52    |
| - to each of the 53,130,347 ordinary shares in circulation (excluding the 7,863,255 treasury shares held at March 4, 2020), a dividend of Euro 0.12 before withholding taxes for an amount of | Euro | 6,375,641.64 |
| - to retained earnings the residual amount, equal to  | Euro | 8,016,013.89 |

The dividend will be paid from April 29, 2020, with record date of April 28, 2020 and coupon date (No. 13) of April 27, 2020.

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 2019 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, 2019, in relation to each individual part and in its entirety, in addition to the proposal for the allocation of the Net Profit of Euro 14,486,568.37 and the dividend proposal.

Turin, March 4, 2020

for the Board of Directors

**The Chairman**

Marco Daniele Boglione

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

### **2. Remuneration Report: resolutions relating to the First Section as per Article 123-ter, paragraph 3-ter, of Legislative Decree No. 58/1998.**

Dear Shareholders,

in accordance with Article 123-ter, paragraph 3-ter of Legislative Decree 58/1998, we submit to voting the first section of the Remuneration Report.

The Remuneration Report, approved by the Board of Directors on March 4, 2020 and included in full in Annex A to this document, consists of two sections:

- (i) the first section which outlines the company's remuneration policy with regards to at least the subsequent year, subject to Article 2402 of the Civil Code, for the remuneration of members of the control boards;
- (ii) the second section which outlines the remuneration paid to members of the Management boards, to the General Managers and to the Managers with strategic responsibilities during the year under consideration.

Where agreeing with the content of "Section I" of the Annex, we invite you to pass 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" relating to the Company's remuneration policy

resolves

to approve "Section I" of the Remuneration Report prepared by the Company.

Turin, March 4, 2020

for the Board of Directors

**The Chairman**

Marco Daniele Boglione

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

### **3. Remuneration Report: resolutions relating to the Second Section as per Article 123-ter, paragraph 6 of Legislative Decree No. 58/1998.**

Dear Shareholders,

pursuant to Article 123-ter, paragraph 6 of Legislative Decree 58/1998, we submit for your approval the second section of the Company's Remuneration Report, which illustrates the remuneration paid to members of the Board of Directors, General Managers and Executives with strategic responsibilities in the year of reference.

As already illustrated at matter 2 on the Agenda, the second section is an integral part of the Remuneration Report, approved by the Board of Directors at the meeting of March 4, 2020 and reported in full in Annex A to these Explanatory Notes.

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 second section of the Remuneration Report, we propose a favourable vote on "Section II", 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 II" relating to the remuneration paid to members of the Board of Directors, General Managers and Executives with strategic responsibilities in the year of reference

resolves

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

Turin, March 4, 2020

for the Board of Directors

**The Chairman**

Marco Daniele Boglione

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

### **4. Authorisation to purchase and utilise treasury shares. 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 Articles 73 and 84-*ter* 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.

We remind you that the previous authorisation to purchase and dispose of treasury shares was approved by the Shareholders' Meeting held on April 19, 2019, which expires on the approval of the financial statements at December 31, 2019, with no time limit with regard to the authorisation to dispose of treasury shares.

#### **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 treasury shares.

The proposal for the authorisation to purchase and dispose of treasury shares is submitted in order to - also in compliance with the equal treatment of Shareholders and the applicable regulation -provide the Company with a instrument to assist projects developing upon the strategic guidelines under which share swap or disposal 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 competent 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 13 of 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 the approval, as per Articles 2357 and 2357-*ter* of the Civil Code, to authorise the Board of Directors (or parties identified by it individually):

- 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;
- the sale of treasury shares in portfolio and those acquired under the authorising motion of the present report.

The transactions 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 7,863,255 treasury shares, comprising 12.8919% of the share capital. The subsidiaries of BasicNet S.p.A. do not hold parent company shares.

The purchase and utilisation operations of treasury 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' Meeting for the approval of the 2020 Annual Accounts. The Board of Directors 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 applicable 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) No. 596/2014 and Article 3 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.

The maximum number of shares purchased may not have a total nominal value exceeding one-fifth of the share capital of the Company at the date of this motion, including any shares held by subsidiary companies.

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 10,000,000.

### **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 applicable.

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 144-*bis* of Consob Regulation No. 11971/1999 and subsequent amendments and additions (“**Issuers’ Regulation**”);
- noting the illustrative report of the Board of Directors, prepared in accordance with Article 125-*ter* CFA and 73 Issuers’ Regulation (the “**Report**”);
- having reviewed the Illustrative Report prepared by the Board of Directors and the proposals contained therein;
- 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, on one or more occasions, a maximum number of ordinary shares of a nominal Euro 0.52 each, whose nominal value, 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’ Meeting and extending until the date of the Shareholders’ Meeting for the approval of the 2020 Annual Accounts. The maximum outlay is Euro 10,000,000; the purchases may be made:
  - in order to provide the Company with an instrument to assist projects developed upon the strategic guidelines under which share swap or disposal opportunities are presented or as a guarantee for financing operations;
  - to permit the Company to undertake investments on the stock market involving its own securities, also through financial intermediaries, in accordance with market practice concerning liquidity support, as applicable and permitted by Consob in accordance with Article 13 of Regulation EU No. 596/2014 of April 16, 2014 and the 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 Chairperson 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 4, 2020

for the Board of Directors

**The Chairman**

Marco Daniele Boglione

***REMUNERATION POLICY AND REPORT***

***Prepared in accordance with Articles 123-ter of the Consolidated Finance Act  
and 84 quater of the Issuers' Regulations***

Website: [www.basicnet.com](http://www.basicnet.com)

Approval date of Report: March 4, 2020

## CONTENTS

<b>Glossary</b> .....	13
<b>Introduction</b> .....	15
<b>SECTION 1</b> .....	16
<b>SECTION 2</b> .....	21
<b>Table 1 – Remuneration paid to Directors, Statutory Auditors, General Managers and other Senior Management</b> .....	25
<b>Investments held by the members of the Board of Directors and Control Boards and by Managers with strategic responsibilities</b> .....	29

## Glossary

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<b>Directors</b>	The members of the Board of Directors of BasicNet S.p.A.
<b>Self-Governance Code</b>	The Self-Governance Code of listed companies approved in March 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. with which BasicNet S.p.A. declares compliance.
<b>Remuneration Committee</b>	The Remuneration Committee set up within the Board of Directors of BasicNet S.p.A. in accordance with the Self-Governance Code.
<b>Board of Directors</b>	The Board of Directors of BasicNet S.p.A.
<b>Managers with strategic responsibilities</b>	Those persons entrusted with the power and responsibility - directly or indirectly - for the planning, management and control of company operations according to the definition as per Annex 1 of the Consob Regulation concerning related party transactions adopted with motion No. 17221 of March 12, 2010, as subsequently supplemented.
<b>Statutory Auditors</b>	The members of the Board of Statutory Auditors of BasicNet S.p.A.
<b>Connected Persons</b>	the spouse, partner equivalent to a spouse (civil union partner or de facto cohabitee), supported children (even where not cohabiting), relatives and in-laws cohabiting for at least one year, the companies controlled by the Directors, Statutory Auditors or Managers with strategic responsibilities.
<b>Group</b>	BasicNet and its subsidiaries in accordance with Article 93 of the CFA.
<b>BasicNet or Company</b>	BasicNet S.p.A.
<b>Remuneration Policy or Policy</b>	The policy adopted by the company in relation to the remuneration of the members of the Board of Directors and Managers with strategic responsibilities of the company.
<b>Issuers' Regulation</b>	The Regulations promulgated by Consob with resolution no. 11971 of May 14, 1999 on the matter of issuers, as amended.

**Consolidated Finance Act or CFA**

Legislative Decree No. 58 of 24 February 1998.  
Consolidated Finance Act.

**Related Parties Regulation**

The Regulation issued by Consob with motion No. 17221 of March 12, 2010 on related party transactions, as subsequently amended and supplemented.

**Report**

This remuneration policy and report prepared in accordance with Article 123-*ter* of the CFA and 84-*quater* of the Issuers' Regulation, as well as in accordance with the recommendations of the Self-Governance Code.

## 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 4, 2020 by the Board of Directors of the company, with the expression of a favourable opinion by the Remuneration Committee.

The Remuneration Policy and Report has been drawn up in accordance with the format established by the Issuers' Regulation in force and takes account of the amendments introduced to Article 123-ter of the CFA by Legislative Decree No. 49 of May 10, 2019.

It comprises two sections:

- Section I): outlines the remuneration policy of the members of the Board of Directors and Managers with strategic responsibilities, in addition to the procedures utilised for the adoption and implementation of the policy; Section I will be submitted to the binding vote of the shareholders at the Shareholders' Meeting called for April 9, 2020 for the approval of the financial statements as at December 31, 2019, as provided by the new paragraph 3-ter of Article 123-ter of the Consolidated Finance Act.
- Section II): outlines in detail the remuneration of the Directors and Statutory Auditors of the company, in addition to their remuneration for 2019, 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. Section II will be subject to the advisory vote of the Shareholders' Meeting called for April 9, 2020. In accordance with the new Article 123-ter, paragraph 6 of the Consolidated Finance Act, the Shareholders' Meeting in fact must express a non-binding opinion (in favour or against) concerning the second section of the Remuneration Policy and Report.

This document is available for consultation, at the registered office, on the company website [www.banicnet.com](http://www.banicnet.com), 2020 Shareholders' Meeting section, in addition to the centralised authorised storage mechanism lInfo, [www.linfo.it](http://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 Chairperson and certain other Executive Directors, to receive post-employment benefits. The Shareholders' Meeting decides, on appointment and for the entire duration of mandate, the annual remuneration of the Statutory Auditors, in accordance with Article 2402 of the Civil Code;
  - expresses, in accordance with Article 123-ter, paragraph 3-ter of the CFA, a binding vote on Section I of the Remuneration Policy and Report, drawn up by the Board of Directors, according to the time period set by the policy itself, and however every three years and on any amendments to the policy. The Shareholders' Meeting of April 19, 2019, in accordance with the applicable provisions of the sixth paragraph of Article 123-ter of the CFA, expressed a positive opinion on Section I of the Remuneration Policy and Report with:
    - votes in favour: 30,339,504, equal to 90.41% of those attending the shareholders' meeting;
    - votes against: 1,558,512, equal to 4.64% of those attending the Shareholders' Meeting;
    - non-voting: 1,661,214, equal to 4.94% of those attending the Shareholders' Meeting;
  - expresses, in accordance with Article 123-ter, sixth paragraph of the CFA, a non-binding vote on Section II of the Remuneration Policy and Report, drawn up by the Board of Directors;
- the Board of Directors which:
  - on the proposal of the Remuneration Committee, defines and approves the remuneration policy, taking into account the vote cast by the Shareholders' Meeting on the second Section of the Report (Article 123-ter of CFA paragraph 4 b-bis);
  - establishes the remuneration of Executive Directors, in line with the Remuneration Policy and Report, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, including any post-employment benefits, where not already decided by the Shareholders' Meeting.

The Board of Directors has appointed the Chairperson of the Board of Directors, who may delegate such duties to the Vice Chairperson responsible for each operating function(.com), the remit in terms of remuneration for Executives and other Personnel of the company and of the Group, also with regards to any bonus mechanisms, as identified within the budget of each“.com”;
  - approves the Remuneration Policy and Report to be submitted to the Shareholders' Meeting.



- the Remuneration Committee which:
  - draws up for the Board proposals regarding the remuneration policy, taking account of the vote expressed by the Shareholders' Meeting on the second Section of the Report (Article 123-ter of the CFA, paragraph 4 b-bis);
  - 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 Managers with strategic responsibilities, referring in this latter regard to the information received from the Chief Executive Officer, monitoring the application of the decisions adopted by the Board of Directors, verifying, where they have been pre-set, the effective achievement of the objectives;
  - presents to the Board proposals for the remuneration of Executive Directors and for the Managers with strategic responsibilities, where identified by the Group;
  - defines the procedural conditions under which the exception to remuneration policies may be applied and specifies the elements of the policy from which exceptions may be made, in the cases provided for in paragraph 3-bis of Article 123 -ter of the CFA.
- The Related Parties Committee, which:
  - acts in cases where the assignment of remuneration is not in line with the remuneration policy most recently approved by the Shareholders, in particular in the case in which the Board of Directors intends to grant extraordinary bonuses to the Board of Directors or the Managers with strategic responsibilities;
- the Board of Statutory Auditors, which:
  - draws up the opinions required under the applicable regulation with regards to the remuneration proposals of Senior Directors as per Article 2389 of the Civil Code.
- the Independent Audit Firm, which:
  - verifies that the Directors have prepared the second section of the Report, as required by the new paragraph 8-bis of Article 123-ter of the CFA.

**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 19, 2019. Ms. Ovazza, as an abstractly interested party, does not take part in the Committee's decisions concerning the remuneration proposals for her sons Lorenzo and Alessandro Boglione.

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 Chairperson, 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 Chairperson.

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 of the Group.

**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., described below, has been prepared with reference to the financial years 2019, 2020 and 2021, in line with the mandate of the Directors in office, without prejudice to the need to intervene, also in consideration of regulatory changes in implementation of EU Directive 828/2017 on Shareholders' Rights, which will be adequately examined and brought to the attention of the Board of Directors and, in the case of substantial interventions, to the Shareholders' Meeting. The purpose of the remuneration policy, in continuity with previous years, is to establish in the Company's interest a remuneration that is adequate to attract, retain and motivate Directors and Managers with strategic responsibilities with the professional qualities required to successfully oversee the management of the Company and the Group and to align interests with the pursuit of the priority objective of creating value for all shareholders in the medium to long term.

The principles underlying the remuneration policy are:

- (i) ensure that the fixed remuneration shall not only sufficiently but adequately remunerate the performance of the Managers with strategic responsibilities;
- (ii) variable remuneration is not provided for *ex-ante* when partial performance targets are reached, with the aim of maximising the focus of resources on the ultimate corporate objective of creating value, and to encourage teamwork and a sense of belonging to BasicNet, maximising the exchange of experience and dialogue between the managers of the various Group companies, as well as the process of problem-solving and timely intervention to overcome short-term obstacles, at the same time lowering the level of competition between them. This principle has been carefully assessed in relation to the Group's corporate culture, which is a recognized, rooted and key element of BasicNet's success;
- (iii) fostering the loyalty and protection of the Group's key personnel, encouraging their permanence, through the development of internal professional growth and the recognition of benefits to employees.

Exceptionally and non-recurrently, the Board of Directors, subject to the opinion of the Remuneration Committee, or the Chief Executive Officer with reference to other Executives, may grant any form of extraordinary recognition to Executive Directors and/or Managers with strategic responsibilities, in the form of one-off payments, in relation to their specific contribution to the achievement, or methods of achievement, of particular strategic or operating results or, exceptionally, with the aim of retaining 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 component is sufficient to remunerate the performance of the Director according to the responsibilities of his or her office, regardless of the additional component or

bonus, if any; the remuneration policy does not provide for any contractually agreed variable remuneration component in the Group's remuneration structure.

- 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, and having consulted the Related Parties 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 result for the current year. For Managers with strategic responsibilities, any additional compensation is, in principle, intended to reward strong results by the entire Company, with joint responsibility among management and the possibility to determine such.

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

In addition to the fixed component, a number of non-monetary 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 Chairperson of BasicNet S.p.A., for the duration of mandate, is granted use of a property located within the “BasicVillage” in Turin 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.

**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. The Board in fact considers that the fixed remuneration allocated is in line with market rates and does not require further parameterisation of the variable.

**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.

**• Claw-back 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.

**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' Meeting, and where the Meeting itself has not decided, 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 Chairperson or other Executive Directors.

The Board may approve an indemnity in the case of the advanced conclusion of mandate to the Chairperson 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 non-monetary benefits represented by life or health policies for a number of Executive Directors.

A third-party D&O - Directors' & Officers' Liability civil liability policy covers the corporate boards and the Executives for circumstances relating to the exercise of their functions, excluding incidences of fraud. This however concerns insurance cover (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 (Chairperson, Vice Chairperson).**

The Shareholders' Meeting did not provide for different remuneration for Independent Directors compared with the other members of the Board of Directors.

The remuneration for the Control and Risk Committees, the Supervisory Board, the Executive Officer for Financial Reporting and the Internal Audit Manager is decided by the Board of Directors on the proposal of the Remuneration Committee, having consulted the Board of Statutory Auditors. The remuneration of the Remuneration Committee is decided by the Board of Directors, having consulted the Board of Statutory Auditors. There is no additional remuneration for Committee Chairpersons.

The remuneration of Executive Directors, Managers with strategic responsibilities and Senior Directors is decided by the Board of Directors, on the proposal of the Remuneration Committee after consulting the Board of Statutory Auditors. As part of its remuneration policies, the Committee proposes the remuneration of BasicNet's Directors and Managers with strategic responsibilities who hold operational positions with the subsidiaries.

The fees for the Board of Statutory Auditors are determined by the Shareholders' Meeting pursuant to Article 2402 of the Civil Code. The remuneration takes into account the responsibilities and commitment of the members of the Board of Statutory Auditors and any in-depth analysis of the quantification of the commitment required, formulated by the outgoing Board of Statutory Auditors in view of the Shareholders' Meeting called to determine the remuneration of the control board.

**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;

**o-bis The elements of the remuneration policy from which, in the presence of exceptional circumstances, it is possible to derogate, and without prejudice to the provisions of Regulation No. 17221 of March 12, 2010, any further procedural conditions under which the derogation may be applied.**

Given the discretion that the Board has reserved for itself, the allocation of any bonuses or additional remuneration components to Directors and Managers with strategic responsibilities must be approved in accordance with Regulation No. 17221 of March 12, 2010.

## **SECTION 2**

The items comprising the remuneration of Directors, Corporate Boards and Managers with strategic responsibilities of the Company is outlined below. Please note that there are no General Managers or Managers with strategic responsibilities who are not members of the Board of Directors of BasicNet S.p.A., with the exception of the Chairman of BasicItalia S.p.A..

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

### **Board of Directors**

Name	Office held on the Board	Office held on the Committees	
		Remuneration Committee	Committee Control and Risks and Related Parties Committee
Marco Boglione	Chairman		
Daniela Ovazza	Non-Executive Vice Chairperson	Member	
Federico Trono	Chief Executive Officer		
Alessandro Boglione	Director		
Lorenzo Boglione	Director		
Veerle Bouckaert	Non-Executive Director		
Paola Bruschi	Director		
Elisa Corgi	Independent and Non-Executive Director	Member	Member
Cristiano Fiorio	Independent and Non-Executive Director		Member
Francesco Genovese	Non-Executive Director		
Renate Hendlmeier	Independent and Non-Executive Director	Member	Chairman
Alessandro Jorio	Non-Executive Director		
Adriano Marconetto	Independent and Non-Executive Director – Lead Independent Director	Member	Member
Carlo Pavesio	Non-Executive Director	Chairman	

## 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 Board of Directors in the meeting of April 19, 2019 recognized Ms. Elisabetta Rolando as a Senior Executive of the Group, who holds the position of Chairperson of the Board of Directors of BasicItalia S.p.A., Sole Director of Aprica Costruzioni Srl and Chief Executive Officer of BasicAir S.r.l..

The fees reported in Part Two of this Section refer to the 2019 financial year.

- **Remuneration of the members of the Board of Directors**

The Shareholders' Meeting of April 19, 2019 resolved to grant an annual fee of Euro 20 thousand, for each of the Directors, in line with the previous mandate.

- **Remuneration for particular duties**

The Board of Directors met on April 19, 2019, following the Shareholders' Meeting that appointed the new members of the Board of Directors, in accordance with the powers granted, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, and resolved to grant:

- to the **Chairman of the Board of Directors** Marco Daniele Boglione:

- (a) a fee of Euro 1 million on an annual basis, gross of withholding taxes;
- (b) to confirm, as per the Shareholders' Meeting motion, as per the previous three-year period, 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;
- (c) a "term-life constant capital" life policy for an insured capital amount of Euro 1.5 million;
- (d) to confirm, in continuity with the previous three years, the use of the property unit located within the BasicVillage and called "Foresteria - Loft People on the movie" and the recognition of the related expenses, with a normal value of Euro 85 thousand Euro per year;
- (e) to establish that, as per the previous three-year period - on conclusion of office, or of duties, for revocation, except for just cause, or resignation for just cause - 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 2019; (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 2020; 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 2021 or on a subsequent date until the conclusion of mandate;

- to the **Chief Executive Officer**, Federico Trono, a remuneration of Euro 240 thousand on an annual basis, gross of withholding taxes, in addition to the gross annual remuneration of Euro 128,745;
- to the other **Directors with Delegated Powers** and the **Members of the Committees**, as well as the persons in charge of the internal control bodies:
  - 1) to the Director, Paola Bruschi, a fee of Euro 40,000 per year for the position of Executive Officer for Financial Reporting at BasicNet S.p.A., a fee of 2,000 Euro as a member of the Supervisory Board of BasicItalia S.p.A., in addition to the annual gross remuneration of Euro 138,745;
  - 2) to the newly elected Mr. Lorenzo Boglione an annual gross remuneration of 100,000 Euro depending on the operational positions at the other companies of the Group, in addition to annual gross remuneration of Euro 91,000;
  - 3) to the newly elected Mr. Alessandro Boglione an annual gross remuneration of Euro 100,000 depending on the operational positions at the other companies of the Group, in addition to annual gross remuneration of Euro 91,000;
  - 4) to the Senior Executive Elisabetta Rolando remuneration totalling Euro 140 thousand depending on the operational positions at the other companies of the Group, in addition to annual gross remuneration of Euro 80,000 thousand.

The above remuneration was determined taking into account that the Executive Directors, Federico Trono, Alessandro Boglione, Lorenzo Boglione and Paola Bruschi and the Senior Executive Elisabetta Rolando are Executives of BasicNet S.p.A. and Directors of other Group 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 April 19, 2019 (in continuity with the previous mandate).

- **Non-monetary benefits**

Non-monetary benefits are indicated in the previous paragraph with regard to the remuneration of the Chairperson of the Board of Directors.

- **Post-employment benefits:**

The termination indemnity attributed to the Chairperson of the Board of Directors is indicated in the previous paragraph with regard to remuneration.



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

The indemnities due in the event of resignation, dismissal or termination of employment following a takeover bid are indicated in the preceding paragraph on remuneration of the Chairperson of the Board of Directors.

Meeting on conclusion of the Shareholders' Meeting on April 19, 2019, the Board of Directors confirmed the non-renewal indemnity for the previous Chief Executive Officer, Mr. Gianni Crespi, for a total of Euro 150 thousand, as per the Board of Directors resolution of May 13, 2016.

**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' Meeting	Remuneration as per Art. 2389 CC	Employee	Remun. for committee attendance	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration				
Name	Office held	Period of office	Concl. of office									Total		Post-employment benefits	
Directors															
Marco Boglione (1)	Chairman	01/01/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				20,000	958,667					107,065	500,000	1,585,732			
(II) Remuneration from subsidiaries and associates															
Total				20,000	958,667					107,065	500,000	1,585,732			
Daniela Ovazza (2)	Vice Chairperson	01/01/2019-31/12/2019	approv. 2021 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			
Federico Trono (3)	Chief Executive Officer	19/04/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				13,333	160,000	85,830						259,163			
(II) Remuneration from subsidiaries and associates															
Total				13,333	160,000	85,830						259,163			
Lorenzo Boglione (4)	Senior Executive	01/01/2019-19/04/2019													
(I) Remuneration from company preparing the accounts						30,333						30,333			
(II) Remuneration from subsidiaries and associates					14,000							14,000			
	Director	19/04/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				13,333		60,667						74,000			
(II) Remuneration from subsidiaries and associates					66,667							66,667			
Total				13,333	80,667	91,000						185,000			
Alessandro Boglione (5)	Senior Executive	01/01/2019-19/04/2019													
(I) Remuneration from company preparing the accounts						30,333						30,333			
(II) Remuneration from subsidiaries and associates					14,000							14,000			
	Director	19/04/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				13,333		60,667						74,000			
(II) Remuneration from subsidiaries and associates					66,667							66,667			
Total				13,333	80,667	91,000						185,000			
Veerle Bouckaert (6)	Director	19/04/2019-31/12/2019													
(I) Remuneration from company preparing the accounts				13,333		56,000						69,333			
(II) Remuneration from subsidiaries and associates					6,667							6,667			
Total				13,333	6,667	56,000						76,000			
Paola Bruschi (7)	Director	01/01/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				20,000	28,333	138,745						187,078			
(II) Remuneration from subsidiaries and associates											2,000	2,000			
Total				20,000	28,333	138,745					2,000	189,078			
Elisa Corghi (8)	Director	01/01/2019-31/12/2019	approv. 2021 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			
Cristiano Florio (9)	Director	19/04/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				13,333			2,083					15,417			
(II) Remuneration from subsidiaries and associates															
Total				13,333			2,083					15,417			
Francesco Genovese (10)	Director	19/04/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				13,333		39,573						52,907			
(II) Remuneration from subsidiaries and associates															
Total				13,333		39,573						52,907			
Renate Hendlmeier (11)	Director	01/01/2019-31/12/2019	approv. 2021 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 Jorio (12)	Director	19/04/2019-31/12/2019	approv. 2021 accounts												
(I) Remuneration from company preparing the accounts				13,333		66,750						80,083			
(II) Remuneration from subsidiaries and associates															
Total				13,333		66,750						80,083			
Adriano Marconetto (13)	Independent Director	01/01/2019-31/12/2019	approv. 2021 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 (14)	Independent Director	01/01/2019-31/12/2019	approv. 2021 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 (15)	Chief Executive Officer	01/01/2019-19/04/2019	approv. 2018 accounts												
(I) Remuneration from company preparing the accounts				6,667	150,000					15,741		172,408	150,000		
(II) Remuneration from subsidiaries and associates															
Total				6,667	150,000					15,741		172,408	150,000		
Paolo Cafasso (16)	Director	01/01/2019-19/04/2019	approv. 2018 accounts												
(I) Remuneration from company preparing the accounts				6,667	11,667	33,609						51,943			
(II) Remuneration from subsidiaries and associates					20,000							20,000			
Total				6,667	31,667	33,609						71,943			
Alessandro Gabetti	Independent Director	01/01/2019-19/04/2019	approv. 2018 accounts												
(I) Remuneration from company preparing the accounts				6,667								6,667			
(II) Remuneration from subsidiaries and associates															
Total				6,667								6,667			
Elisabetta Rolando (17)	Director	01/01/2019-19/04/2019	approv. 2018 accounts												
(I) Remuneration from company preparing the accounts				6,667		26,667						33,333			
(II) Remuneration from subsidiaries and associates					40,000							40,000			
	Senior Executive	20/04/2019-31/12/2019													
(I) Remuneration from company preparing the accounts															
(II) Remuneration from subsidiaries and associates					93,333	53,333						146,667			
Total				6,667	133,333	80,000						220,000			
Franco Spalla	Director	01/01/2019-19/04/2019	approv. 2018 accounts												
(I) Remuneration from company preparing the accounts				6,667								6,667			
(II) Remuneration from subsidiaries and associates															
Total				6,667								6,667			

## **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) Compensation for participation in committees as a member of the Remuneration Committee.
- (3) Gross remuneration is indicated *pro-rata* from the date of appointment.
- (4) Previously identified as Group Senior Executive. Remuneration pursuant to Article 2389 of the Civil Code is received as a representative of the Italian branches Superga Trademark S.A. (Euro 40,333) and Basic Trademark S.A. (Euro 40,333) now called Superga Trademark S.r.l. and Basic Trademark S.r.l. respectively.
- (5) Previously identified as Group Senior Executive. Remuneration pursuant to Article 2389 of the Civil Code is received as Chief Executive Officer of BasicItalia S.p.A.
- (6) Remuneration pursuant to art. 2389 of the Civil Code is received as a Member of the Board of Directors of BasicProperties B.V. (now Basic Properties S.r.l.)
- (7) Remuneration pursuant to Article 2389 of the Civil Code concerns the office of Director in charge of the internal control and risk management system, assigned by the Board of Directors at the meeting held on April 28, 2016, and of Executive responsible for the accounting records and Director in charge of the internal control and risk management system, assigned by the Board of Directors at the meeting held on April 19, 2019. The other remuneration is received as a member of the Supervisory Board of the subsidiary BasicItalia S.p.A.
- (8) Remuneration for participation in committees as a member of the Remuneration Committee (Euro 5,000) and the Control and Risk Committee (Euro 5,000).
- (9) Remuneration for participation in committees as a member of the Control and Risks Committee appointed on July 25, 2019.
- (10) Gross remuneration is indicated *pro-rata* from the date of appointment.
- (11) Remuneration for participation in committees as a member of the Remuneration Committee (Euro 5,000) and Chairperson of the Control and Risks Committee (Euro 5,000).
- (12) Gross remuneration is indicated *pro-rata* from the date of appointment.
- (13) Remuneration for participation in committees as a member of the Remuneration Committee (Euro 5,000) and the Control and Risk Committee (Euro 5,000).
- (14) Remuneration for participation in committees as Chairperson of the Remuneration Committee (Euro 5,000).
- (15) Termination of office indemnity resolved by the Board of Directors at the time of appointment on April 28, 2016.
- (16) Remuneration pursuant to Article 2389 of the Civil Code concerns the office of Executive responsible for the accounting records, assigned by the Board of Directors at the meeting held on May 13, 2106. remuneration from other subsidiaries concerns the office of legal representative at BasicItalia S.p.A and in the Italian branches Superga Trademark S.A and Basic Trademark S.A (now Superga Trademark S.r.l and Basic Trademark S.r.l respectively), and as Executive with Delegated Powers of BasicVillage S.p.A. It is expressed *pro-rata* until conclusion of the position within BasicNet S.p.A.
- (17) The remuneration pursuant to Article 2389 of the Civil Code refers to the position of Chairperson of the Board of Directors of BasicItalia S.p.A. indicated *pro-rata* until the conclusion of office at BasicNet S.p.A..

Description of office				Fixed Remun.			Non-equity variable						
Name	Office held	Period of office	Cond. of office	Emoluments approved by Shareholders' Meeting	Remuneration as per Art. 2389 CC	Employee	Remun. for committee attendance	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Post-employment benefits
Maria Francesca Talamonti	Chairman	01/01/2019-31/12/2019	approv. 2021 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	01/01/2019-31/12/2019	approv. 2021 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 (18)	Statutory Auditor	01/01/2019-31/12/2019	approv. 2021 accounts										
(I) Remuneration from company preparing the accounts				24,000								24,000	
(II) Remuneration from subsidiaries and associates				11,475								11,475	
Total				35,475								35,475	

(18) Remuneration from subsidiaries and associates received as Statutory Auditor of the subsidiaries BasicVillage S.p.A. (Euro 2,975) and BasicItalia S.p.A. (Euro 8,500) appointed by the Shareholders' Meeting of April 19, 2019.

**Investments held by the members of the Board of Directors and Control Boards and by Managers with strategic responsibilities**

Name	Office	Investee	Number of shares held at end of 2018	Number of shares purchased	Number of shares sold	Number of shares held at end of 2019
Marco BOGLIONE(*)	Chairman	BasicNet	20,517,733			20,517,733
Lorenzo Boglione	Director	BasicNet	21,580			21,580
Alessandro Boglione	Director	BasicNet	14,604			14,604
Renate HENDLMEIER	Director	BasicNet	2,000			2,000
Carlo PAVESIO	Director	BasicNet	100,000			100,000
Name	Office	Investee	Number of shares held at end of 2018	Number of shares purchased	Number of shares sold	Number of shares held upon conclusion of mandate at April 19, 2019
Giovanni CRESPI	Director	BasicNet	123,200			123,200
Alessandro GABETTI (**)	Director	BasicNet	796,350			796,350

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

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

\*

## **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 Chairperson.

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

The Chairperson is assisted by the secretary, appointed by the Shareholders' Meeting on the proposal of the Chairperson, 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 Chairperson 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 Chairperson 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 Chairperson 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 Chairperson 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 Chairperson of the Meeting.

### **Article 5**

In handling the matters on the Agenda, the Chairperson, 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 Chairperson and, on his or her 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 Chairperson 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 Chairperson, 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 Chairperson of the Shareholders' Meeting may invite the speaker to conclude his/her contribution within five minutes.

The Chairperson 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 Chairperson of the Shareholders' Meeting or the secretary, indicating the matter on the Agenda which the contribution concerns. The request may be presented until the Chairperson of the Shareholders' Meeting has declared the discussion on the matter closed.

The Chairperson and, on his or her 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 Chairperson of the Shareholders' Meeting adopts the appropriate measures for the orderly carrying out of votes. The Chairperson 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 matter indicated by the Chairperson 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 Chairperson of the meeting are void. If the vote is not unanimous, the Chairperson, 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 Chairperson proclaims the results of voting.