



Shareholders' Meeting of April 13, 2022

REPORTS ON MATTERS ON THE AGENDA

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SHAREHOLDERS' MEETING CALL NOTICE

Shareholders are called to the Shareholders' Meeting at the registered office in Turin – Largo Maurizio Vitale, 1, for 11.00 AM on April 13, 2022 in single call, to consider motions on the following Agenda:

1. Statutory Financial Statements at December 31, 2021, accompanied by the Directors' Report, the Independent Auditors' Report and the Board of Statutory Auditors' Report. Resolutions thereon.
2. Proposal for the allocation of the net profit for 2021 and the distribution of a dividend. Resolutions thereon.
3. Remuneration Policy and Report:
 - 3.1 Remuneration Report: motions relating to the First Section as per Article 123-ter, paragraph 3-ter, of Legislative Decree No. 58/1998.
 - 3.2 Remuneration Report: motions relating to the Second Section as per Article 123-ter, paragraph 6, of Legislative Decree No. 58/1998.
4. Appointment of the Board of Directors:
 - 4.1 Establishment of the number of members.
 - 4.2 Establishment of the duration of office of the Directors.
 - 4.3 Appointment of members.
 - 4.4 Appointment of the Chairperson.
 - 4.5 Motions regarding remuneration for members of the Board of Directors.
 - 4.6 Motions regarding termination indemnity for the Chairperson.
 - 4.7 Authorisation pursuant to Article 2390 of the Civil Code.
5. 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.
6. Authorisation of the purchase and disposal of treasury shares. Resolutions thereon.



SHAREHOLDERS' MEETING OF APRIL 13, 2022

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

- 1. Separate Financial Statements at December 31, 2021, accompanied by the Directors' Report, the Auditors' Report and the Board of Statutory Auditors' Report. Resolutions thereon.**

Dear Shareholders,

we propose the following:

RESOLUTION

the Shareholders' Meeting of BasicNet S.p.A., having reviewed the 2021 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, 2021, in relation to each individual part and in its entirety.

Turin, March 3, 2022

for the Board of Directors

The Chairman

Marco Daniele Boglione

Report of the Board of Directors on point 2 of the Agenda**2. Proposal for the allocation of the net profit for 2021 and the distribution of a dividend. Resolutions thereon.**

Dear Shareholders,

We propose the allocation of the net profit of Euro 65,689,195.35 as follows:

| | | |
|--|------|---------------|
| - to unrealised exchange gains reserve | Euro | 46,502.66 |
| - to conferment reserve | Euro | 60,903,372.50 |
| - to the shareholders by way of dividend, the residual amount equal to | Euro | 4,739,320.19 |

Furthermore, in order to remunerate shareholders in line with previous years, we propose supplementing the dividend paid to shareholders by taking Euro 1,400,311.81 from retained earnings and distributing a dividend of Euro 0.12 to each of the 51,163,602 ordinary shares in circulation (excluding the 9,830,000 treasury shares held at March 3, 2022) for an amount of Euro 6,139,632.24.

As a result, “retained earnings” will decrease from Euro 44,247,429 to Euro 42,847,117.

The dividend will be paid from April 27, 2022, with record date of April 26, 2022 and coupon date (No. 15) of April 25, 2022.

We also propose authorising the company representatives, with individual signatory powers, to determine the actual amount to be taken from retained earnings based on the actual number of shares in circulation with dividend rights and on any rounding that may take place when making the actual payment.

We propose therefore the following:

MOTION

The BasicNet S.p.A. Ordinary Shareholders' AGM

RESOLVES

to approve the proposed allocation of the net profit for the year of Euro 65,689,195.35, as presented above, and the proposed payment of a dividend of Euro 0.12 to each of the ordinary shares in circulation and entitled to receive dividends on the coupon date.

Turin, March 3, 2022

for the Board of Directors

The Chairman

Marco Daniele Boglione

Report of the Board of Directors on point 3.1 of the Agenda**3. Remuneration Policy and Report:**

Dear Shareholders,

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

The Remuneration Report, approved by the Board of Directors on March 3, 2022 and published on the company website <http://www.basicnet.com/contenuti/datifinanziari/assembleeazionisti.asp?menuSelectedID=4>, consists of two sections:

- (i) the first section which outlines the company's remuneration policy referred to members of the administrative and auditing bodies, to the General Managers and to the Managers with strategic responsibilities 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 administrative and auditing bodies, to the General Managers and to the Managers with strategic responsibilities during the year under consideration.

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

Where agreeing with the content of "Section I" of the Remuneration Report, we invite you to pass the following resolution:

"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 3, 2022

for the Board of Directors

The Chairman

Marco Daniele Boglione

Remuneration Policy and Report:

3.2 Remuneration Policy Report: motions relating to the Second Section as per Article 123-ter, paragraph 6, of Legislative Decree No. 58/1998.

Dear Shareholders,

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 opinion on "Section II", adopting the following resolution:

"The Shareholders' Meeting,

- having examined "Section II" relating to the remuneration paid to members of the administrative and auditing bodies, General Managers and Executives with strategic responsibilities in the year of reference

resolves

to issue a favourable opinion on "Section II" of the Remuneration Report".

Turin, March 3, 2022

for the Board of Directors

The Chairman

Marco Daniele Boglione

Annex

***REMUNERATION POLICY AND
REPORT***

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

Website: www.basicnet.com

Date of approval of Report: March 3, 2022

Glossary

| | |
|--|--|
| Directors | The members of the Board of Directors of BasicNet S.p.A. |
| Corporate Governance Code | The Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., in force since January 1, 2021. |
| Remuneration Committee or Committee | The Remuneration Committee set up within the Board of Directors of BasicNet S.p.A. |
| Board of Directors | The Board of Directors of BasicNet S.p.A. |
| Senior Executives | The Senior Executives are those persons entrusted with the power and responsibility - directly or indirectly - for the planning, management and control of company operations, comprising Directors (executives and non) of the Company (IAS 24, paragraph 9) (according to the definition as per Annex 1 of the Consob Regulation concerning related party transactions adopted with Resolution No. 17221 of March 12, 2010, as subsequently supplemented). |
| Statutory Auditors | The members of the Board of Statutory Auditors of BasicNet S.p.A. |
| Connected Persons | 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 Senior Executives. |
| Group | BasicNet and its subsidiaries in accordance with Article 93 of the CFA. |
| BasicNet or Company | BasicNet S.p.A. |
| Remuneration Policy or Policy | The Policy adopted by the Company in relation to the remuneration and compensation paid to the members of the Board of Directors and Senior Executives of the Company. |

| | |
|--|--|
| Issuers' Regulation | The Regulation promulgated by Consob with Resolution no. 11971 of May 14, 1999 regarding issuers, as subsequently amended and supplemented. |
| Consolidated Finance Act or CFA | Legislative Decree No. 58 of February 24, 1998. Consolidated Finance Act. |
| Related Parties Regulation | The Regulation issued by Consob with Resolution 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- <i>ter</i> of the CFA and 84- <i>quater</i> of the Issuers' Regulation. |

Introduction

This Report, prepared in accordance with Article 123-ter of the CFA and Article 84 of the Issuers' Regulation, illustrating the Remuneration Policy and Report of the Company, was reviewed by the Remuneration Committee, in its consultative and advisory role to the Board of Directors, and approved by the Board of Directors on March 3, 2022.

The Remuneration Policy and Report consists of two sections:

- Section I): describes, for the year 2022, the remuneration policy of the members of the Board of Directors, Senior Executives and the Board of Statutory Auditors, subject to that outlined in Article 2402 of the Civil Code, in addition to the procedures utilised for the adoption and implementation of this policy. Section I will be submitted to the binding vote of the shareholders at the Shareholders' Meeting called for April 13, 2022 for the approval of the 2021 Annual Accounts, as provided by paragraph 3-bis of Article 123-ter of the Consolidated Finance Act.
- Section II): details the compensation paid during the year ended December 31, 2021 by the Company and BasicNet's subsidiaries to the Company's Directors, Statutory Auditors and Senior Executives. This section, which sets out each of the items making up the compensation of the individuals concerned, will be subject to an advisory vote at the Shareholders' Meeting called for April 13, 2022.

The report also includes information on the equity investments held in the Company by the members of the management and supervisory bodies and by the General Managers, supplied in accordance with Schedule 7-ter of Annex 3A to the Issuers' Regulation.

This document is available for consultation at the Company's registered office, on its website www.basicnet.com, in the 2022 Shareholders' Meeting section, and on the centralised authorised storage mechanism Info, www.linfo.it.

SECTION I

- 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 the Board, in addition to the right of the Chairperson and certain other Senior Directors, to receive termination benefits;
 - 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-bis 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 in any case every three years and upon any amendments to the policy. The Shareholders' Meeting of April 8, 2021 approved the document expressing as follows:
 - votes in favour: 27,796,919, equal to 75.76% of those attending the Shareholders' Meeting;
 - votes against: 8,810,375, equal to 23.99% of those attending the Shareholders' Meeting;
 - abstaining: 92,000, equal to 0.25% of those attending the Shareholders' Meeting.
 - expresses, in accordance with Article 123-ter, paragraph 6 of the CFA, a non-binding vote on Section II of the Remuneration Policy and Report, drawn up by the Board of Directors. As a result of the votes, the Shareholders' Meeting of April 8, 2021, expressed a positive opinion with:
 - votes in favour: 27,796,919, equal to 75.76% of those attending the Shareholders' Meeting;
 - votes against: 8,810,375, equal to 23.99% of those attending the Shareholders' Meeting;
 - abstaining: 92,000, equal to 0.25% of those attending the Shareholders' Meeting.
- **the Board of Directors** which:
 - establishes the Remuneration Policy;
 - establishes, on the proposal of the Remuneration Committee, and after consultation with the Board of Statutory Auditors, the remuneration of Senior Directors, in line with the Remuneration Policy approved by the Shareholders' Meeting;
 - after consultation with the Remuneration Committee and the Related Parties Committee, the Board of Directors may grant some form of bonus to Executive Directors and/or Senior Executives, in the form of one-off payments, in relation to their specific contribution to the achievement, or the achievement, of particular strategic or management results or - even more exceptionally - in order to retain resources, thus rewarding and recognising talent;

- approves the Remuneration Policy and Report to be presented to the Shareholders' Meeting in accordance with Article 123-ter of the CFA;
- the **Chairperson of the Board of Directors**, who:
 - exercises executive powers on human resources. Duties may be delegated to the Vice-Chairperson responsible for each operating function (so-called “.com”), 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”;
- the **Remuneration Committee**, which:
 - assists the Board in developing remuneration policy;
 - presents to the Board proposals for the remuneration of Senior Directors and Senior Executives;
 - periodically assesses the practical application of the policy for remunerating Executive Directors and Senior Directors;
 - evaluates periodically, and during the preparation of the Annual Remuneration Policy and Report, the adequacy and overall consistency of the policy for the remuneration of Executive Directors;
 - expresses its opinion on proposals for the allocation of remuneration departing from the Remuneration Policy most recently approved by the shareholders, for example for proposals to award extraordinary bonuses or additional elements of remuneration to the Directors and/or Senior Executives;
- the **Related Parties Committee**, which:
 - expresses its opinion on proposals for the allocation of remuneration departing from the Remuneration Policy most recently approved by the shareholders, for example for proposals to award extraordinary bonuses or additional elements of remuneration to Executive Directors and/or Senior Executives;
 - expresses its opinion on the allocation of remuneration to Directors and/or Senior Executives who are classified as Related Parties of the Company;
- 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 Section II 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; and any additional measures to avoid or manage conflicts of interest.

The Remuneration Committee was appointed at the Board meeting of April 19, 2019. The Committee currently in office comprises the Non-Executive Directors Carlo Pavesio – Chairperson, and Daniela Ovazza, and the Non-Executive and Independent Directors Elisa Corghi, Renate Hendlmeier and Adriano Marconetto.

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 proper functioning.

The Committee shall meet on the call of the Chairperson, or when requested by the Chairperson and Vice-Chairperson or the Board of Statutory Auditors. The work of the Committee is overseen and coordinated by the Chairperson of the Committee.

The Remuneration Committee may access the necessary information and departments for the discharge of their duties.

The proposals of the Remuneration Committee are reported in the minutes of the Remuneration Committee and in the minutes of the Board of Directors meetings at which they are drawn up.

The Remuneration Committee presents proposals or expresses opinions to the Board of Directors on the remuneration of Executive Directors and Senior Executives of the Group and periodically assesses the adequacy of the remuneration policy within the Company's strategy.

The Committee transfers to the Related Parties Committee for prior examination any proposals for the allocation of remuneration that do not comply with the Remuneration Policy most recently approved by the Shareholders, before submitting them to the Board of Directors, as well as the proposal of remuneration to Directors and Senior Executives who qualify as Related Parties of the Company. Each proposal is adopted in full compliance with the criteria of transparency and independence, taking note of the declarations of the parties who may have an interest with regard to specific decisions of the Committee.

c. How the Company has taken into account the compensation and working conditions of its employees in determining its Remuneration Policy

BasicNet's Remuneration Policy is determined by taking into consideration aspects of the compensation and working conditions of the Company's employees. Both respond to the aim of attracting, retaining and motivating human resources with the necessary skills to oversee and develop the Company's activities and to lay the foundations for medium to long-term growth. In line with BasicNet's philosophy, employees' working conditions play a decisive role, alongside compensation, in fostering a sense of belonging to the Group and building corporate identity, which in turn is recognised as a critical success factor for the pursuit of the Company's long-term interests and sustainability. Consistently and as a demonstration of the centrality of the human factor in the Company's strategy, BasicNet employees work

in the BasicVillage, designed to put the person at the centre, who can enjoy a series of services and recreational spaces. BasicNet grants its employees certain access privileges (e.g., the gym) and provides basic services (e.g., delivery person for private errands, package pickup, free parking) facilitators for employees.

d. Details of independent experts involved in the preparation of the Remuneration Policy

No independent experts were utilised in the preparation of the Remuneration Policy. The Committee used Mercer in evaluating certain aspects of the compensation paid.

e. Purpose of the Remuneration Policy, its underlying principles, its duration, and, in the event of a review, a description of the changes from the Remuneration Policy last submitted to the Shareholders' Meeting and how such review takes into account the votes and evaluations cast by shareholders at that Meeting or thereafter.

BasicNet S.p.A.'s Remuneration Policy, described below, has been prepared with reference to 2022, without prejudice to any rights of the new corporate boards to be appointed for the next three years by the Shareholders' Meeting to be held on April 13, 2022.

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 Executive Directors and Senior Executives with the professional qualities required to successfully oversee the management of the Company and the Group and to align the interests of the Human Resources with the pursuit of the priority objective of creating value for all the Stakeholder in the medium to long term.

The remuneration Policy should be read in the light of the specific features of the Company and its consistency with the Group's meaningful corporate culture and values, which are key to its success. BasicNet's Human Resources management philosophy is centred on fostering a strong sense of belonging to the Group. This sense of belonging is fostered and expressed by the workplace itself: Basic Village, featuring coexisting offices, residences, stores and services, and areas of aggregation. The principles underlying the Remuneration Policy follow from the Company's philosophy regarding human resource management:

- (i) fixed remuneration adequately remunerates the performance of the Executive Directors and Senior Executives identified by the Board of Directors of BasicNet S.p.A.;
- (ii) the loyalty and protection of the Group's staff, providing incentives for them to stay, through the development of internal professional growth, a working environment organised with an eye to following the principles of human living (residence, work and leisure) with the desire to satisfy the "basic" needs of the individual, and the recognition of employee benefits (e.g. free parking, the possibility of taking advantage of discounts and privileges at the gym, purchases of company products and access to museums, home delivery of meals in the case of remote working, help desk for online parcel collection, delivery service for private errands).

- (iii) the lack of ex-ante provision for the recognition of variable remuneration upon the achievement of individual performance targets, with the aim of incentivising teamwork and a sense of belonging to BasicNet, maximising the focus of resources on the Company's objectives, promoting the exchange of experience and dialogue between the managerial resources of the various Group companies in order to achieve objectives, as well as the process of problem solving and timely activation to overcome short-term obstacles, ensuring flexibility and adaptability to changing operating contexts. This principle - which involves not adopting incentive systems defined in advance, so as not to make the management decision-making process overly rigid, in a company that is known for its flexibility, speed of action and reaction to seize market opportunities and protect the value generated (a choice that has always been an integral feature of the Company since it first established its organisational model, in the form of a network, with production and commercial licensees) - instead provides for the possibility of rewarding exceptional performance after the fact. As such, the Remuneration Policy is consistent with the Group's corporate culture, which is a distinctive, deep-rooted and meaningful element of BasicNet and key to its success.

The Board of Directors, having consulted with the Remuneration Committee (or the Chairperson, or the Vice-Chairperson responsible for each operational function, the .com's, with reference to the other Human Resources of the Group), may grant some form of bonus to Executive Directors and/or Senior Executives (and/or to the other Human Resources of the Group), in the form of one-off payments, in relation to their specific contribution to the achievement, or the achievement, of particular strategic or management results or, even more exceptionally, with the aim of retaining resources, thus rewarding and recognising talent.

The Policy, as stated above, is in line with that of previous years. No changes were made; firstly, because the Company did not receive any indications during the Shareholders' Meeting or the Chief Executive Officer's discussions with investors, and, secondly, as previously detailed, because it is an element of the Group's identity that is key to the alignment of individual interests in the pursuit of corporate objectives.

- f. **Description of the policies concerning fixed and variable remuneration components, with specific regard to the identification of the related weight under the scope of total salary and the distinction between the short and medium- to long-term variable components.**

Remuneration of the Non-Executive Directors.

The remuneration awarded to the Non-Executive Members of the Board of Directors for their office is fixed by the Shareholders' Meeting upon appointment.

The Board of Directors also awards compensation to Directors who serve on Committees established within the Board of Directors. Directors who are appointed Chairpersons of internal Board committees do not receive any compensation in addition to that received by members serving on Committees.

An insurance policy is in force to cover the third-party liability of the Boards of Directors (General Managers, where appointed, and Senior Executives) deriving from the exercise of their functions and aimed at indemnifying the beneficiaries and the Company from the cost of damages for compensation in that regard, excluding cases of wilful misconduct.

Remuneration of the Executive Directors.

The remuneration structure for Executive Directors makes provision for an additional fee on top of that set by the Shareholders' Meeting for all Directors, which is determined according to the powers assigned to them and the commitment required.

This remuneration, which was approved by the Board of Directors pursuant to paragraph 3 of Article 2389 of the Civil Code, following a proposal by the Remuneration Committee and consultation with the Board of Statutory Auditors, is composed of:

- a fixed remuneration, commensurate with responsibilities and deemed appropriate to remunerate the skills, experience and commitment associated with the position held by each Director/Senior Executive. The fixed component is adequate to remunerate the performance of the Director with delegated powers/Senior Executive in line with the responsibilities of his/her office;
- subject to the absence of any variable remuneration components in the Group remuneration contractual structure, the Board of Directors, on the proposal of the Chairperson, after consultation with the Remuneration Committee and the Related Parties Committee, reserves the right to establish an additional one-off bonus and of an amount below one annuity (GAR), based on particular results achieved for the sustainable success of the business, or for retention purposes.

g. 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, life or health insurance policies for Executive Directors and Senior Executives. In addition, the Chairperson of BasicNet S.p.A., for the duration of his/her mandate, is granted use of a property located within the “BasicVillage” in Turin called “Foresteria – loft People on the move.” The Company provides Human Resources with the use of company-owned vehicles, including for non-exclusive private use.

h. With reference to the variable components, a description of the performance and financial and non-financial objectives, and where appropriate taking into account the criteria relating to corporate social responsibility, on the basis of which they are assigned, distinguishing between short-term and medium/long-term variable components, and information on the link between the change in results and the change in remuneration.

The Group has no short- or long-term variable remuneration plans based on the achievement of financial or non-financial performance targets.

i. Criteria used to assess the performance objectives underlying the allocation of shares, options, other financial instruments or other variable components of remuneration, specifying the extent of the variable component to be paid according to the level of achievement of the objectives

The Group has not launched any incentive plans based on the allocation of financial instruments or other variable components of any kind upon achievement of performance targets.

- j. **Information highlighting the contribution of the Remuneration Policy, and in particular the policy on variable remuneration components, the Company's strategy, the pursuit of long-term interests and the sustainability of the Company.**

The structure of fixed remuneration is designed to lead to responsible conduct geared towards the sustainable development of the business, pursuing medium/long-term interests on the basis of corporate strategies, enabling action to be rapidly redirected in the face of unforeseen events or opportunities. This approach avoids the rigidity that goes with incentivising conduct by concluding contracts containing predetermined and specific objectives to which variable remuneration is linked. The fixed remuneration is in line with the market and the powers assigned in the context of the specific organisational structures used by the Company and the actual commitment required, and does not need to be supplemented with variable components in order to be considered adequate. This remuneration strategy creates participation and tension in the achievement of the Company's results by nurturing the sense of belonging to the Group which, as highlighted above, is the pillar of BasicNet's strong identity and corporate culture, which in turn drives the Company's sustainability. Any variable emoluments are awarded after the fact and on a one-off basis, following the achievement of particularly positive results aimed at increasing the medium/long-term growth prospects of the Company or ensuring its ability to remain in the market.

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 of the variable component (malus or clawback).

There are no contractual clauses allowing the Company to ask for the repayment, in full or in part, of variable components of the remuneration paid, including in light of the anticipated allocation of any portion of additional remuneration *ex post*, on the basis of audited financial statements approved by the Shareholders' Meeting.

- 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 provision is not applicable to the Group's 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 Termination Indemnity 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.

The Board of Directors has the power to issue any non-competition agreements with the Executive Directors for a specific period following the conclusion of their mandate, providing for appropriate remuneration for this in line with market practices.

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 supplementary health policies.

A third-party D&O - Directors' & Officers' Liability civil liability policy covers the Directors, Statutory Auditors and Executives for circumstances relating to the exercise of their functions, excluding incidences of fraud. This 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 specific offices (Chairperson, Vice-Chairperson).

Independent Directors or the Vice-Chairperson do not receive compensation that differs from the remuneration for their office paid to the other members of the Board of Directors.

The remuneration of the Control and Risks Committees 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 Chairpersons of the internal Board committees.

The Chairperson of the Board of Directors receives significantly higher remuneration than the other Directors (executive and non) in view of the powers delegated and the importance of the specific and autonomous role compared to that of the other Directors in relation to the direction and governance oversight on driving sustainable growth, and thus in view of the powers, duties and responsibilities entrusted to the Chairperson's office. The Vice-Chairperson does not benefit from any particular remuneration other than that of the other Directors, as not assigned any particular management powers.

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.

p. Exceptions from the Remuneration Policy in the presence of exceptional circumstances, and subject to the provisions of Regulation No. 17221 of March 12, 2010, any further procedural conditions under which departures may be applied.

Given the lack of ex-ante definition of variable remuneration components and mechanisms for their recognition, the assignment of any bonuses or additional fixed remuneration components, including the assignment of non-monetary benefits to Directors and Senior Executives, represents a departure from the Remuneration Policy. This departure is implemented by the Board of Directors, after consulting with the Remuneration Committee, the Related Parties Committee and the Board of Statutory Auditors.

Remuneration of the Board of Statutory Auditors

The Remuneration Policy for the Board of Statutory Auditors provides for a fixed fee approved by the Shareholders' Meeting upon appointment. 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, submitted by the outgoing Board of Statutory Auditors in view of the Shareholders' Meeting called to determine the remuneration of the Board.

There are no variable compensation components in favour of the Board of Statutory Auditors.

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 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.

SECTION II

First Part

The remuneration of the Directors, Statutory Auditors and Senior Executives is detailed below.

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, Risks and Related Parties Committee |
| Marco Boglione | Chairperson | | |
| Daniela Ovazza | Non-Executive Vice-Chairperson | Member | |
| Federico Trono | Chief Executive Officer - Company Executive | | |
| Alessandro Boglione | Executive Director - Company Executive | | |
| Lorenzo Boglione | Executive Director - Company Executive | | |
| Veerle Bouckaert | Executive Director - Company Executive | | |
| Paola Bruschi | Executive Director- Company Executive | | |
| Elisa Corghi | Independent and Non-Executive Director | Member | Member |
| Cristiano Fiorio | Independent and Non-Executive Director | | Member |
| Francesco Genovese | Executive Director - Company Executive | | |
| Alessandro Jorio | Executive Director - Company Executive | | |
| Renate Hendlmeier | Independent and Non-Executive Director | Member | Chairperson |
| Adriano Marconetto | Independent and Non-Executive Director – Lead Independent Director | Member | Member |
| Carlo Pavesio | Non-Executive Director | Chairperson | |

Board of Statutory Auditors

| Name | Office held on the Board |
|---------------------------|--------------------------|
| Maria Francesca Talamonti | Chairperson |
| Sergio Duca | Statutory Auditor |
| Alberto Pession | Statutory Auditor |
| Giulia De Martino | Alternate Auditor |
| Maurizio Ferrero | Alternate Auditor |

In light of the new definition of “Senior Executive” introduced by the Consob Resolution of December 10, 2020, with reference to the regulations on related party transactions the Board of Directors has identified as “Senior Executive” the Chief Executive Officer Federico Trono, the Directors Lorenzo Boglione and Alessandro Boglione, who are also Chief Executive Officers of strategic companies for the Group, and the Director Paola Bruschi, Group CFO and Executive Officer for Financial Reporting.

The fees reported in Part Two of this Section refer to the 2021 financial year. We note that the D&O (Directors' & Officers' Liability) insurance policy (of a structurally non-contributory nature) covering Directors', Statutory Auditors' and Executives' third-party liability for events connected with the exercise of their functions, excluding cases of wilful misconduct, was again in force for all Directors and Statutory Auditors in 2021. Insurance cover has been taken out by the Company for all Group Directors and Statutory Auditors.

- **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 gross of withholding taxes, for each of the Directors, in line with the previous mandate.

Remuneration of the Executive Directors

The Board of Directors meeting on April 19, 2019, following the Shareholders' Meeting that appointed the Board for the 2019-2021 mandate, approved the remuneration pursuant to Article 2389 of the Civil Code of the Executive 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. These fixed fees have been updated to reflect the increased powers and responsibilities of certain Directors within the Group.

The following fees were paid/accrued in 2021:

to the **Chairperson of the Board of Directors** Marco Daniele Boglione:

- (a) a fee of Euro 1 million on an annual basis, gross of withholding taxes;
- (b) as per the Shareholders' Meeting motion, an annual allocation of Euro 500 thousand as Termination Indemnity, through an insurance policy from a leading insurance company, in the name of the Company, related to an annual constant premium of an amount equal to the termination indemnity approved, assigning as beneficiaries 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) the payment of an annual premium of Euro 22 thousand for the "term-life constant capital" life policy for an insured capital amount of Euro 1.5 million;
- (d) the use of the property unit located within the BasicVillage and called "Foresteria - Loft People on the Move" and the recognition of the related expenses, with a value of Euro 85 thousand per year;
- (e) a one-off bonus of Euro 200 thousand (before withholding taxes), by Board of Directors' motion, after obtaining the favourable opinions of the Remuneration Committee, the Related Parties Committee and the Board of Statutory Auditors, supported by benchmark analyses carried out by Mercer (see paragraph headed 'Exceptions to the Remuneration Policy') for the management of the Company in the pandemic year 2020.

- to the **Chief Executive Officer** Federico Trono:

- a) a remuneration of Euro 240 thousand on an annual basis, gross of withholding taxes, in addition to the gross annual remuneration as Executive of the Company; Federico Trono did not receive remuneration for his role as a Director in other Group companies;
- b) a one-off bonus of Euro 150 thousand awarded by the Board of Directors on February 10, 2022, following a favourable opinion from the Remuneration Committee, the Related Parties Committee and the Board of Statutory Auditors, in view of the results achieved by the Group in 2021 (see paragraph headed 'Exceptions to the Remuneration Policy');

- to the other **Directors with delegated powers**:

- 1) to the Director, Paola Bruschi, a remuneration of Euro 40 thousand per year for the position of Executive Officer for Financial Reporting of BasicNet S.p.A., in addition to the annual gross remuneration as Executive of the Company;
- 2) to the Director Lorenzo Boglione, a gross annual remuneration of Euro 255 thousand for the office of Chief Executive Officer of BasicTrademark S.r.l., in addition to the gross annual remuneration as Executive of the Company. He does not receive remuneration for his roles in other Group companies (Chairperson of BasicAir S.r.l., Chairperson of TOS S.r.l., Vice-Chairperson for business development of Basic Properties America Inc, and Director of Kappa Europe S.A.S.);

- 3) to the Director Alessandro Boglione, a gross annual remuneration of Euro 255 thousand for the office of Chief Executive Officer of BasicItalia S.p.A., in addition to the gross annual remuneration as Executive of the Company. He did not receive remuneration for his roles in other Group companies (Chairperson of Kappa Europe S.A.S., Chairperson of BasicRetail S.r.l., Chairperson of BasicNet Asia Ltd.)

- **Remuneration for members of Committees**

Each member of the Remuneration Committee and the Control and Risks and Related Parties Committee receives a fixed fee of Euro 5 thousand gross annually before withholding taxes, determined at the Board of Directors' meeting of April 19, 2019 (in continuity with the previous mandate).

- **Non-monetary benefits**

Pertains to the Chairperson of the Board of Directors, as listed in the previous item.

- **Termination Indemnity**

Pertains solely to the Chairperson of the Board of Directors as set out in Section I of this Report, as listed in the preceding paragraph.

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

Pertains to the Chairperson of the Board of Directors as described in Section I of this Report and the Group's Executives (including Directors) as required by law pursuant to Article 2120 of the Civil Code.

- **Exceptions to the Remuneration Policy**

On April 8, 2021, the Board of Directors, on a proposal by the Chairperson of the Remuneration Committee, having obtained the opinion of the Related Parties Committee and following a favourable opinion from the Board of Statutory Auditors, resolved to grant a one-off bonus of Euro 200,000 (before withholding taxes) to the Chairperson of the Board of Directors.

The reasons for the award of the one-off bonus, for which the Remuneration Committee carried out an extensive preliminary investigation, lie in the promptness and results with which the Chairperson managed the impacts of the COVID-19 pandemic in 2020, laying down guidelines that made it possible to limit the potentially drastic effects of this event, achieving better than expected operating and financial results. For the purposes of the analysis, the Committee asked a company with excellent standing, specialising in remuneration matters, to carry out an external remuneration benchmarking analysis for the role of Executive Chairperson (founder and shareholder), considering comparable listed companies.

For the purposes of completeness and transparency of information and in line with the accruals basis, we note that the meeting of the Board of Directors held on February 10, 2022 resolved, following favourable opinions from the Remuneration Committee, the Related Parties Committee and the Board of Statutory Auditors, to award a one-off bonus to Chief Executive Officer Federico Trono of Euro 150 thousand (before withholding taxes) in consideration of the significant results achieved by the Group for the benefit of medium/long-term growth and the Group's operating/financial performance during 2021.

Change in trends relating to the remuneration and compensation paid by the Company.

Remuneration paid to members of the Administrative and Control Boards

The table below shows compensation paid to members of the Management and Supervisory Board in 2021 compared to 2020, and in 2020 compared to 2019. When comparing compensation paid in 2020 compared to 2019, it should be borne in mind that, for certain Directors, 2019 was the year of their first term of office following their appointment by the Shareholders' Meeting held on April 19, 2019. To better highlight the change in trends relating to remuneration paid by the Company over the two years, a second comparison table has been included in which, for Executives, the compensation received for the full year of 2019 has been included.

| Directors | Change 2020/2021 | Change 2019/2020 | Pro-forma change 2019/2020 |
|---|-----------------------------|-----------------------------|---------------------------------------|
| Marco Boglione Chairperson & Chief Executive Officer | 12.29% | 2.6% | 2.6% |
| Daniela Ovazza - Vice-Chairperson | -- | -- | -- |
| Federico Trono Chief Executive Officer - (1) | 38.7% | 50.3% | 28.3% |
| Lorenzo Boglione - (1) (2) | 30.37% | 52.2% | 52.2% |
| Alessandro Boglione - (1) (2) | 30.37% | 52.2% | 52.2% |
| Paola Bruschi - (1) | -- | 6.6% | 6.6% |
| Veerle Bouckaert - (1) (2) (3) | -25.60% | 94.7% | 42.7% |
| Elisa Corghi | -- | --- | -- |
| Francesco Genovese - (1) | 39.34% | 50.6% | 0.4% |
| Cristiano Fiorio | -- | -- | -- |
| Renate Hendlmeier | -- | -- | -- |
| Alessandro Jorio - (1) (2) (3) | -25.14% | 99.7% | 39.8% |
| Adriano Marconetto | -- | -- | -- |
| Carlo Pavesio | -- | -- | -- |

(1) Including executive compensation

(2) In 2020, he received a one-off bonus (see section headed 'Exceptions to the Remuneration Policy - Section 1)

(3) The decrease in 2021 was due to the fact that he received a one-off bonus in 2020.

| | Change 2020/2021 | Change 2019/2020 | Pro-forma change 2019/2020 |
|------------------------------------|---------------------|---------------------|-------------------------------|
| Directors | | | |
| Board of Statutory Auditors | | | |
| Maria Francesca Talamonti | -- | -- | -- |
| Sergio Duca | -- | -- | -- |
| Alberto Pession | -- | -- | -- |

Company results

A comparison of the Company's income indicators for the last three years is set out below.

| Indicator (1) | Change 2021/2020 | Change 2020/2019 | Change 2019/2018 |
|-------------------------|---------------------|---------------------|---------------------|
| Consolidated revenues | +14.1% | -20.6% | 11.8% |
| EBITDA | +123.2% | -75.3% | 28.7% |
| Consolidated net profit | +136.9% | -59.2% | 13.6% |

(1) Data taken from BasicNet's consolidated financial statements.

Average remuneration, calculated on a full-time equivalent basis, of employees other than members of administrative and control boards

The average remuneration of BasicNet S.p.A.'s employees, other than members of the administrative and control boards, rose 3.6% in 2021 compared to the previous year.

Excluding the differential impacts resulting from the use of the supplementary wages fund, average compensation for employees other than Board members in 2020 increased by 3.5% (instead of the decline shown in the table of 8.2%) compared to 2019.

| Average employee remuneration other than members of the Board of Directors and Board of Statutory Auditors | Change 2021/2020 | Change 2020/2019 |
|---|---------------------|---------------------|
| Average remuneration (1) | +3.6% | -8.2% |
| Average number of employees of the parent company BasicNet S.p.A. | 224 | 222 |

(1) Includes gross annual remuneration and bonuses quantified with reference to the year of maturity.

Table 1 – Remuneration paid to Directors, Statutory Auditors, General Managers and other Senior Executives.

The following table breaks down the remuneration of Directors, Statutory Auditors and General Managers. 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. Termination indemnity is indicated for the period in which it matured, even if not paid, for those terminated during the year or for those reaching the end of mandate and/or contract.

SHAREHOLDERS' MEETING OF APRIL 13, 2022

| Name | Office held | Period of office | Concl. of office | Fixed Remuneration | Remuneration for committee participation | Bonuses and other incentives | Profit sharing | Non-monetary benefits | Other remuneration | Total | Benefits on conclusion of office |
|--|-------------------------|-----------------------|-----------------------|--------------------|--|------------------------------|----------------|-----------------------|--------------------|------------------|----------------------------------|
| Directors | | | | | | | | | | | |
| Marco Boglione (1) | Chairperson | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 1,020,000 | | 200,000 | | 107,071 | 500,000 | 1,827,071 | |
| (II) Remuneration from subsidiaries and associates | | | | | | | | | | | |
| Total | | | | 1,020,000 | - | 200,000 | | 107,071 | 500,000 | 1,827,071 | |
| Daniela Ovazza (2) | Vice-Chairperson | 01/01/2021-31/12/2021 | 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 | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 390,184 | | 150,000 | | | | 540,184 | |
| (II) Remuneration from subsidiaries and associates | | | | | | | | | | | |
| Total | | | | 390,184 | - | 150,000 | | | | 540,184 | |
| Lorenzo Boglione (4) | Director | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 112,012 | | | | | | 112,012 | |
| (II) Remuneration from subsidiaries and associates | | | | 255,000 | | | | | | 255,000 | |
| Total | | | | 367,012 | - | - | | | | 367,012 | |
| Alessandro Boglione (5) | Director | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 112,012 | | | | | | 112,012 | |
| (II) Remuneration from subsidiaries and associates | | | | 255,000 | | | | | | 255,000 | |
| Total | | | | 367,012 | - | - | | | | 367,012 | |
| Veerie Bouckaert (6) | Director | 01/01/2021-31/12/2021 | | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 104,936 | | | | | | 104,936 | |
| (II) Remuneration from subsidiaries and associates | | | | 10,000 | | | | | | 10,000 | |
| Total | | | | 114,936 | - | - | | | | 114,936 | |
| Paola Bruschi (7) | Director | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 200,293 | | | | | | 200,293 | |
| (II) Remuneration from subsidiaries and associates | | | | 667 | | | | | | 667 | |
| Total | | | | 200,960 | - | - | | | | 200,960 | |
| Elisa Coghi (8) | Director | 01/01/2021-31/12/2021 | 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 | 01/01/2021-31/12/2021 | 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 | |
| Francesco Genovese (10) | Director | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 111,052 | | | | | | 111,052 | |
| (II) Remuneration from subsidiaries and associates | | | | | | | | | | | |
| Total | | | | 111,052 | - | - | | | | 111,052 | |
| Renate Hendlmeier (11) | Director | 01/01/2021-31/12/2021 | 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 | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 119,472 | | | | | | 119,472 | |
| (II) Remuneration from subsidiaries and associates | | | | | | | | | | | |
| Total | | | | 119,472 | - | - | | | | 119,472 | |
| Adriano Marconetto (13) | Independent Director | 01/01/2021-31/12/2021 | 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 | 01/01/2021-31/12/2021 | 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 | |
| Grand total | | | | 2,810,628 | 45,000 | 350,000 | - | 107,071 | 500,000 | 3,812,699 | - |
| Description of office | | | | | | | | | | | |
| Name | Office held | Period of office | Concl. of office | Fixed Remuneration | Remuneration for committee participation | Bonuses and other incentives | Profit sharing | Non-monetary benefits | Other remuneration | Total | Benefits on conclusion of office |
| Maria Francesca Talamonti | Chairperson | 01/01/2021-31/12/2021 | 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 | 01/01/2021-31/12/2021 | 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 (15) | Statutory Auditor | 01/01/2021-31/12/2021 | approv. 2021 accounts | | | | | | | | |
| (I) Remuneration from Company preparing the accounts | | | | 24,000 | | | | | | 24,000 | |
| (II) Remuneration from subsidiaries and associates | | | | 21,700 | | | | | | 21,700 | |
| Total | | | | 45,700 | - | - | | | | 45,700 | |

SHAREHOLDERS' MEETING OF APRIL 13, 2022

- (1) Remuneration including the Euro 20,000 (before withholding taxes) awarded by the Shareholders' Meeting, and the Euro 1,000,000 (before withholding taxes) as Executive Chairperson of the Company. "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. The bonus of Euro 200,000 (gross) was approved by the Board of Directors on April 18, 2021.
"Other remuneration" relates to the annual allocation of Termination Indemnity.
- (2) Remuneration (before withholding taxes) as a member of the Remuneration Committee.
- (3) Remuneration including the Euro 20,000 (before withholding taxes) awarded by the Shareholders' Meeting for the office of Director, the remuneration of Euro 240,000 (before withholding taxes) as Chief Executive Officer of the Company and remuneration as an Executive of the Company. The one-off bonus, effective in 2021, was granted by the Board at its meeting on February 10, 2022.
- (4) The remuneration from BasicNet includes the Euro 20,000 before withholding taxes awarded by the Shareholders' Meeting for the office of Director and remuneration as a Company Executive. The remuneration in other companies is received as Chief Executive Officer of Basic Trademark S.r.l.
- (5) The remuneration from BasicNet includes the Euro 20,000 before withholding taxes awarded by the Shareholders' Meeting for the office of Director and remuneration as a Company Executive. The remuneration in other companies is received as Chief Executive Officer of BasicItalia S.p.A.
- (6) The remuneration from BasicNet includes the Euro 20,000 before withholding taxes awarded by the Shareholders' Meeting for the office of Director and remuneration as a Company Executive. The remuneration in other companies is received as Executive Director of Basic Trademark S.r.l.
- (7) The remuneration of BasicNet includes Euro 20,000 gross of withholding taxes allocated by the Shareholders' Meeting for the office of Director, the remuneration as an Executive of the Company and for the position of Executive Officer for Financial Reporting and as the Director in charge of the Internal Control and Risk Management System, allocated by the Board of Directors meeting of April 19, 2019.
- (8) Remuneration as member of the Remuneration Committee (Euro 5,000 before withholding taxes) and of the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- (9) Remuneration as member of the Remuneration Committee (Euro 5,000 before withholding taxes) and of the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- (10) Remuneration before withholding taxes including remuneration as a Company Executive.
- (11) Remuneration as member of the Remuneration Committee (Euro 5,000 before withholding taxes) and Chairperson of the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- (12) The remuneration from BasicNet includes the Euro 20,000 before withholding taxes awarded by the Shareholders' Meeting and remuneration as a Company Executive.
- (13) Remuneration as member of the Remuneration Committee (Euro 5,000 before withholding taxes) and of the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- (14) Remuneration as Chairperson of the Remuneration Committee (Euro 5,000 before withholding taxes).
- (15) Remuneration from subsidiaries received as Statutory Auditor of the subsidiaries BasicVillage S.p.A. (Euro 4,200 before withholding taxes), BasicItalia S.p.A. (Euro 12,000 before withholding taxes) and K-Way S.p.A. (Euro 5,500 before withholding taxes).

Table 2 - Investments held by the members of the Board of Directors and Control Boards and by Senior Executives

The following table shows the equity investments in BasicNet S.p.A. held by the members of the Management and Supervisory Bodies and Senior Executives.

| | Name | Office | Investee | Number of shares held at end of 2020 | Number of shares purchased | Number of shares sold | Number of shares held at end of 2021 | |
|--|---------------------|-------------|----------|--------------------------------------|----------------------------|-----------------------|--------------------------------------|--|
| | Marco Boggione(*) | Chairperson | BasicNet | 20,517,733 | | | 20,517,733 | |
| | Lorenzo Boggione | Director | BasicNet | 21,580 | | | 21,580 | |
| | Alessandro Boggione | Director | BasicNet | 14,604 | | | 14,604 | |
| | Renate Hendlmeier | Director | BasicNet | 2,000 | | | 2,000 | |
| | Carlo Pavesio | Director | BasicNet | 100,000 | | | 100,000 | |

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

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

4. Appointment of the Board of Directors:

- 4.1 Establishment of the number of members.
- 4.2 Establishment of the duration of office of the Directors.
- 4.3 Appointment of members.
- 4.4 Appointment of the Chairperson.
- 4.5 Motions regarding remuneration for members of the Board of Directors.
- 4.6 Motions regarding termination indemnity for the Chairperson.
- 4.7 Authorisation pursuant to Article 2390 of the Civil Code.

Dear Shareholders,

with the approval of the financial statements at December 31, 2021, the mandate concludes of the Board of Directors of the Company, appointed by the Shareholders' Meeting of April 19, 2019.

Consequently, you shall be called at the next Shareholders' Meeting to: 4.1- determine the number of members, 4.2 - determine the duration in office of the Directors, 4.3 - appoint the members, 4.4 - appoint the Chairperson, 4.5 - resolve on the fees due to the members of the Board of Directors, 4.6 - resolve on the allocation of a severance indemnity for the Chairperson and finally, 4.7 - provide authorisation pursuant to Article 2390 of the Civil Code.

4.1 Establishment of the number of members of the Board of Directors

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

The Board of Directors therefore invites you to establish the number of members of the Board of Directors, within the aforementioned limits.

4.2 Establishment of the duration of office of the Directors

As per section one of Article 13 of the By-Laws, the Board of Directors invites you to establish the term of office of the Board of Directors

4.3 Appointment of the members

The appointment of the Board of Directors takes place, in accordance with Article 13 of the By-Laws, on the basis of slates presented by shareholders, in which the candidates, numbering not more than fifteen, should be listed by progressive numbering. The slates of candidates should be filed at the registered office of the Company, or by fax to +39 0112617354, or to the certified e-mail address basicnet@legalmail.it, accompanied by the relative documentation, by the twenty-fifth day before the day of the Shareholders' Meeting, therefore 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 slate, should be corroborated by the relevant communications produced by the filing intermediary and sent by e-mail to basicnet@pecserviziotitoli.it, also subsequent to filing, although by the deadline for the publication of slates by the Issuer, therefore March 23, 2022.

According to the deadlines and means set out above, together with each slate, declarations in which the individual candidates accept their candidature must be filed at the company's registered office, stating in good faith, the absence of reasons for ineligibility and incompatibility, as well as the fulfilment of the requirements for the respective positions, including any declarations confirming their independence, in addition to information on directorships held in other companies.

Each slate must include candidates who meet said independence requirements, since at least two elected members of the Board of Directors must be declared independent. The slates presenting a number of candidates of three or above must include candidates belonging to both genders, so that the under-represented gender comprises at least two-fifths of the candidates. Each candidate may be presented on only one slate at the risk of being declared ineligible.

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

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

4.4 Appointment of the Chairperson

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

We invite you therefore to appoint the Chairperson of the Board of Directors on the basis of the proposals which may be drawn up by shareholders

4.5 Motions regarding remuneration for members of the Board of Directors

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

The Board of Directors therefore invites you, on the basis of the proposals which may be drawn up by shareholders, to:

- set the remuneration of the Board of Directors in accordance with Article 2389 of the Civil Code, including the right of the Chairperson (to be appointed), to also receive termination indemnity;
- establish that the remuneration of the Chairperson and of Directors holding specific offices, is set, in accordance with Article 2389 of the Civil Code and Article 15 of the By-Laws, by the Board of Directors, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors.

4.6 Motions regarding termination indemnity for the Chairperson

The Board of Directors therefore invites the Shareholders' Meeting, on the basis of the proposals which may be drawn up by shareholders, to consider the allocation of an end-of-mandate indemnity to the Chairperson of the Board of Directors.

4.7 Authorisation pursuant to Article 2390 of the Civil Code

Finally, the Board of Directors invites the Shareholders' Meeting to express its opinion on whether or not the Directors who will be elected may be Directors or General Managers of competing companies.

With regards to recommendations 23 of the Corporate Governance Code, on March 3, 2022 the Board of Directors of the Company confirmed the guideline to not express opinions upon the professional and managerial roles whose presence may be considered beneficial on the Board of the company, considering that the choice of the most appropriate individuals and the appointment of the Board of Directors is within the scope of the shareholders, both minority and majority, as an expression of the choice of slates presented. Similarly, it considered that the application of the regulatory provisions and the By-Law provisions ensure a sufficiently diverse range of profiles on the Board of Directors and therefore decided not to adopt additional diversity policies than those required by law.

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

Turin, March 3, 2022

for the Board of Directors

The Chairman

Marco Daniele Boglione

Report of the Board of Directors on point 5 of the Agenda**5. 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, 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@pecserviziottoli.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.

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

Report of the Board of Directors on point 6 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 8, 2021, which expires on the approval of the financial statements at December 31, 2021, 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 9,830,000 treasury shares, comprising 16,116% 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 2022 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 14,000,000.

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 2022 Annual Accounts. The maximum outlay is Euro 14,000,000; 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”).
- 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;

SHAREHOLDERS' MEETING OF APRIL 13, 2022

- 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 3, 2022

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.

SHAREHOLDERS' MEETING OF APRIL 13, 2022

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.