



## SHAREHOLDERS' MEETING OF APRIL 17, 2025

### Illustrative Report of the Board of Directors on point 6 of the Agenda

#### Appointment of the Independent Audit Firm:

- 6.1. Appointment of the Independent Audit Firm the fiscal years 2026-2034. Resolutions thereon;**
- 6.2 Assurance engagement concerning consolidated sustainability reporting for the fiscal years 2026-2034 period. Resolutions thereon.**

Dear Shareholders,

with the approval of the 2025 Annual Accounts by the Shareholders' Meeting, the legal audit engagement awarded to EY S.p.A. by resolution of the Shareholders' Meeting on April 27, 2017 will conclude.

The appointment may not be granted to the outgoing Auditor as completing in 2025 the nine-year period established by Article 17 of Legislative Decree No. 39 of January 27, 2010, as modified by Legislative Decree No. 135 of July 17, 2016 in enactment of Directive 2006/43/EC.

It is therefore necessary to submit for the approval of the Shareholders' Meeting the appointment of a differing independent audit firm.

#### **6.1. Appointment of the Independent Audit Firm the fiscal years 2026-2034. Resolutions thereon;**

In FY 2024, BasicNet began, one year before the conclusion of EY S.p.A.'s mandate, the procedure to select a new independent audit firm to be granted the relevant assignment for 2026-2034, so as to submit the reasoned recommendation for the new assignment to the Shareholders' Meeting on April 17, 2025. It is understood that the appointment will take effect from the conclusion of the current legally-required audit assignment, i.e. the approval of the 2025 Annual Accounts.

In its capacity as the "Internal Audit Committee" pursuant to Articles 13 and 17 of Legislative Decree No. 39/2010, as amended, and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014 ("Regulation 537/2014"), the Board of Statutory Auditors was therefore called upon to prepare the Reasoned Recommendation in accordance with the provisions set out in the *pro tempore* EU regulations in force. Bringing this process forward is common practice among listed companies and is designed, among other objectives, to put the incoming auditor in a position to comply with the "cooling-in" period, provided for in Article 5(1) of Regulation 537/2014. This prohibits the incoming auditor from providing certain services during the financial year immediately preceding the beginning of the period being audited.

Considering the above, the Board of Directors therefore submits for your review and approval the Reasoned Recommendation as prepared by the Board of Statutory Auditors, in its capacity as the Internal Audit Committee (which is attached to this report and also contains the economic conditions offered by the same companies). This Recommendation lists PricewaterhouseCoopers S.p.A. and Crowe Bompani S.p.A. as possible candidates for the appointment of the independent audit firm for the financial years 2026-2034<sup>1</sup>, also specifying its preference for the offer made by the independent audit firm PricewaterhouseCoopers S.p.A.

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In relation to the above, we invite you to approve the following motion:

"The Shareholders' Meeting of Basicnet S.p.A.:

- having acknowledged the Board of Statutory Auditors' Reasoned Recommendation regarding the appointment of the independent audit firm for the financial years 2026-2034 for the performance of the legally-required audit; resolves

- 1) to approve the Board of Statutory Auditors' proposal in accordance with the terms and conditions set out in the "BasicNet S.p.A. Internal Audit Committee's Recommendation for the appointment of the independent audit firm for the nine-year period 2024-2036" (attached to the Directors' Illustrative Report) and, by virtue of the justified preference expressed,
- 2) to appoint as the independent audit firm for BasicNet S.p.A., pursuant to Legislative Decree No. 39 of January 27, 2010, and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014, for a term of 9 (nine) financial years and, specifically, for the financial years 2026-2034:
  - (i) in the first instance, PricewaterhouseCoopers S.p.A., ranked first for an annual fee of Euro 311,000, corresponding to an expected annual commitment of a total of 5,276 hours per year, under the

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conditions set out in the Recommendation;

- (ii) as an alternative - should the motion under point (i) not be approved - Crowe Bompani S.p.A., ranked second for an annual fee of Euro 275,000, corresponding to an expected annual commitment of a total of 5,130 hours per year, under the conditions set out in the Recommendation;

- 3) to confer upon the Board of Directors, and on its behalf the Chief Executive Officers, severally, all the broadest powers, non excluded or excepted, to legally formalise the aforementioned resolution, and to carry out the relevant and necessary formalities with the competent bodies and/or offices. They shall also have the power to introduce any non-substantial amendments that may be required for this purpose, and in general whatever is necessary for the complete execution of this resolution, with any and all powers necessary and appropriate, in compliance with current regulatory provisions”.

The fees referred to in point (i) or, subordinately, in point (ii) above will be adjusted annually, to the contractually defined extent, in line with the trend in the cost of living index, and may vary as a result of changes in the scope of intervention by the independent audit firm and as a result of exceptional events and/or those which are wholly unforeseeable at the time the contract is entered into, without prejudice to the verification and monitoring of the independent audit firm's independence and activity carried out by the Board of Statutory Auditors, in its role as Internal Audit Committee.

**6.2 Assurance engagement concerning consolidated sustainability reporting for the fiscal years 2026-2034 period. Resolutions thereon.**

Dear Shareholders,

the approval of the 2025 Annual Accounts by the Shareholders' Meeting will also conclude the Assurance engagement concerning consolidated sustainability reporting

It should first be noted that Legislative Decree No. 125/2024 repealed Legislative Decree No. 254 of December 30, 2016, which required that a non-financial statement be prepared, and introduced the requirement that a section of the Directors' Report of the financial statements, individual and/or consolidated, as appropriate, be dedicated to the new “sustainability disclosure”, Pursuant to Article 8 of Legislative Decree No. 125/2024, this disclosure, which must be prepared according to a specific common European standard and include certain minimum information, must also be subject to limited attestation of compliance by an auditor or independent audit firm licensed under Legislative Decree No. 39 of January 27, 2010 (“Legislative Decree No. 39/2010”).

In this regard, the provisions of Article 13, paragraph 2-ter, of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 125/2024, provide that the Shareholders' Meeting, on the reasoned proposal of the control board, must appoint the sustainability reporting compliance auditor and determine the fee payable to the sustainability auditor or independent audit firm for the entire term of the appointment. The aforementioned provision also provides that the term of office shall be three financial years (expiring on the date of the Shareholders' Meeting called to approve the financial statements for the third financial year).

As part of the process to select the new independent audit firm, the Company also obtained a specific quotation for the limited attestation of compliance of the Company's consolidated sustainability reporting, pursuant to Legislative Decree No. 125 of September 6, 2024 (“Legislative Decree 125/2024”) issued in implementation of Directive (EU) 2022/2464 (the “Corporate Sustainability Reporting Directive” or “CSRD”), for the financial years 2026-2028, and forwarded it to the Board of Statutory Auditors.

The Board of Statutory Auditors, in its role as Internal Audit Committee pursuant to Legislative Decree No. 39/2010, having assessed the proposals received, has made its reasoned proposal (attached hereto as Annex B) regarding the engagement of PricewaterhouseCoopers S.p.A., for the limited attestation report on the compliance of the Company's consolidated sustainability reporting for the financial years 2026, 2027 and 2028.

Motion



## SHAREHOLDERS' MEETING OF APRIL 17, 2025

On the basis of the above, the Board of Directors proposes that the Shareholders' Meeting approve the following motion:

"The Shareholders' Meeting of BasicNet S.p.A.,

having acknowledged the Board of Directors' Report and the Board of Statutory Auditors' reasoned proposal pursuant to Article 13, paragraph 2-ter, of Legislative Decree No. 39/2010, as amended and supplemented (the "Decree") regarding the appointment to certify the compliance of BasicNet S.p.A.'s consolidated sustainability reporting:- Having examined the illustrative report submitted by the Board of Directors; and

resolves

- to appoint the independent audit firm PricewaterhouseCoopers S.p.A. to certify the compliance of BasicNet S.p.A.'s consolidated sustainability reporting for the financial years 2026-2028, pursuant to Articles 13, paragraph 2-ter, and 14-bis of the Decree, for a fee of Euro 56,000 for each financial year; this fee is determined on the basis of current hourly rates and may be adjusted on July 1 of each year, from July 1, 2027, within the limits of the increase in the ISTAT index, and under the further terms and conditions set out in the offer made by the aforementioned independent audit firm;
- to confer upon the Board of Directors, and on its behalf the Chief Executive Officers, severally, all the broadest powers, non excluded or excepted, to legally formalise the aforementioned resolution, and to carry out the relevant and necessary formalities with the competent bodies and/or offices. They shall also have the power to introduce any non-substantial amendments that may be required for this purpose, and in general whatever is necessary for the complete execution of this resolution, with any and all powers necessary and appropriate, in compliance with current regulatory provisions".

Turin, March 7, 2025

for the Board of Directors

**The Chairperson**

Marco Daniele Boglione

Annex "A"

**BASICNET S.P.A. BOARD OF STATUTORY AUDITORS'  
RECOMMENDATION FOR THE APPOINTMENT OF THE  
INDEPENDENT AUDIT FIRM FOR THE 2026-2034 PERIOD.**

**1. PREMISES**

With the approval of the 2025 Annual Accounts, the mandate for the audit of the accounts of BasicNet S.p.A. (hereafter "Basicnet" or the "Company") awarded to the Audit Firm EY S.p.A. (hereafter the "Outgoing Auditor" or EY") for the nine-year period 2017-2025 will conclude. Therefore, in the second half of 2024, the company considered it appropriate to commence the selection process of the new independent audit firm for the assignment for the years 2026-2034, in accordance with current regulations on the audit of accounts in Italy and at EU level.

The selection process was brought forward from the conclusion date of the current engagement to allow the incoming auditor to comply with the provisions of EU Regulation 537/2014 (hereinafter also the "Regulation"), which prohibit the provision of certain services other than the legally-required audit from the financial year immediately preceding the first year of the audit.

We note the Board of Statutory Auditors acts as the Internal Audit Committee (hereinafter also the "IAC"), as provided for companies employing a traditional administration system. In this capacity, as part of the selection to appoint the independent auditor, the board is tasked with providing a reasoned recommendation to the governing body to enable the Shareholders' Meeting to make a properly considered decision.

Specifically, pursuant to Article 19, paragraph 1, letter f of Legislative Decree No. 39 of January 27, 2010 (hereinafter also the "Decree"), the IAC is *"responsible for the procedure for the selection of the legal auditor or audit firm"*; the IAC's remit also includes *"recommend[ing] the legal auditor or audit firm pursuant to Article 16 of the European Regulation"*.

EU Regulation No. 537 of April 16, 2014 also provides that the IAC presents to the Board of Directors a reasoned recommendation for the appointment of the audit engagement containing *"two possible alternatives for the appointment"*, expressing a justified preference for one of the two.

Based on the above, the Board of Statutory Auditors, in its role as IAC, has prepared the following recommendation (hereinafter also the “Recommendation”) to be presented to the Board of Directors of the company, in accordance with the purposes prescribed by current regulations and that prescribed by BasicNet’s *Group procedure for the audit assignment to the audit firm*.

The Recommendation was prepared following a specific selection process, undertaken by the company in accordance with Article 16, paragraph 3 of the Regulation, for which the Board of Statutory Auditors is, in accordance with the same article, directly responsible.

For the purposes of the selection process, the Board of Statutory Auditors utilised the operational support of the Executive Officer for Financial Reporting (hereafter the “Executive Officer for Financial Reporting”) as well as, where considered necessary and/or appropriate, other company departments.

## **2. THE SELECTION PROCESS**

### **2.1 Call for offers from audit firms**

For the selection process of the new audit firm for the assignment for the years 2026-2034, BasicNet - in accordance with Group procedures on the matter - preliminarily (i) developed a rating model based on the key factors for the awarding of the assignment (see below, paragraph 3.1) and (ii) presented to the Board of Statutory Auditors the methodological proposal, in accordance with the provisions of law, on the procedure and timeframe for the selection process of the audit firm. The Board of Statutory Auditors approved this methodological proposal. Therefore, together with the Board of Statutory Auditors, the company carried out an assessment to identify the audit firms to send the Invitation Letters (as defined below) on the basis of the letters of transparency published in relation to the year 2023/24 pursuant to Article 18 of the Decree and of the professional assignments/services undertaken on behalf of entities of public interest.

On the completion of this assessment, and considering that the appointment may not be conferred to the Outgoing Auditor having completed, at the end of 2025, the nine-year period

as per Article 17 of Decree 39/2010<sup>1</sup>, four firms were identified: KPMG S.p.A., Deloitte Touche S.p.A., PricewaterhouseCoopers S.p.A. and Crowe Bompani S.p.A.

The company, therefore, together with the Board of Statutory Auditors, determined the contents of the letter to be sent in relation to the “*Request for an offer as auditor of the accounts for the financial years 2026-2034, pursuant to Legislative Decree No. 39/2010 as amended and Regulation (EU) No. 537 of April 16, 2014*” to the companies identified on the completion of the assessment process illustrated above. The Invitation Letter was therefore sent to:

- Deloitte & Touche S.p.A. (hereafter also “Deloitte”);
- PricewaterhouseCoopers S.p.A. (hereinafter also “PWC”);
- KPMG S.p.A. (hereinafter also “KPMG”);
- Crowe Bompani S.p.A. (hereinafter also “Crowe”);

Despite the initial choice for the recipients of the Invitation Letter, we highlight that participation in the selection process was in no way precluded to any entity which, in the previous calendar year, received less than 15% of their fees from the audit of entities of public interest in Italy.

The Invitation Letter required that the presentation of the offer was sent by certified e-mail to [basicnet@legalmail.it](mailto:basicnet@legalmail.it).

As the auditors of BasicNet assumes importance as the principal auditor of the Group to which the company belongs (hereafter the “Group”), the Invitation letter made a specific request for services for BasicNet and for each subsidiary included in the offer.

The Invitation Letter was prepared indicating:

- the information necessary in order to understand the operations of the company and of the Group, as well as the type of activities requested;
- further terms and conditions in relation to the selection process.

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<sup>1</sup> See Legislative Decree No. 39/2010, Article 17: “*The audit assignment has a duration of nine years for the audit firms and seven years for legal auditors. It may not be renewed and newly conferred if at least four years have not passed since the ending of the previous appointment*”.

The same letter also requested an offer for the Independent Auditors' Report on the BasicNet Group's Non-Financial Statement, pursuant to Legislative Decree No. 254/2016 and the "Corporate Sustainability Reporting Directive (CSRD)", Directive 2022/2464, which will be the subject of a separate proposal to the Shareholders' Meeting.

## **2.2 Documentation and information requested in the Invitation Letter**

Based on that indicated in the Invitation Letter, the offers must contain three sections respectively: (i) administration information, (ii) technical information and (iii) economic proposal.

### *2.2.1. "Administration Information" Section*

For the administration section the company requested the audit firms to provide the following documentation:

- a) declaration of consent to handling of their personal data for the purposes of the tender, duly completed and signed by the legal representatives, together with a copy of an identity document by the presenter.
- b) declaration by the independent audit firm that it received a mandate to participate in this tender, and therefore unconditionally accept the contents of the related documents and that it is presenting the technical and economic offer;
- c) declaration by the independent audit firm of its commitment to remove, by December 31, 2024, any cause for incompatibility that may exist pursuant to current regulations between the independent audit firm, BasicNet and the BasicNet Group companies;
- d) attestation that the independent audit firm (including the entities in its Italian and international network) is not in, nor has it recently been in, situations that could potentially compromise its independence under the provisions of current regulations, including a description of the procedures that the independent audit firm constantly implements to ensure compliance with independence requirements



### 2.2.2. *“Technical Information” Section*

The technical offer, which should be prepared in accordance with the indications contained in Consob communication No. 96003556 of April 18, 1996 and the Invitation Letter and its attachments, must contain, as a minimum, the following information, necessary for the company to assess qualitatively the offers received:

- description of the network to which the audit firm belongs: capacity to service global clients, national and international size of the audit firm and its network (i.e. revenues, employees, countries within the network, etc.), experience in the sector.
- Information on the audit teams assigned to the assignment, including their CVs, and providing details of any specialists. This documentation should detail the experience of the audit team in the sector in which the BasicNet Group operates, knowledge of our Group and an indication of any experience and specific know-how in the field of IFRS.
- Description of the audit firm's intended program of activities, describing the methodological approach and the main procedures it intends to use, and the timing for implementation of audit procedures.
- Description of the audit firm's intended program of activities, describing the methodological approach and the main procedures it intends to use for the activities required under Legislative Decree No. 125/2024 (“CSRD”).

The company also requested that the audit firms attach to the offer the Transparency Report, pursuant to Article 18 of Legislative Decree of January 27, 2010.

### 2.2.3. *“Economic Proposal” section*

The economic offer, prepared in accordance with the indications contained in Consob No. 96003556 of April 18, 1996 and as outlined in the Invitation Letter and its attachments must:

- be presented in Euro for each company in attachment 2 to the Invitation Letter;
- contain revaluation mechanisms of the fees in line with the consumer price index in the various countries in which the Group operates;
- illustrate: the grade of the personnel involved (partner, manager, senior, assistant), the number of resources, the number of total hours allocated, the hourly tariff applied, the total



cost per professional grade, the total cost for the activities requested;

- be quoted net of the oversight contribution to be paid to Consob;
- provide for fees not subject to change to take into account any errors in the assessment of the estimates of the hours presented;
- provide quotations including any expenses relating to the utilisation, within the audit activity, of specialists such as, by way of non-exhaustive example, experts in national and international tax, experts in the measurement of the fair value of assets and liabilities in the financial statements, experts in the assessment models of impairment tests, and in international accounting standards (IAS/IFRS) and actuaries.
- provide quotation for activities required under Legislative Decree No. 125/2024 (“CSRD”).

### 2.3 Functioning of the tender

On September 11, 2024, through certified electronic post and under the responsibility of the corporate affairs office, the Invitation Letter was sent to the companies identified in the assessment process.

On October 30, 2024, the Company received responses from:

- Deloitte & Touche S.p.A.
- PwC S.p.A.
- KPMG S.p.A.;

on November 4, 2024, a response was received from:

- Crowe Bompani S.p.A.;

(hereafter also, jointly, the “Offering Companies”). Deloitte & Touche responded that they did not intend to submit an offer<sup>2</sup>, while the other companies’ responses were supplemented by the required information and documentation.

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<sup>2</sup> we hereby thank you for inviting us to participate in the tender for the provision of professional services related to the legally-required audit of the financial statements of BasicNet S.p.A. and its subsidiaries for the nine-year period 2026-2034.

The Board of Statutory Auditors and the Executive Officer for Financial Reporting requested some further clarifications/additions to the offers received and these were promptly submitted by December 11, 2024.

The company, in accordance with the provisions of the *Group procedure for the appointment of the audit firm*, analysed the proposals received, preparing a report on the conclusion of the procedure which was then presented to the Board of Statutory Auditors.

The Board of Statutory Auditors, within the collegial meetings held, oversaw the overall analysis process and comparison of the offers received on the basis of the rating model prepared by the company, assessing in detail the offers received through the analysis, for each assessment criterion, of each of the individual distinctive and qualified aspects<sup>3</sup>.

The analyses of the Offers in addition took account of the requirements and/or indications of the Supervisory Authority with regard to the auditing of accounts (for example in relation to independence, mandatory insurance coverage, professional standing and the composition of the team), in addition to the information and historic data provided by the Executive Officer for Financial Reporting.

### **3. ASSESSMENT CRITERIA**

#### **3.1 The rating model adopted**

Before commencing the selection process of the new auditors the company, together with the Board of Statutory Auditors, identified clear and objective selection criteria, in order to ensure a procedure based on transparency and traceability of the activities undertaken and of the decisions.

In the definition of the selection criteria, account was taken of qualitative elements (such as knowledge of the Group, the characteristics of the audit firm and its network, the methodological

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*Our discussions with you have confirmed that you intend to continue to use other types of services provided by the Deloitte network, which are incompatible with a possible appointment of Deloitte to the legally-required audit engagement. Therefore, as previously communicated to you verbally, following your decision, we will not formulate a proposal for the appointment of the legally-required audit for the nine-year period 2026-2034. We extend our warmest regards and remain available for any clarification.*

<sup>3</sup> For details of the analyses and evaluations carried out on the offers received, see Section 3.2 below.

approach proposed and the composition of the audit team), in addition to quantitative elements (such as the breakdown of the overall hours and the areas of intervention).

The quality-quantitative elements as identified were, therefore, designed to develop a rating model which would measure the key factors of the offers received, assigning to each of them a score.

The indication of the key factors was made favouring therefore the quality and the reliability of the work of the audit firm, also taking into account the peculiarities of the BasicNet Group.

The model is composed of:

- a technical section, in which the quality/quantitative characteristics of the offers received are measured, to which a maximum score obtainable is 70;
- an economic section, in which the amount requested for the services to be provided is assessed, to which a maximum score obtainable is 30.

The maximum score obtainable by the audit firm is therefore 100.

### *3.1.1 Technical section*

Within the technical section, the company identified 6 macro-categories, attributing to each of them a specific weighting in terms of score assigned.

For each macro-category, a variable numeric indicator was assigned (17 in total), attributing to each individual indicator a maximum score established based on the importance of each indicator, so that the sum of the maximum score attributable to each indicator is equal to the score assigned to the macro-category.

Below are specified, for each macro-category, the drivers which guided the underlying assessments attributed of the score.

- Capacity to serve global clients

The overall capacity was assessed of the audit firm to work with listed companies, with organisational structures and operational complexities similar to that of BasicNet and of the Group. The general characteristics of the audit firm were assessed based on overall size and the global presence of the network, attributing in any case to this area a relatively low weight, within the overall technical assessment.

- Audit team of the parent company

This macro-area was attributed a relatively high weight, after that on the knowledge of the company and of the Group.

All the information was assessed relating to the team assigned, directly or as support, in order to assess the level of professionalism, seniority, relationship and availability, such as: the composition of the team which will be effectively working on the audit, the experience in the sector (in particular of the partners, managers and specialised professional staff) and the level of knowledge of the Group by the partners and managers which will be working on the audit.

- **Hours and mix**

The mix of the hours proposed by each audit firm was carefully assessed with reference to the use of professional figures proposed in the assignment. Specifically, an assessment was made, in addition to the total number of hours estimated by the audit firm for the assignment, also - and in particular – of the breakdown of the total hours by professional grade, avoiding an excessive concentration of the more strictly operative figures, and also on the contrary, on staff with a higher profile.

- Knowledge of the Group and of the sector

The knowledge of the sector and, in particular, of the Group is the area which was attributed the highest weight within the technical assessment of the offer, especially in view of the peculiar business model which characterises the BasicNet operations and of the Group in general. All the information necessary was assessed in order to evaluate and ensure the carrying out of an efficient undertaking of the assignment, such as the main audit assignments of listed companies in the sector (fashion/textile) in the last three years (and, in general, the experience in the sector), as well as specific knowledge of the Group.

- **IFRS**

The level of experience within IAS-IFRS was reviewed, assessed through the specific experience of the audit team in relation to IAS-IFRS international accounting standards, participation within international organisations and any publications by the team.

- Methodology

All the elements and information relating to the audit process to evaluate the level of technicality, automation and strategy was assessed with particular reference to the strategy/audit plan to critical areas in the consolidated financial statements of the Group and to the presence of sector specialists in the team for the audit of BasicNet.

*3.1.2 Economic section*

The rating model provides, in the economic section, the attribution of a score calculated based on the amount requested by each single company for the services requested.

We note that the participants in the tender were requested to comply with some specific technical procedures for the quotation (for example exclusion of Consob contribution), in order to render the offers comparable.

**3.2 Assessment of the offers**

*3.2.1 Premises*

The company and the Board of Statutory Auditors undertook, firstly, a preliminary verification on the completeness and formal correctness of the administration information requested in the Invitation Letter. Specifically, in this phase, with the support of the Executive Officer for Financial Reporting:

- detailed reviews and verifications were undertaken also in relation to the declarations provided by the offering companies;
- information was acquired from the principal internal departments in relation to the qualitative and quantitative aspects of consultation relationships with the Offering Companies and the other companies of the respective networks, also in order to assess any possible risks, present or future, of objectivity and independence.

On conclusion of the administration verification, the assessment procedure was carried out, for each audit firm:

- with reference to the technical section, attributing a specific score, within the maximum limits established, to each individual indicator, adding and comparing the various results obtained;

- with reference to the economic section, attributing a score calculated on the basis of the formula within the rating mode.

The Executive Officer for Financial Reporting and the Board of Statutory Auditors adopted an assessment procedure, aware of the important responsibility in the appointment of the legal auditor, in order to analyse and individually assess each single important aspect and, thereafter, combine and appreciate these aspects within the overall picture.

All the various factors involved in the assessment process were therefore weighed in such a manner that the final score would faithfully respect the specific requirements identified by the company.

In consideration of the matters outlined above and taking into account, in particular, the procedure in the weighting of the qualitative and quantitative aspects illustrated, also considering the response from Deloitte & Touche, the Board of Statutory Auditors made the following assessment of the offers.

### *3.2.2 Technical section*

- Capacity to serve global clients

Two of the three Offering Companies highlighted significant experience in the audit of Italian listed companies with an organisational structure and operational complexity similar to that of the Group: these companies were awarded the full score relating to the macro-area in consideration.

The other firm displayed markedly different characteristics in terms of size, global presence, and audit experience with companies similar to BasicNet, and was found to be adequate in each case.

- Audit team of the parent company

In relation to the professional qualifications of the team, all the Offering Companies consist of resources with strong know-how in the sector, for which it was considered appropriate to attribute an equal score to each of them.

In relation to experience, the maximum score was attributed to one of the audit firms, with the other firms received scores that were one and two points lower respectively; particular importance was given to the profile of the lead partner and the specialist members of the team.

Finally, in relation to the knowledge of the Group by the partners and managers which will be involved in the audit, the two highest scores were attributed to the companies which, to varying degrees, have already had relationships with the Group; the remaining Offering Company was awarded a medium score, given its limited activity with the BasicNet Group.

- **Hours and mix**

As regards the number of hours, the highest scores were awarded to the two companies that proposed a very similar total number of hours, while the third company was awarded a lower score as the assumed total number of hours was believed to be an underestimation.

In terms of the mix of hours, the highest score was awarded to the two independent audit firms that offered the most equal distribution of total hours across the various professional categories; the third firm scored one point lower as a higher concentration of hours were assigned to figures with lower seniority.

- Knowledge of the Group and of the sector

In this assessment area consideration was given to the knowledge of the Group matured in the past by the Offering Companies, in particular, through the provision of non-audit services. Specifically, in relation to experience in the sector in the last three years, reference was made to the current client portfolio of the Offering Companies in the fashion/textile sector, attributing based on this criterion a decreasing score to the Offering Companies.

In relation to the proven knowledge of the Group, account was taken of the contacts which the three Offering Companies have matured over time with the company and the Group (prior audit assignments, consulting activity etc.), attributing to them decreasing scores;

Finally, the number of listed Italian companies (clients) in the relevant industry in the last three years was evaluated. In this area, one company was awarded the highest score, followed by a lower score for the second company, while the third company received a score of zero due to the lower number of roles with listed companies and the absence of roles with listed companies operating in the same industry.

- **IFRS**

All the Offering Companies presented a team with equal skill sets and knowledge within IFRS, a level that was assessed through the analysis of the specific experiences of the members of the audit team within international accounting standards. In terms of



publications, two companies were awarded the maximum score, while a third scored the minimum score due to the lowest number of publications.

- Methodology

In relation to the methodological approach numerous profiles characterising the audit process were assessed, such as the data analytics techniques and the audit analytics techniques, noting that all the Offering Companies have developed and implemented systems and processes for the acquisition and treatment of large quantities of data and information.

In view of the assessments made, the same score was attributed to all of the Offering Companies.

### *3.2.3 Economic section*

Under the economic profile, the Board of Statutory Auditors noted that the total cost indicated in the offer from the Offering Companies for the audit activities on the separate and consolidated financial statements of the Group and for the related services were in line with the expectations of the company, although with some differences in terms of total fees proposed, and in hourly rates applied.

In particular, the principal misalignment compared to the general trend were represented by:

- a) the economic offer of the company requesting the lowest fee was approximately 15% lower than the highest proposal;
- b) the hourly rate proposed by the company making the lowest offer was approximately 28% lower than the highest proposal.

Regarding point (b) specifically, the Board notes that this mismatch is not so much attributable to a particularly unfavourable hourly rate, but rather stems from a probable underestimation of the number of hours required to perform the task; the scores awarded to the various offers in relation to the technical section tended were similar overall.

### *3.2.4 Total scores awarded*

Firstly, we note that the documentation received confirms that all of the Offering Companies belong to primary international networks, with high levels of quality and professional services;

on the one hand, however, a greater level of experience is evident (in the sector and in listed companies with characteristics similar to those of BasicNet) in two of the three Offering Companies, and on the other, there is a significant difference in the total number of hours required to perform the task.

Economically, the differences between the offers were limited, with one company coming out slightly ahead by submitting the most economically advantageous bid.

The analysis undertaken on the offers and on the additional information received illustrated, among other matters, that:

- (i) the method for carrying out the audit, illustrated in the offers, also considering the hours and the professional resources to be used, are considered adequate in relation to the extent and complexity of the appointment;
- (ii) all of the offers contain specific and reasoned declarations concerning the commitment to confirm the existence of the independence requirements established by law, with particular reference to Articles 10 and 17 of the Decree, in accordance with the applicable regulations;
- (iii) all of the Offering Companies have in place, although with differing features and quality levels, appropriate organisations and adequate technical skills for the size and complexity of the appointment in accordance with Article 10-*bis*, 10-*ter*, 10-*quater* and 10-*quinquies* of the Decree and the requirements of the Regulation.

Based on the activities undertaken and previously described the following total scores were assigned (expressed in cents):

	<b>Maximum score</b>	<b>KPMG</b>	<b>PWC</b>	<b>CROWE</b>
<b>Technical section</b>	70	55	63	51
<b>Economic section</b>	30	25	27	30
<b>Total</b>	<b>100</b>	<b>80</b>	<b>90</b>	<b>81</b>

#### **4. BOARD OF STATUTORY AUDITORS' REASONED RECOMMENDATION**

The Board of Statutory Auditors:

- on the basis of the procedure undertaken, of the offers received, of the assessments made and of the results therein
- taking into account that Article 16, paragraph 2 of the Regulation provides that the reasoned recommendation of the Board of Statutory Auditors should contain at least two possible alternatives for the assignment in order to permit a choice and
- considering also that the aforementioned Article 16, paragraph 2, requires the Board of Statutory Auditors to express a duly justified preference,

#### **RECOMMENDS**

that the Board of Directors propose to the Shareholders' Meeting to award the audit assignment of BasicNet S.p.A. for the years 2026-2034 to the company PricewaterhouseCoopers S.p.A. or to the company Crowe Bompani S.p.A., whose proposed economic offers and relative mix of hours are detailed at the end of this present Recommendation. Between the two

#### **EXPRESSES ITS PREFERENCE**

for **PricewaterhouseCoopers S.p.A.** as it achieved the highest score in the technical section and has the most experience with listed companies in related industries.

#### **5. DECLARATIONS**

The Board of Statutory Auditors declares, in accordance with Article 16, paragraph 2, of the Regulation, that the present Recommendation was not influenced by third parties and that there were no contractual clauses applied of any type pursuant to Article 16, paragraph 6 of the Regulation.

February 10, 2025



SHAREHOLDERS' MEETING OF APRIL 17, 2025

The Board of Statutory Auditors of BasicNet S.p.A.

**acting in its capacity as the Internal Audit Committee**

Ugo Palumbo

Gianna Luzzati

Alberto Pession

**Economic offers and relative mixes of hours**

	PWC		CROWE	
Legally-required audit activities	fees	hours	fees	hours
Audit of the statutory financial statements including correct book keeping, tax declarations, translation of the reports into English and ESEF compliance audit	16,000	320	10,920	210
Audit of the consolidated financial statements	25,000	500	15,600	300
Limited audit of the half-year financial statements	8,000	160	5,200	100
<b>Total BasicNet S.p.A.</b>	<b>49,000</b>	<b>980</b>	<b>31,720</b>	<b>610</b>
Companies within the audit scope	262,000	4,296	267,540	4,520
Discount			-	24,260
<b>Total BasicNet Group audit activities</b>	<b>311,000</b>	<b>5,276</b>	<b>275,000</b>	<b>5,130</b>

For PWC - The amounts shown do not include VAT or out-of-pocket expenses, which shall be invoiced on a cost-per-cost basis, nor the supervisory contribution to Consob, which you will be charged annually according to the contribution percentage in effect at the time of the charge. Should the value of the contribution be changed by subsequent measures, we will apply the new contribution, making the appropriate adjustments. Expenses relating to technology and secretarial and communication services will be charged at a flat rate of 6% of the fees. Fees are indicated with reference to the current rates and will be adjusted annually every July 1 from July 1, 2026, based on the total change in the ISTAT cost-of-living index (consumer price index for blue- and white-collar households) from the previous year using June 2025 as a base, or an equivalent index for use in foreign countries.

For Crowe - Reimbursements for expenses incurred in performing the work, such as out-of-office expenses office (the reference office for carrying out the work is in Turin) and travel expenses, will be added to the above fees, as will incidental expenses related to technology (databases, software, etc.) and secretarial and communication services, at a flat rate of 5% plus VAT.

**Annex "B"****BOARD OF STATUTORY AUDITORS' REASONED PROPOSAL REGARDING THE  
ASSIGNMENT FOR THE ATTESTATION OF CONSOLIDATED SUSTAINABILITY  
REPORTING COMPLIANCE FOR FINANCIAL YEARS 2026-2028**

Dear Shareholders,

the Board of Directors has called you to the Shareholders' Meeting in ordinary session to discuss and deliberate on the following Agenda item: "Assurance engagement concerning consolidated sustainability reporting for the fiscal years 2026-2034 period. Resolutions thereon".

With this report (the "Report") - prepared pursuant to Article 125-*ter* of Legislative Decree No. 58 of February 24, 1998, as subsequently amended ("CFA"), we wish to provide an explanation of the reasons for the proposal submitted for your approval.

**PREMISES**

With the approval of the 2025 Annual Accounts, the mandate for the audit of the accounts of BasicNet S.p.A. (hereafter "Basicnet" or the "Company") awarded to the Audit Firm EY S.p.A. (hereafter the "Outgoing Auditor" or EY") for the nine-year period 2017-2025 will conclude.

The subsequent appointment of EY S.p.A. for the Independent Auditors' Report on the BasicNet Group's Non-Financial Statement, pursuant to Legislative Decree No. 254/2016, which was replaced by the "Corporate Sustainability Reporting Directive (CSRD)", Directive 2022/2464, which came into effect on January 5, 2023, will conclude at the same time.

A new appointment must therefore be made in compliance with the provisions of Article No. 13 of Legislative Decree No. 39 of January 27, 2010 (the "Decree"), as most recently amended pursuant to Legislative Decree No. 125 of September 6, 2024 (the "CSRD Decree"), for a term of three financial years, 2026, 2027 and 2028.

Article 13, paragraph 2-*ter* of the Decree provides that it is the Shareholders' Meeting, upon the reasoned proposal of the control body, to appoint the auditor for sustainability reporting compliance and to allocate both the fee payable to the sustainability auditor/independent audit firm for the entire duration of the appointment and any criteria for adjusting this fee during its performance.

As already highlighted in the proposal formulated for the legally-required audit appointment, to which reference should be made, in the second half of 2024, the company considered it appropriate to begin the process to select the new independent audit firm for the appointment, in accordance with current regulations on the audit of accounts in Italy and at EU level, and for the audit of the “Corporate Sustainability Reporting Directive (CSRD)”, Directive 2022/2464.

The selection process was brought forward from the conclusion date of the current engagement to allow the incoming auditor to comply with the provisions of EU Regulation 537/2014 (hereinafter also the “Regulation”), which prohibit the provision of certain services other than the legally-required audit from the financial year immediately preceding the first year of the audit.

Specifically, declarations of availability were received from:

- PricewaterhouseCoopers S.p.A. (hereinafter also “PWC”);
- KPMG S.p.A. (hereinafter also “KPMG”);
- Crowe Bompani S.p.A. (hereinafter also “Crowe”);

The Board of Statutory Auditors reviewed the offers received, as extensively described in the recommendation for the appointment of the independent audit firm for the 2026-2034 period, to which reference should be made.

Following the assessments carried out, and in particular with regard to the following elements:

- experience in the field, major clients, especially regarding listed companies;
- audit methodological approach and supporting technical tools;
- composition of the proposed work team in terms of the experience and professionalism required to carry out the assignment;
- adequacy of the forecast hours budgeted to perform the assignment;
- adequacy of the distribution of working hours across professional profiles with varying experience levels;
- appropriateness and adequacy of the total annual fee charged to ensure the quality and reliability of the work, and the independence of the independent audit firm.

The Board of Statutory Auditors:

**RECOMMENDS**

that the Shareholders' Meeting confer, pursuant to Article 13, paragraph 1 of Legislative Decree No. 39 of January 27, 2010, as most recently amended pursuant to Legislative Decree No. 125 of September 6, 2024, the task of Attestation of Consolidated Sustainability Reporting Compliance for the financial years 2026, 2027 and 2028 to PricewaterhouseCoopers S.p.A. or Crowe Bompani S.p.A., whose economic offers and the relevant proposed hour mixes are detailed at the end of this Recommendation. Between the two

### **EXPRESSES ITS PREFERENCE**

for PricewaterhouseCoopers S.p.A., a company already recommended for the legally-required audit assignment for the nine-year period 2026-2034, following the procedure to appoint the independent audit firm, to which reference should be made; this preference also considers the synergies that will result from the work carried out as part of the legally-required audit of the Company and Group accounts.

February 10, 2025

The Board of Statutory Auditors of BasicNet S.p.A.

**acting in its capacity as the Internal Audit Committee**

Ugo Palumbo

Gianna Luzzati

Alberto Pession

Economic offers

	<b>PWC</b>		<b>CROWE</b>	
	<b>fees</b>	<b>hours</b>	<b>fees</b>	<b>hours</b>
Declaration of compliance of the consolidated sustainability reporting as per Legs. Decree 125/2024 CSRD	56,000	700	56,000	1,113