



***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

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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-*ter* of the CFA and 84-*quater* 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 lInfo, 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, Amazon 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: a 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	Non-Executive Director - Company Executive		
Paola Bruschi	Executive Director- Company Executive		
Elisa Corgi	Independent and Non-Executive Director	Member	Member
Cristiano Fiorio	Independent and Non-Executive Director		Member
Francesco Genovese	Non-Executive Director - Company Executive		
Alessandro Jorio	Non-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.

Directors	Change 2020/2021	Change 2019/2020	Pro-forma change 2019/2020
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 approved by the Shareholders' Meeting.

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.

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 Corghi (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	

- (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 Boglione(*)	Chairperson	BasicNet	20,517,733			20,517,733
Lorenzo Boglione	Director	BasicNet	21,580			21,580
Alessandro Boglione	Director	BasicNet	14,604			14,604
Renate Hendlmeier	Director	BasicNet	2,000			2,000
Carlo Pavesio	Director	BasicNet	100,000			100,000

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

For the Board of Directors

The Chairperson

Marco Daniele Boglione