



Fifth matter in agenda

Authorization for the purchase and utilisation of treasury shares. Granting of powers and resolutions thereon. (Report pursuant to Article 73 of the Issuers' Regulations)

with the approval of the financial statements at December 31, 2015, the authorisation to purchase treasury shares, as approved by the Shareholders' AGM of April 27, 2015, expires.

You have therefore been called in ordinary session to discuss and resolve upon the reallocation to the Board of Directors of the authorisation to purchase and utilise treasury shares in accordance with Article 2357 and 2357-ter of the Civil Code and Article 132 of the Consolidated Finance Act and the relative implementing provisions.

Reasons for the requested authorisation to purchase and dispose of treasury shares of the company

As was the case in the past, the Board of Directors considers it beneficial to submit to the Shareholders' AGM the authorisation to carry out any purchase and utilisation operations of shares, as such faculty provides the Company with a useful instrument in terms of current operations, allowing investment in treasury shares where stock market developments or the amount of liquidity at hand would render such beneficial, or as part of projects developed upon the strategic guidelines, under which share swap opportunities are presented, or as guarantee for financial operations.

Maximum number, category and nominal value of the shares relating to the authorisation

We propose in accordance with Articles 2357 and 2357-ter of the Civil Code, the authorisation of:

- the purchase, on one or more occasions, of a maximum number of ordinary shares at a nominal Euro 0.52 each, which, taking account those already held by the Company, does not exceed the legal limits, with mandate to the legal representatives to proceed individually with the purchase;
- the sale of treasury shares in portfolio and those acquired under the authorising motion of the present report, with mandate for the legal representatives to proceed individually with their sale.

The operations may be carried out also partly.

Useful information for a comprehensive review of compliance with the provisions of Article 2357, paragraph 3 of the Civil Code

At the date of the present Report, the share capital of BasicNet S.p.A. amounts to Euro 31,716,673.04, comprising 60,993,602 shares of a nominal value of Euro 0.52 each.

At the preparation date of the present Report, the Company holds 4,760,000 treasury shares, comprising 7.8% of the share capital. The subsidiaries of BasicNet S.p.A. do not hold parent company shares.

The purchase and utilisation operations of shares will be carried out in compliance with Article 2357 and subsequent of the Civil Code and Article 132 of Legislative Decree 58/98: in such an amount that, at any given time these shares do not exceed overall 20% of the share capital, while also within the limits of the retained earnings and available reserves of the last financial statements approved, with the consequent setting up, in accordance with Article 2357-ter, paragraph 3 of the Civil Code, of an undistributable reserve of an amount of the treasury shares from time to time acquired.

Duration of authorisation

The purchase authorisation is requested until the date for the Shareholders' AGM for the approval of the 2016 Annual Accounts.

Minimum and maximum payments for treasury shares purchased

The purchase price of the shares will be determined from time to time in accordance with applicable regulations and related market practices. The share purchase price may not be 15% above or below the official price recorded on the market trading day before each purchase operation.

The maximum financial commitment is Euro 3,500,000.

Manner by which the purchases and disposals will be made

The purchases of treasury shares will take place, in the manner established by the combined provisions of Article 132 of Legislative Decree 58/98 and subsequent amendments and supplements and Article 144-*bis* of Consob Regulation 11971/99, on regulated markets, in the operating manners established in the organisation and operating regulations of such markets, which ensures the equality of treatment of Shareholders and does not allow the direct linking of the purchase proposal with pre-set sales proposals.

The Board of Directors proposes also the authorisation to utilise, in accordance with Article 2357-*ter* of the Civil Code, at any moment, in full or in part, the treasury shares in portfolio and any shares purchased based on the present proposal, through the disposal of such on the stock market, to blocks or otherwise outside the stock market, or as a guarantee within financing operations, attributing to the Board of Directors the power to establish, in compliance with legal and regulatory provisions, the terms, manners and conditions for the disposal of treasury shares considered in the greatest interest of the company, provided that (i) the disposals paid in cash, in particular sales operations, must be carried out at a price not lower than 95% of the official price recorded for ordinary BasicNet S.p.A. shares in the stock market session before each operation; (ii) the disposals carried out, within industrial projects or extraordinary finance operations, through exchange, conferments or other disposals than those indicated at point (i), must take place at a value in line with the operation, considering the market performance.

The disposal operations of treasury shares in portfolio must be carried out in accordance with law and applicable regulations concerning the trading of listed securities and may take place on one or more occasions, also before all purchases have been completed.

Further information, where the purchase operation is instrumental for the reduction of the share capital through the cancellation of treasury shares acquired

The purchase operations are not instrumental for the reduction of the share capital of the Company.

In consideration of that outlined above, where in an agreement with the proposal of the Board, we invite you to pass the following motions:

The Shareholders' AGM of BasicNet S.p.A., having examined the Illustrative Report of the Board of Directors:

resolves

- 1) to authorise, in accordance with Article 2357 of the Civil Code, the Board of Directors to purchase, on one or more occasions, a maximum number of ordinary shares of a nominal Euro 0.52 each, taking account of those already held by the company, not exceeding the legal limits, for a period beginning from the date of the present Shareholders' AGM and extending until the date of the Shareholders' AGM for the approval of the 2016 Annual Accounts. The purchase price of the shares will be determined from time to time in accordance with applicable regulations and related market practices. The share purchase price may not be 15% above or below the official price recorded on the market trading day before each purchase operation.
- 2) to mandate the Board of Directors, and through them their legal representatives, appointed by the Board of Directors, separately, to purchase the shares at the conditions outlined above – with the faculty to appoint nominees for the execution of the purchase operation considered in the present motion, in addition to any other relative formalities, where considered in the interest of the

company, according to that permitted by applicable regulations, in the manner established by the

combined provisions of Article 132 of Legislative Decree 58/98 and subsequent amendments and supplements and Article 144-bis of Consob Regulation 11971/99, on regulated markets, in the operating manners established in the organisation and operating regulations of such markets, which ensures the equality of treatment between shareholders and does not allow the direct linking of purchase proposals with pre-set sales proposals. The purchases may be made at any moment such that the shares are not above 20% of the share capital, as well as within the limits of the retained earnings and available reserves of the last financial statements approved, and effectively existing at the date of such purchases, and for an amount not greater than 3,500,000, with the consequent setting up, in accordance with Article 2357-*ter*, paragraph 3 of the Civil Code, of an undistributable reserve of an amount equal to the treasury shares from time to time acquired;

- 3) to authorise the Board of Directors, and through them the legal representatives appointed by the Board of Directors, separately, in accordance with Article 2357-*ter* of the Civil Code, to dispose of, at any moment, in full or in part, on one or more occasions, also before the purchases have been completed, the treasury shares in portfolio and any shares purchased based on the present proposal, through the disposal of such on the stock market, to blocks or otherwise outside the stock market, or as a guarantee within financing operations, attributing to the legal representatives appointed by the Board of Directors, separately, the power to establish, in compliance with legal and regulatory provisions, the terms, manners and conditions for the disposal of treasury shares considered in the greatest interest of the company, with the faculty to appoint nominees for the execution of the disposal operations considered in the present motion, in addition to any further formalities, provided that *(i)* the disposals paid in cash, in particular sales operations, must be carried out at a price not lower than 95% of the official price recorded for ordinary BasicNet S.p.A. shares in the stock market session before each operation; *(ii)* the disposals carried out, within industrial projects or extraordinary finance operations, through exchange, conferments or other disposals than those indicated at point *(i)*, must take place at a value in line with the operation, considering the market performance.

The authorisation considered in the present point is without time limits.

Turin, March 18, 2016

for the Board of Directors

The Chairman

Signed by Mr. Marco Daniele Boglione