



Shareholders' Meeting of April 13, 2023

REPORTS ON MATTERS ON THE AGENDA

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SHAREHOLDERS' MEETING CALL NOTICE

Shareholders are called to the ordinary Shareholders' AGM at the registered office in Turin – Largo Maurizio Vitale, 1, for 11.00 AM on April 13, 2023 in single call, through notice published on the company website www.basicnet.com/contenuti/datifinanziari/assembleeazionisti.asp on March 9, 2023 and in the "il Giornale" newspaper on March 10, to consider motions on the following Agenda:

1. Statutory Financial Statements at December 31, 2022, accompanied by the Directors' Report, the Independent Auditors' Report, and the Board of Statutory Auditors' Report. Resolutions thereon. Presentation of the consolidated financial statements of the BasicNet Group at 31 December 2022.
2. Proposal for the allocation of the net profit for the year 2022 and for dividend distribution. Resolutions thereon.
3. Report on remuneration policy and on amounts paid:
 - 3.1 Remuneration Report: resolutions relating to the First Section in accordance with Article 123-ter, paragraphs 3-bis and 3-ter of Legislative Decree No. 58/98.
 - 3.2 Remuneration Report: resolutions relating to the Second Section in accordance with Article 123-ter, paragraph 6 of Legislative Decree No. 58/98.
4. Authorization to purchase and dispose of treasury shares. Resolutions thereon.

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

- 1. Separate Financial Statements at December 31, 2022, accompanied by the Directors' Report, the Auditors' Report and the Board of Statutory Auditors' Report. Resolutions thereon. Presentation of the consolidated financial statements of the BasicNet Group at 31 December 2022.**

Dear Shareholders,

we propose the following:

RESOLUTION

the Shareholders' Meeting of BasicNet S.p.A., having reviewed the 2022 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, 2022, in relation to each individual part and in its entirety.

Turin, March 9, 2023

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 2022 and the distribution of a dividend. Resolutions thereon.

Dear Shareholders,

We propose the allocation of the net profit of Euro 11,155,496.19 as follows:

- | | | |
|--|------|--------------|
| - to each of the 50,082,500 ordinary shares in circulation (excluding the 3,917,500 treasury shares held at March 9, 2023) a dividend of Euro 0.18 before withholding taxes for an amount of | Euro | 9,014,850.00 |
| - to retained earnings the residual amount, equal to | Euro | 2,140,646.19 |

The dividend will be paid from April 26, 2023, with record date of April 25, 2023 and coupon date (No. 16) of April 24, 2023.

We also propose that, if at the dividend coupon date the number of shares with dividend rights is lower than indicated above due to any share buy-backs by the company, the relative dividend will be allocated to retained earnings, as will any rounding made on payment.

We propose therefore the following:

MOTION

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

RESOLVES

to approve the proposed allocation of the net profit for the year of Euro 11,155,496.19, as presented above, and the proposed payment of a dividend of Euro 0.18 to each of the ordinary shares in circulation and entitled to receive dividends on the coupon date.

Turin, March 9, 2023

for the Board of Directors

The Chairman

Marco Daniele Boglione

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

3. Report on remuneration policy and on amounts paid:

Dear Shareholders,

in accordance with Article 123-ter, paragraphs 3-bis and 3-ter of Legislative Decree No. 58/1998, we submit to voting the Remuneration Report.

The Remuneration Report, approved by the Board of Directors on March 9, 2023 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: resolutions relating to the First Section in accordance with Article 123-ter, paragraphs 3-bis and 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 9, 2023

for the Board of Directors

The Chairman

Marco Daniele Boglione

3.2 Remuneration Report: resolutions relating to the Second Section in accordance with 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 9, 2023

for the Board of Directors

The Chairman

Marco Daniele Boglione

REPORT ON REMUNERATION POLICY AND ON AMOUNTS PAID

***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 9, 2023

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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- <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 Company's Policy on remuneration and on amounts paid, 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 9, 2023.

The Report on remuneration Policy and on amounts paid consists of two sections:

- Section I: describes, for the year 2023, 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, 2023 for the approval of the 2022 Annual Accounts, as provided by paragraph 3-ter of Article 123-ter of the Consolidated Finance Act.
- Section II: details the amounts paid during the year ended December 31, 2022 by the Company and BasicNet' S.p.A. subsidiaries to the Company's Directors, Statutory Auditors and Senior Executives. This section, which sets out each of the items making up the remuneration of the individuals concerned, will be subject to an advisory vote at the Shareholders' Meeting called for April 13, 2023.

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 *2023 Shareholders' Meeting* section, and on the centralised authorised storage mechanism 1Info, www.1info.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;
 - on appointment and for the entire duration of mandate, decides 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 Report on Remuneration Policy and on amounts paid, 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 13, 2022 approved the document expressing as follows:
 - votes in favour: 35,345,515, equal to 87.17% of those attending the Shareholders' Meeting;
 - votes against: 4,945,327, equal to 12.20% of those attending the Shareholders' Meeting;
 - abstaining: 256,214, equal to 0.63% 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 13, 2022, expressed a positive opinion with:
 - votes in favour: 35,345,515, equal to 87.17% of those attending the Shareholders' Meeting;
 - votes against: 4,945,327, equal to 12.20% of those attending the Shareholders' Meeting;
 - abstaining: 256,214, equal to 0.63% 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, grants any bonuses 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 Report on remuneration policy and on amounts paid to be presented to the Shareholders' Meeting in accordance with Article 123-ter of the CFA;
- may delegate to the managers responsible for each operating function (so-called ".com") powers of remuneration for Executives and other Personnel of the Company, and advise the Chief Executive Officers of the subsidiary companies on remuneration for Executives and other Personnel, including as regards any bonus mechanisms, as identified within the budget of each company;
- the **Chairperson of the Board of Directors**, who:
 - provides the Remuneration Committee with the information required to formulate proposals regarding the criteria for the remuneration of Senior Directors and Senior Executives;
- 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 Report on remuneration policy and on amounts paid, 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 regard 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 current Remuneration Committee was appointed at the Board of Directors meeting of April 13, 2022 and is composed of Non-Executive Directors Carlo Pavesio (Chairperson) and Daniela Ovazza, and Non-Executive and Independent Directors Piera Braja and Francesco Calvo.

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 meets when called by the Chairperson of the Committee, or when requested by the Chairperson of the Board of Directors 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, in extract or in full, 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

The Group recognises the central importance of human resources, in the firm belief that the principal factor determining the success of the business is the individual acting in an environment which supports professional and human growth. In this context, 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 to pursue the long-term interest and sustainability of the Company.

Employees and collaborators are offered opportunities for growth based on merit, professional skills and participation in the company's development processes, including through an automatic, scheduled system that allows periodic performance evaluation and position review.

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. Working activities are carried out at sites designed to put the person at the centre, where they can enjoy a series of services and spaces that are ideal for both work and group recreation.

Additional information about BasicNet's policies regarding the management of social and Human Resources-related issues can be found in the Consolidated Non-Financial Report, included in the Directors' Report, published at www.basicnet.com, Financial data/Financial Statements section.

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.

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 the year 2023. 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, which is in line with BasicNet's Human Resources management philosophy, is centred on fostering a strong sense of belonging to the Group. This sense of belonging is fostered by and reflecting in the workplaces themselves, where offices, residences, stores and services, and gathering areas coexist. 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 is encouraged 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 services (e.g. free parking, discounts on purchases of company products, gyms, and museum access, catering services and home delivery of meals when working remotely, a help desk for parcel collection, and 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 critical issues, 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 is in line with that of previous years. As the Company did not receive indications from the Shareholders' Meeting or in the Chief Executive Officer's interview with investors, it has not undergone any changes.

- 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. These fixed fees have been updated to reflect the increased powers and responsibilities of certain Directors within the Group;
- 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, 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 components 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.

- k. **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.

- l. **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.

- m. **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.

- n. **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.

- o. **Remuneration policy, if any, adopted for (i) Independent Directors; (ii) committee membership; and (iii) Chairperson of the Board of Directors and Vice-Chairpersons**

Independent Directors 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 of 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.

Vice-Chairpersons who are also Chief Executive Officers for this term of office receive remuneration in line with that of the other Executive Directors, which also takes into account the operational powers they hold in the Group's strategic companies.

- p. **The Remuneration Policy was established using the policies of other companies as a benchmark, and the criteria utilised for the choice of these companies.**

For the setting of its own remuneration policy, BasicNet did not refer to the remuneration policies of other companies.

- q. **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 bodies 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.

For the purposes of the Remuneration Policy, BasicNet Directors with delegated authority are considered to be Senior Executives with strategic responsibility. There are no Senior Executives at the subsidiaries, as strategic decisions are taken by the Chairperson of the Board of Directors, Vice-Chairpersons, and Chief Executive Officer of BasicNet S.p.A., within the limits of the powers granted to them.

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 with proxies		
Alessandro Boglione	Vice-Chairperson and Chief Executive Officer		
Lorenzo Boglione	Vice-Chairperson and Chief Executive Officer		
Maria Boglione	Non-Executive Director		
Federico Trono	Chief Executive Officer		
Veerle Bouckaert	Executive Director - Company Executive		
Piera Braja	Independent and Non-Executive Director	Member	Chairperson
Paola Bruschi	Executive Director- Company Executive		
Francesco Calvo	Independent and Non-Executive Director	Member	Member
Cristiano Fiorio	Independent and Non-Executive Director		Member
Monica Gamberoni	Executive Director - Company Executive		
Francesco Genovese	Executive Director - Company Executive		
Daniela Ovazza	Non-Executive Director	Member	
Carlo Pavesio	Non-Executive Director	Chairperson	

Board of Statutory Auditors

Name	Office held on the Board
Ugo Palumbo	Chairperson
Gianna Luzzati	Statutory Auditor
Alberto Pession	Statutory Auditor
Simonetta Mattei	Alternate Auditor
Riccardo Garbagnati	Alternate Auditor

The fees reported in Part Two of this Section refer to the 2022 financial year on an accrual basis.

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

The Shareholders' Meeting of April 13, 2022 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 Executive Directors**

The Board of Directors meeting on April 29, 2022, following the Shareholders' Meeting that appointed the Board for the 2022-2025 mandate, approved the remuneration pursuant to Article 2389 of the Civil Code of the Senior 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. The fixed fees have been updated to reflect the increased powers and responsibilities of certain Directors within the Group and were attributed as follows:

- to the Chairperson of the Board of Directors Marco Daniele Boglione:
 - a) remuneration of Euro 1.2 million on an annual basis, a Director's fee of Euro 20,000 on an annual basis before statutory withholdings; and:
 - b) as per the Shareholders' Meeting motion, in line with the previous three-year period, an annual allocation of Euro 500 thousand as Termination Indemnity, proposing the assignment, from a leading insurance company, in the name of the Company, of an insurance policy, related to an annual constant premium of an amount equal to the amount of the termination indemnity approved and the assignment as beneficiary of the capital guaranteed on maturity of the policy the same insured Director, or persons indicated by him in the case of death, granting to these parties the right to receive any gains from the insurance policy, to be considered as supplements of the above-stated indemnity;
 - c) in line with the previous three-year period, a "term-life constant capital" life policy for an insured capital amount of Euro 1.5 million;
 - d) in continuity with the previous three years, 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 normal value of Euro 85 thousand Euro per year;
- to Vice-Chairperson Alessandro Boglione: remuneration of Euro 355 thousand on an annual basis, before withholding taxes, in addition to his remuneration as an Executive, amounting to Euro 91,000, and to the remuneration for the office of Director, amounting to Euro 20,000 on an annual basis, for a total remuneration of Euro 466,000. Remuneration is received from Group companies in which Alessandro Boglione serves as Chairperson/Chief Executive Officer;

- to Vice-Chairperson Lorenzo Boglione: remuneration of Euro 355 thousand on an annual basis, before withholding taxes, in addition to his remuneration as an Executive, amounting to Euro 91,000, and to the remuneration for the office of Director, amounting to Euro 20,000 on an annual basis, for a total remuneration of Euro 466,000. Remuneration is received from Group companies in which Lorenzo Boglione serves as Chairperson/Chief Executive Officer;
- to Chief Executive Officer Federico Trono: remuneration of Euro 240 thousand on an annual basis, before withholding taxes, in addition to his remuneration as an Executive, amounting to Euro 128,745, and to the remuneration for the office of Director, amounting to Euro 20,000 on an annual basis, for a total remuneration of Euro 388,745. This compensation will also remunerate positions on the Board of Directors of other Group companies;
- to Director Paola Bruschi: in addition to gross annual remuneration for the office of Executive of the Company amounting to Euro 138,745 and remuneration for the office of Director amounting to Euro 20,000 on an annual basis, remuneration of Euro 40,000 on an annual basis as the Executive Officer for Financial Reporting at BasicNet S.p.A., for total remuneration of Euro 198,745;
- to Director Francesco Genovese: gross annual remuneration for the office of Executive of the Company amounting to Euro 120,049, in addition to remuneration for the office of Director amounting to Euro 20,000 on an annual basis, for a total of Euro 140,049;
- to Director Veerle Bouckaert: gross annual remuneration for the office of Executive Director of the Company of Euro 114,000, in addition to the confirmation of the annual emolument of Euro 10 thousand on an annual basis for the office of Executive Director of BasicTrademark (now Kappa S.r.l.) and the remuneration for the office of Director of Euro 20,000 on an annual basis, for a total of Euro 144,000.

- **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 29, 2022 (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.**

Regards Group Executives (also Directors) as legally required under Article 2120 of the Civil Code.

- **Exceptions to the Remuneration Policy**

The Board of Directors' motion of February 10, 2022 resolved, with the favourable opinion of the Remuneration Committee and the Related Parties Committee, to issue its approval for the Board of Directors of K-Way S.p.A. to award:

- to Mr. Alessandro Boglione, variable remuneration of Euro 50,000 gross on the positive outcome of the ongoing negotiations to acquire K-Way France S.a.s.
- to Mr. Lorenzo Boglione, variable remuneration of Euro 50,000 gross on the positive outcome of the ongoing negotiations to acquire K-Way France S.a.s.

This variable remuneration was awarded in recognition of the strategic nature of the "K-Way" project for the brand, but also for the Group as a whole, and the role that Lorenzo Boglione and Alessandro Boglione have played within the project.

The Board of Directors' motion of March 9, 2023 resolved, with the favourable opinion of the Remuneration Committee, the Related Parties Committee and the Board of Statutory Auditors, and considering the Group's significant economic and financial performance in 2022 to benefit the Group's medium- to long-term growth, to award:

- to Lorenzo Boglione, who is the Company's Vice-Chairperson of Operations and holds senior operational positions in several other Group companies, a one-off bonus of Euro 200 thousand before withholding taxes (to be paid after the Shareholders' Meeting's approval of the 2022 figures);
- to Alessandro Boglione, who is the Company's Vice-Chairperson of Operations and holds senior operational positions in several other Group companies, a one-off bonus of Euro 200 thousand before withholding taxes (to be paid after the Shareholders' Meeting's approval of the 2022 figures);
- to Federico Trono, who is the Company's Chief Executive Officer and holds senior operational positions in several other Group companies, a one-off bonus of Euro 100 thousand before withholding taxes (to be paid after the Shareholders' Meeting's approval of the 2022 figures);

Change in trends relating to the remuneration and amounts paid by the Company

Amounts paid to members of the Administrative and Control Boards

The following tables provide comparison information, from 2019, of annual changes:

- in the total remuneration paid to Directors and members of the Board of Statutory Auditors for each financial year,
- in the Company's results,
- in the average annual salary, benchmarked to the Company's full-time employees excluding Directors

Directors	Change 2022/2021	Change 2021/2020	Change 2020/2019
Marco Boglione - Chairperson & Chief Executive Officer			
Change with one-off bonuses (1)	-2%	12.3%	2.6%
Change net of one-off bonuses	10.1%	--	2.6%
Lorenzo Boglione - Vice-Chairperson, Chief Executive Officer (2)			
Change with one-off bonuses (3)	95.3%	30.4%	52.2%
Change net of one-off bonuses	27.2%	73.5%	14.3%
Alessandro Boglione - Vice-Chairperson, Chief Executive Officer (2)			
Change with one-off bonuses (3)	95.3%	30.4%	52.2%
Change net of one-off bonuses	27.2%	73.5%	14.3%
Federico Trono - Chief Executive Officer (2)			
Change with one-off bonuses (4)	-9.3%	38.7%	28.9%
Change net of one-off bonuses	--	--	28.9%
Paola Bruschi - CFO and Executive Officer for Financial Reporting (2)	--	--	6.6%
Veerle Bouckaert - Executive Director (2)	--	--	--
Change with one-off bonuses (5)	18.7%	-25.6%	43.9%
Change net of one-off bonuses	18.7%	--	43.9%
Francesco Genovese - Executive Director (2)	19.3%	39.3%	9.6%

1) In 2021, benefitted from a one-off bonus of Euro 200,000

2) Including executive compensation

3) In 2020, benefitted from a one-off bonus of Euro 70,000, and in 2022, benefitted from a one-off bonus of Euro 50,000 paid by K-Way S.p.A. and Euro 200,000 paid by BasicNet S.p.A. (approved in 2023, accruing in 2022) regarding results achieved in 2022. The other increases relate to the assumption of the position of Chief Executive Officer in some strategic Group companies.

4) In 2021, benefitted from a one-off bonus of Euro 150,000, and in 2022, benefitted from a one-off bonus of Euro 100,000 paid (approved in 2023, accruing in 2022) regarding results achieved in 2022.

5) In 2020, benefitted from a one-off bonus of Euro 40,000

Remuneration for other Executive Directors is essentially unchanged over the reporting periods. The changes relate to the variations in Directors compared to previous years.

Remuneration for Non-Executive Directors and for participation on internal Board committees did not change

during the reporting periods. The changes relate to the variations in Directors and internal Board committee compared to previous years.

The remuneration of the Board of Statutory Auditors did not change during the reporting periods. The changes relate to the variations in the Board of Statutory Auditors compared to previous years.

Results of the Company

A comparison of the Company's income indicators is set out below.

Indicator (1)	Change 2022/2021	Change 2021/2020	Change 2020/2019
Consolidated revenues	+30.0%	+14.1%	-15.0%
EBITDA	+37.8%	+123.2%	-53.4%
Consolidated net profit	+47.8%	+136.9%	-59.2%

(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 bodies

The average remuneration of BasicNet S.p.A.'s employees, other than members of the administrative and control boards, rose 6.8% in 2022 compared to the previous year. In 2022, in order to support the workforce and their families in the face of rising living costs, the Group introduced an extraordinary welfare initiative equal to one month's salary.

Average employee remuneration other than members of the Board of Directors and Board of Statutory Auditors	Change 2022/2021	Change 2021/2020	Change 2020/2019
Average remuneration (1)	6.8%	+3.6%	-8.6%(2)

(1) Calculated based on average monthly salary, including bonuses quantified with reference to the vesting year

(2) The figure takes into account the effect of the supplementary wages fund, due to the Covid emergency.

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	Remun. for committee attendance	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Benefits on conclusion of office
Directors											
Marco Boglione (1)	Chairperson	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				1,153,333				137,775	500,000	1,791,108	1,500,000
(II) Remuneration from subsidiaries and associates											
Total				1,153,333	-	-		137,775	500,000	1,791,108	1,500,000
Lorenzo Boglione (2)	Director Vice-Chairperson and Chief Executive Officer	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				111,763		200,000				311,763	
(II) Remuneration from subsidiaries and associates				355,000		50,000				405,000	
Total				466,763	-	250,000				716,763	
Alessandro Boglione (3)	Director Vice-Chairperson and Chief Executive Officer	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				111,763		200,000				311,763	
(II) Remuneration from subsidiaries and associates				355,000		50,000				405,000	
Total				466,763	-	250,000				716,763	
Federico Trono (4)	Chief Executive Officer	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				389,830		100,000				489,830	
(II) Remuneration from subsidiaries and associates											
Total				389,830	-	100,000				489,830	
Maria Boglione (5)	Director	13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				13,333						13,333	
(II) Remuneration from subsidiaries and associates											
Total				13,333	-	-				13,333	
Piera Braja (6)	Independent Director	13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				13,333	6,667					20,000	
(II) Remuneration from subsidiaries and associates											
Total				13,333	6,667	-				20,000	
Veerie Bouckaert (7)	Director	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				126,384						126,384	
(II) Remuneration from subsidiaries and associates				10,000						10,000	
Total				136,384	-	-				136,384	
Paola Bruschi (8)	Director	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				199,911						199,911	
(II) Remuneration from subsidiaries and associates										-	
Total				199,911	-	-			-	199,911	
Francesco Calvo (9)	Independent Director	13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				13,333	6,667					20,000	
(II) Remuneration from subsidiaries and associates											
Total				13,333	6,667	-				20,000	
Cristiano Florio (10)	Independent Director	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 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	
Monica Gamberoni (11)	Director	13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				70,164						70,164	
(II) Remuneration from subsidiaries and associates											
Total				70,164	-	-				70,164	
Francesco Genovese (12)	Director	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				132,449						132,449	
(II) Remuneration from subsidiaries and associates											
Total				132,449	-	-				132,449	
Daniela Ovazza (13)	Director	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 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	
Carlo Pavesio (14)	Director	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 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	
Renate Hendlmeier (15)	Independent Director	01/01/2022-13/04/2022	approv. 2021 accounts								
(I) Remuneration from company preparing the accounts				6,667	3,333					10,000	
(II) Remuneration from subsidiaries and associates											
Total				6,667	3,333	-				10,000	
Alessandro Jorio (16)	Director	01/01/2022-13/04/2022	approv. 2021 accounts								
(I) Remuneration from company preparing the accounts				106,139						106,139	
(II) Remuneration from subsidiaries and associates											
Total				106,139	-	-				106,139	
Adriano Marconetto (17)	Independent Director	01/01/2022-13/04/2022	approv. 2021 accounts								
(I) Remuneration from company preparing the accounts				6,667	3,333					10,000	
(II) Remuneration from subsidiaries and associates											
Total				6,667	3,333	-				10,000	
Elisa Coghi (18)	Independent Director	01/01/2022-13/04/2022	approv. 2021 accounts								
(I) Remuneration from company preparing the accounts				6,667	3,333					10,000	
(II) Remuneration from subsidiaries and associates											
Total				6,667	3,333	-				10,000	
Grand total				3,241,737	38,333	600,000	-	137,775	500,000	4,517,845	1,500,000

Name	Office held	Period of office	Concl. of office	Fixed remuneration	Remun. for committee attendance	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Benefits on conclusion of office
Ugo Palumbo (19)	Chairperson	13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				24,000						24,000	
(II) Remuneration from subsidiaries and associates											
Total				24,000						36,000	
Gianna Luzzati (20)	Statutory Auditor	13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				16,000						16,000	
(II) Remuneration from subsidiaries and associates											
Total				16,000						16,000	
Alberto Pession (21)	Statutory Auditor	01/01/2022-13/04/2022 13/04/2022-31/12/2022	approv. 2024 accounts								
(I) Remuneration from company preparing the accounts				24,000						24,000	
(II) Remuneration from subsidiaries and associates				28,200						28,200	
Total				52,200						52,200	
Maria Francesca Talamonti (22)	Chairperson	01/01/2022-13/04/2022	approv. 2021 accounts								
(I) Remuneration from company preparing the accounts				12,000						12,000	
(II) Remuneration from subsidiaries and associates											
Total				12,000						12,000	
Sergio Duca (23)	Statutory Auditor	01/01/2022-13/04/2022	approv. 2021 accounts								
(I) Remuneration from company preparing the accounts				8,000						8,000	
(II) Remuneration from subsidiaries and associates										-	
Total				8,000						8,000	

- 1) The remuneration from Basicnet includes the Euro 20,000 (before withholding taxes) awarded by the Shareholders' Meeting for the office of Director, and Euro 1,200,000 (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 52,775 the use of the residential unit located at the "BasicVillage" called "Foresteria – Loft People on the Move" and the relative expenses, of a normal value of Euro 85 thousand annually. "Other remuneration" relates to the annual allocation of Termination Indemnity. The Termination Indemnity accrued in 2019-2022 was received in 2022.
- 2) 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. Remuneration from other companies is received as Chief Executive Officer of Kappa S.r.l. (formerly BasicTrademark S.r.l.) for Euro 255,000 and of K-Way S.p.A. for Euro 100,000. Two one-off bonuses were granted in the fiscal year: one of Euro 50,000, provided by K-Way S.p.A. and one of Euro 200,000 by BasicNet in relation to the results achieved in 2022.
- 3) 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. Remuneration from other companies is received as Chief Executive Officer of BasicItalia S.p.A. for Euro 255,000 and of K-Way S.p.A. for Euro 100,000. The Euro 50,000 bonus was paid by K-Way S.p.A. Two one-off bonuses were granted in the fiscal year: one of Euro 50,000, provided by K-Way S.p.A. and one of Euro 200,000 by BasicNet in relation to the results achieved in 2022.
- 4) Remuneration includes 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. In 2022, he was paid a one-off bonus of Euro 100,000 in relation to the results achieved in 2022.
- 5) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director (pro rata from appointment)
- 6) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director (pro rata from appointment) and remuneration (pro rata from appointment) as a member of the Remuneration Committee (Euro 5,000 before withholding taxes) and the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- 7) 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 from other companies is received as Executive Director of Kappa S.r.l. (formerly Basic Trademark S.r.l.)
- 8) The remuneration from 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 (Euro 40,000 before withholding taxes), allocated by the Board of Directors meeting of April 13, 2022.
- 9) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director (pro rata from appointment) and remuneration (pro rata from appointment) as a member of the Remuneration Committee (Euro 5,000 before withholding taxes) and the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- 10) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director and remuneration as a member of the Remuneration Committee (Euro 5,000 before withholding taxes).
- 11) The remuneration from BasicNet includes the Euro 20,000 before withholding taxes awarded by the Shareholders' Meeting for the office of Director (pro rata from appointment) and remuneration as a company Executive (for the whole year).
- 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) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director and remuneration as a member of the Remuneration Committee (Euro 5,000 before withholding taxes).
- 14) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director and remuneration as a member of the Remuneration Committee (Euro 5,000 before withholding taxes).
- 15) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director (pro rata until conclusion of the mandate) and remuneration (pro rata until conclusion of the mandate) as a member of the Remuneration Committee (Euro 5,000 before withholding taxes) and the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- 16) The remuneration from BasicNet includes the Euro 20,000 before withholding taxes awarded by the Shareholders' Meeting for the office of Director (pro rata until the conclusion of the mandate) and remuneration as a Company Executive (for the whole year).
- 17) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director (pro rata until conclusion of the mandate) and remuneration (pro rata until conclusion of the mandate) as a member of the Remuneration Committee (Euro 5,000 before withholding taxes) and the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- 18) The remuneration from BasicNet includes Euro 20,000 before withholding taxes allocated by the Shareholders' Meeting for the office of Director (pro rata until conclusion of the mandate) and remuneration (pro rata until conclusion of the mandate) as a member of the Remuneration Committee (Euro 5,000 before withholding taxes) and the Control and Risks and Related Parties Committee (Euro 5,000 before withholding taxes).
- 19) Remuneration effective from appointment.
- 20) Remuneration effective from appointment.
- 21) 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 7,000 before withholding taxes) and K-Way S.p.A. (Euro 17,000 before withholding taxes).
- 22) Remuneration due for the period in office
- 23) Remuneration due for the period in office

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 2021	Number of shares purchased	Number of shares sold	Number of shares held at end of 2022
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
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.

On behalf of the Board of Directors

The Chairperson

Marco Daniele Boglione

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

4. Authorization to purchase and dispose of 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 to 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 May 30, 2022, and that this authorisation concludes on the approval of the financial statements at December 31, 2022, with no time limit with regard to the authorisation to dispose of treasury shares.

1. Rationale underlying the authorisation request

The Board of Directors considers it beneficial to request a new authorisation from the Shareholders' Meeting to carry out any purchase or disposal of treasury shares to:

- equip the Company with a portfolio of treasury shares to be used as consideration in any future corporate transactions with third parties, or by pledging them as collateral in financial transactions;
- remunerate shareholders in specific market situations, within the limits established by current legislation;
- take opportunities to create value, and to use liquidity efficiently in relation to market trends;
- subsequently cancel the treasury shares, according to the terms and procedures eventually defined by the competent corporate bodies;
- to carry out any other action that the competent Authorities may deem to be market practice.

In any event, the aforementioned transactions shall be carried out within the limits provided for by applicable law and, where applicable, in accordance with the market practices permitted by the supervisory authority pursuant to and for the purposes of Article 13 of Regulation (EU) No. 596/2014 ("MAR") in force at the time.

2. Maximum number, category and nominal value of the shares to which the authorisation refers

We propose in accordance with Articles 2357 and 2357-*ter* of the Civil code, that you authorise the Board of Directors to:

- purchase, in one or more tranches, a maximum number of ordinary shares whose number, taking into account those already held by the Company, does not exceed 20% of the share capital;
- dispose of treasury shares purchased in accordance with this motion, in addition to those already held by the Company and those purchased in accordance with the authorisation motion referred to in this report.

3. Information useful for establishing the maximum limit to which authorisation refers

As at the date of this report, the share capital totals Euro 31,716,673.04 and is divided into 54,000,000 ordinary shares without par value (including 3,959,500 treasury shares in portfolio at the date of issue of this report on March 23, 2023).

The purchase and disposal transactions regarding treasury shares will be carried out in compliance with Articles 2357 and subsequent of the Civil code and Article 132 of the CFA: in such an amount that, at any given time these treasury 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 distributable profits and available reserves shall be assessed at the time of undertaking purchases.

4. Duration of the authorisation

The authorisation to purchase is requested for a period beginning from the date of this Shareholders' Meeting and which will continue until the Shareholders' Meeting called to approve the 2023 financial statements, without further time limits concerning the authorisation to dispose of treasury shares is.

During the eventually agreed authorisation period, the Board of Directors may proceed with the authorised transactions 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.

5. Minimum and maximum purchase price

We propose that purchases be undertaken at a unitary price of not more than 20% above or below the listed share price on conclusion of the trading session preceding every single transaction, or on the date on which the price is set, in compliance with the conditions established by Article 5 of Delegated Regulation (EC) No. 596/2014 and Article 3 of Delegated Regulation (EU) 2016/1052 of the Commission of March 8, 2016 and the further applicable rules.

With regards to the consideration for the disposal of treasury shares, this 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, the nature of the transaction and in the interest of the Company.

6. Manner to execute purchase and disposal transactions

Purchases may be carried out, on one or more occasions, in compliance with the principle of equal treatment of shareholders, in accordance with Article 132 of the CFA and with the legal and regulatory provisions in force at the time they are carried out.

Specifically, purchases may be made:

- (a) through a public purchase or exchange offer;
- (b) on regulated markets, in accordance with the operating methods set out in the regulations for the organisation and management of these markets, which do not allow the direct matching of buy orders with predetermined sell orders;
- (c) by granting shareholders, in proportion to the shares held, a put option to be exercised within a period of time established in the Shareholders' Meeting motion authorising the purchase programme;
- (d) according to the means established by market practices permitted by Consob as per Article 13 of Regulation (EU) No. 596/2014.

Where convenient for the Board of Directors, treasury shares may be purchased according to methods differing from those indicated above, as long as they are 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.

Disposals may be executed by any means deemed necessary or appropriate in achieving the purpose for which the transaction is carried out, and therefore also outside the market or as part of corporate transactions.

7. Useful information, where the purchase operation is instrumental to the reduction of the share capital by cancelling treasury shares

The purchase transactions will not be instrumental to the reduction of the Company's share capital by cancelling the treasury shares purchased.

PROPOSAL

Dear Shareholders,

in light of that stated above, we propose the following motion:

“The Ordinary Shareholders’ Meeting of BasicNet S.p.A.,

- taking account of the provisions of Articles 2357 and subsequent of the Civil code, 132 of Legislative Decree No. 58/1998 (“**CFA**”) and Article 144-*bis* of Consob Regulation No. 11971/1999 and subsequent amendments (the “**Issuers’ Regulation**”);
- having noted the Board of Directors’ Illustrative Report, prepared pursuant to Articles 125-*ter* of the CFA and 73 of the 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

1. to authorise the Board of Directors to purchase, on one or more occasions, a maximum number of ordinary shares which, taking account of those already held by the Company, does not exceed the legal limits, for a period beginning from the date of this Shareholders’ Meeting and extending until the date of the Shareholders’ Meeting called to approve the 2023 Annual Accounts, with no further time limits. Purchases may be made to:
 - (a) equip the Company with a portfolio of treasury shares to be used as consideration in any future corporate transactions with third parties, or by pledging them as collateral in financial transactions;
 - (b) remunerate shareholders in specific market situations, within the limits established by current legislation;
 - (c) take opportunities to create value, and to use liquidity efficiently in relation to market trends;
 - (d) subsequently cancel the treasury shares, according to the terms and procedures eventually defined by the competent corporate bodies;
 - (e) to carry out any other action that the competent Authorities may deem to be market practice.

2. to grant to the Board of Directors the broadest range of powers to execute the purchase transactions, according to the means indicated at point 6 of the Report, at a unitary price of not more than 20% above or below the listed share price on conclusion of the trading session preceding every single transaction, or on the date on which the price is set; all in compliance with the applicable legal and regulatory provisions, including, where applicable, permitted market practice;
3. to authorise the Board of Directors to dispose of, without further time limits, 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 and the nature of the transaction, the terms, means and conditions to utilise the treasury shares;
4. 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 execute these motions.

for the Board of Directors

The Chairperson

Marco Daniele Boglione

SHAREHOLDERS' MEETING REGULATION

Article 1

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

Article 2

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

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

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

Those leaving the location of the meeting for whatever reason must communicate such to the Company personnel in charge of the meeting.

Article 3

The Company staff may assist at the Shareholders' Meeting, in addition to Directors and staff of companies belonging to the Group. On the invitation, and however with the consent of the Chairperson, professionals, consultants, financial analysts, university students and qualified and accredited journalists may follow the business of the Meeting, without the right to intervene and vote.

Persons accredited to follow the meeting must report for identification by the Company's appointees at the entrance of the premises where the Meeting is to be held and collect a special badge to be exhibited upon request.

Article 4

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

The Chairperson is assisted by the secretary, appointed by the Shareholders' Meeting on the proposal of the Chairperson, or where necessary or considered beneficial, by a notary. The secretary and the notary may utilise the assistance of trusted persons, also non-shareholders.

The Shareholders' Meeting may be subject to audio/video recording, both for transmission/projection to the rooms of the Shareholders' Meeting or in order to assist the Board in the minute taking and preparation of responses.

The information provided to the Shareholders' Meeting by the Corporate Boards may be communicated also through the company website.

For the management of the voting procedures, the Chairperson of the Shareholders' Meeting may appoint one or more tellers from among attending shareholders, in the number considered most appropriate.

Under the direction of the Chairperson of the Shareholders' Meeting, a sheet of attendees is prepared, in which those who attend on their own behalf, by proxy or in another manner established by law, are indicated, specifying the number of shares held.

Where the necessary number of attendances for the constitution of the Shareholders' Meeting is not reached, the Chairperson of the Shareholders' Meeting, following a lapse of time considered adequate after the time fixed for the beginning of the Shareholders' Meeting, announces such to the attendees, declaring the meeting void and postponing the handling of the matters on the Agenda to the subsequent call.

The business of the Shareholders' Meeting may be suspended if the Chairperson of the Shareholders' Meeting considers such correct, and with the consent of the meeting, for a period of not greater than three hours. Audio and/or video recording and transmission equipment are not permitted in the rooms of the Shareholders' Meeting without the prior consent of the Chairperson of the Meeting.

Article 5

In handling the matters on the Agenda, the Chairperson, with the consent of the Meeting, may follow a different Agenda from that posted on the Call Notice.

Similarly, a single discussion on two or more points on the Agenda may be held.

The matters are handled by the Chairperson and, on his or her invitation, by the Directors, by the Statutory Auditors, by the employees of the Company and/or the subsidiaries, in addition to any external experts invited.

Except where the Chairperson considers it opportune or where a specific request is presented, approved by the Shareholders' Meeting, the documentation which is filed in advance is not read, which is made available to interested parties as indicated in the Call Notice.

The Chairperson, taking account of the subject matter and importance of the individual items on the Agenda, may establish at the start of the meeting the time to be allotted to each speaker, which must not be less than 10 minutes. Following this period, the Chairperson of the Shareholders' Meeting may invite the speaker to conclude his/her contribution within five minutes.

The Chairperson of the Shareholders' Meeting may remind speakers to comply with the time limits for speaking established in advance and to keep to the matters stated in the Agenda.

Those with voting rights have the right to take the floor on each of the matters under discussion. Those who have already made a contribution may request to take the floor for a second occasion on the same matter only to make a reply or to formulate a voting proposal. Those who wish to take the floor must request such in writing from the Chairperson of the Shareholders' Meeting or the secretary, indicating the matter on the Agenda which the contribution concerns. The request may be presented until the Chairperson of the Shareholders' Meeting has declared the discussion on the matter closed.

The Chairperson and, on his or her invitation, the Directors, Statutory Auditors, employees of the Company and/or subsidiaries, in addition to any external experts invited, respond to orators at the end of all contributions under discussion, or after each contribution, taking account also of any questions drawn up by shareholders before the Shareholders' Meeting, which have not been responded to by the Company.

Article 6

The voting at the Meeting is made by open ballot.

The Chairperson of the Shareholders' Meeting adopts the appropriate measures for the orderly carrying out of votes. The Chairperson of the Shareholders' Meeting may require, according to the circumstances, that the voting on a particular issue is carried out immediately after the closure on the discussion on the issue, or at the end of the discussion of all matters on the Agenda.

The vote must be clear, by the raising of hands or in another matter indicated by the Chairperson at the time of voting, also through the use of technical instruments which support the counting of votes. The votes expressed in a manner other than that indicated by the Chairperson of the meeting are void. If the vote is not unanimous, the Chairperson, on a case by case basis, invites those abstaining and those voting against, if a lesser number than those in favour, to declare or make known, also through the method or instrument indicated, their intention in relation to the vote.

Following the vote and the necessary counting with the support of the tellers and the secretary, the Chairperson proclaims the results of voting.