



Shareholders' Meeting of June 26, 2020

REPORTS ON MATTERS ON THE AGENDA

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SHAREHOLDERS' MEETING CALL NOTICE

Shareholders are called to the Shareholders' AGM at the registered office in Turin – Largo Maurizio Vitale, 1, for 11.00 AM on June 26, 2020 in single call, to consider motions on the following Agenda:

1. Separate Financial Statements at December 31, 2019, accompanied by the Directors' Report, the Auditors' Report and the Board of Statutory Auditors' Report. Resolutions thereon.
2. Allocation of the 2019 profit. Resolutions thereon.
3. Authorisation of the purchase and utilisation of treasury shares. Resolutions thereon.

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

Separate Financial Statements at December 31, 2019, accompanied by the Directors' Report, the Auditors' Report and the Board of Statutory Auditors' Report. Resolutions thereon.

Dear Shareholders,

we propose 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.

Turin, May 27, 2020

for the Board of Directors

The Chairman

Marco Daniele Boglione

The 2019 Annual Financial Report, including the Separate Financial Statements, the Consolidated Financial Statements, the Directors' Report, accompanied by the Consolidated Non-Financial Report and the Corporate Governance and Ownership Structure Report, in the versions approved by the Board of Directors on March 4, 2020, and the reports of the Independent Audit Firm and the Board of Statutory Auditors, have already been made available on the linfo authorised storage mechanism (www.linfo.it) and on the company website (www.basicnet.com), as made public for the Shareholders' Meeting of April 9, 2020. This documentation shall be updated with regards to the allocation of the net profit on the basis of the motions passed today by the Board of Directors. The illustrative reports with the proposals and the additional documentation concerning the Shareholders' Meeting called shall be made available according to the applicable terms.

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

Allocation of the result for the year. Resolutions thereon.

Dear Shareholders,

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 July 8, 2020, with record date of July 7, 2020 and coupon date (No. 13) of July 6, 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.:

RESOLVES

to approve the proposal for the allocation of the Net Profit of Euro 14,486,568.37 and the dividend proposal.

Turin, May 27, 2020

for the Board of Directors

The Chairman

Marco Daniele Boglione

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

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 - to enable the Company to have available a portfolio of treasury shares to be used to assist projects of developing upon the strategic guidelines under which share swap or disposal opportunities are presented or as a guarantee for financing operations or to tap into any future opportunities to grow the value of the Company, 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”).

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 12.892% 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.

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.

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 enable the Company to have available a portfolio of treasury shares to assist projects developing upon the strategic guidelines under which share swap or disposal opportunities are presented or as a guarantee for financing operations, or to tap into any future opportunities to grow the value of the Company, 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”).
 - 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;

- ii) 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;
- iii) 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, May 27, 2020

for the Board of Directors

The Chairman

Marco Daniele Boglione

SHAREHOLDERS' MEETING REGULATION

Article 1

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

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

Article 2

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

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

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