

## SHAREHOLDERS' MEETING OF APRIL 13, 2022

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

Appointment of the Board of Statutory Auditors:

- 5.1 Appointment of the Board of Statutory Auditors and its Chairperson for the years 2022-2024;
- 5.2 Determination of the fees due to the members of the Board of Statutory Auditors.

Dear Shareholders, with the approval of the financial statements at December 31, 2021, the mandate concludes of the Board of Statutory Auditors of the Company, appointed by the Shareholders' Meeting of April 19, 2019. Consequently, you shall be called at the next Shareholders' Meeting to: (5.1) appoint three Statutory Auditors and two Alternate Auditors and the Chairperson for the years 2022-2024 and (5.2) determine the fees due to the Chairperson of the Board of Statutory Auditors and the Statutory Auditors.

**5.1 Appointment of the Board of Statutory Auditors and its Chairperson for the years 2022-2024;**

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 list 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 lists should be drawn up so as to ensure that the resulting Board of Statutory Auditors complies with the regulatory-established minimum gender quotas (the under-represented gender must constitute at least two-fifths of the Board of Statutory Auditors).

The lists of candidates should be filed at the registered office of the Company, or sent by fax to +39 0112617354, or to the certified e-mail address [basicnet@legalmail.it](mailto:basicnet@legalmail.it), accompanied by the relative documentation, by the twenty-fifth day before the day of the Shareholders' Meeting, i.e. March 19, 2022, by shareholders who, alone or together with other shareholders, hold at least 4.5% of the share capital (as established by Consob through its Executive Resolution No. 60 of January 28, 2022).

The holding, at the presentation date of the list, should be corroborated by the relevant communications produced by the filing intermediary and sent by e-mail to [basicnet@pecserviziitoli.it](mailto:basicnet@pecserviziitoli.it), also subsequent to filing, although by the deadline for the publication of lists by the Issuer, therefore March 23, 2022.

In the event that only one list is filed by March 19 2022, or only related lists in accordance with the applicable regulation, further lists may be presented until March 22, 2022, with the minimum percentage for the presentation of such lists reduced to 2.25% of the share capital.

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 shareholders' agreement in accordance with Article 122 of Legislative Decree No. 58/98 (CFA), may not present, nor through nominees of trust companies, more than one list. In the case of violation no consideration is taken of the vote of the shareholder for any list presented. Each shareholder may vote for only one list.

## SHAREHOLDERS' MEETING OF APRIL 13, 2022

The lists 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 list, a declaration in which the individual candidates accept their candidature, must be filed, stating in good faith the absence of reasons for ineligibility and incompatibility and the existence of the requisites for the respective positions, in addition to information on directorships held in other companies.

Each candidate may be presented on only one list at the risk of being declared ineligible.

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

Finally, shareholders presenting a "Minority List" 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 list.

The procedure for electing Statutory Auditors is as follows:

- a. from the list which obtained the highest number of votes at the Shareholders' Meeting, based on the progressive order on the list, two Statutory Auditors and one Alternate Auditor are elected;
- b. from the list which obtained the second highest number of votes at the Shareholders' Meeting, the remaining Statutory Auditors and the other Alternate Auditor member are elected, based on the progressive order on the list.

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

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

In the case of presentation of only one list, all Statutory Auditors will be taken from that list, with the Chairperson the first listed on the list.

Subject to the incompatibilities under the applicable legal provisions, those not considered of good standing and professionalism as per Ministry of Justice Decree No. 162 of March 30, 2000 may not be appointed to the Board of Statutory Auditors, as also stated 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 (Article 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 2022-2023-2024.

## **5.2 Determination of the fees due to the Board of 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 3, 2022

for the Board of Directors

**The Chairman**

Marco Daniele Boglione