

BENI STABILI S.p.A. SIIQ

**ILLUSTRATIVE REPORT PREPARED BY THE BOARD OF DIRECTORS ON THE ITEM
NO. 2 ON THE AGENDA OF THE ANNUAL GENERAL SHAREHOLDERS' MEETING OF
BENI STABILI S.P.A. SIIQ OF 9 APRIL 2015, PURSUANT TO ART. 125-*TER* OF THE
ITALIAN LEGISLATIVE DECREE NO. 58/1998 AND TO ART. 84-*TER* OF THE
CONSOB RESOLUTION NO. 11971/1999.**

AGENDA

1. Financial statements as at 31 December 2014 and related Management Report. Board of Statutory Auditors Report on the period ended 31 December 2014. Dividend distribution to shareholders.

Pertinent and consequent resolutions.
2. Appointment of the Board of Statutory Auditors for 2015, 2016 and 2017 by the list voting procedure envisaged in Article 20 of the Articles of Association.

Appointment of the Chairman.

Determination of remuneration.

Pertinent and consequent resolutions.
3. Examination of the first part of the Remuneration Report.

Pertinent and consequent resolutions.

ILLUSTRATIVE REPORT THE ITEM NO. 2 ON THE AGENDA

2. Appointment of the Board of Statutory Auditors for 2015, 2016 and 2017 by the list voting procedure envisaged in Article 20 of the Articles of Association.

Appointment of the Chairman.

Determination of remuneration.

Pertinent and consequent resolutions.

Dear Shareholders,

We hereby inform you that on approval of the financial statements as at 31 December 2014 the three-year term of office of the Board of Statutory Auditors, appointed by the General Meeting of 18 April 2012, will end. You are therefore invited to arrange the appointment of a new Board of Statutory Auditors, in accordance with the list voting procedure envisaged in Art. 20 of the Articles of Association, an abstract of which - referring solely to the part regarding the Board of Statutory Auditors, is provided below:

"SECTION VII

BOARD OF STATUTORY AUDITORS - STATUTORY AUDIT

Article 20

BOARD OF STATUTORY AUDITORS

The General Meeting appoints the Board of Statutory Auditors that comprises three Standing Auditors and two Alternate Auditors. They remain in office for a three-year term which expires on the date of the General Meeting convened to approve the financial statements of their third year of office. They may be re-elected.

Individuals who are ineligible and/or incompatible under applicable laws and regulations or do not possess the requisites of honorability and professionalism established by applicable legislation, as well as any individuals who serve as Statutory Auditors in more than five companies which issue shares that are listed on regulated Italian markets may not be

appointed as Statutory Auditors. All the members of the Board of Statutory Auditors are appointed on the basis of lists submitted by the shareholders, where candidates are listed in sequential order. The lists must include at least one candidate for Standing Auditor and one candidate for Alternate Auditor. Until this is provided for by rules of law and/or regulations, each list must include among the candidates for the position of Standing Auditor at least one third ("Full Quota"), or one fifth ("Reduced Quota"), where applicable, of individuals belonging to each gender, except for lists containing a number of candidates less than three. The lists must be deposited, also by means of remote communication as specified in the notice convening the shareholders' Meeting, at the Company's registered office at least twenty-five days before the date set for the General Meeting to be held on first call. They must also be made available at the stock market operator and on the Company web site at least twenty-one days before the date set for the General Meeting to be held on first call. In both cases the lists must be submitted together with the documents required by applicable legal regulations.

No shareholder may, either individually or jointly, submit more than one list, including by proxy or through a trust, and each candidate may be present on one list only, on pain of ineligibility.

The shareholding percentage required to be entitled to submit lists of candidates for the position of Statutory Auditor shall be set out in the CONSOB communication issued within thirty days of the end of each financial year, pursuant to the first paragraph of Article 147-ter of Italian Legislative Decree 58/1998 and the first paragraph of Article 144-septies of CONSOB Resolution no. 11971/1999 and subsequent amendments and additions. Shareholders shall provide evidence of the shares required to submit lists, by exhibiting and leaving a copy of the legally required certificate at the registered office at least twenty-one days before the shareholders' meeting date.

By the deadline for depositing the lists at the registered office, each list must be

accompanied by a declaration from each candidate whereby they accept their candidacy, declare, under their responsibility, that there are no grounds for ineligibility or incompatibility, and that they satisfy current legal requirements for Statutory Auditors.

Each voting shareholder may vote for one list only.

Members of the Board of Statutory Auditors shall be appointed according to the following procedure:

- two Standing Auditors and an Alternate Auditor shall be drawn from the list that obtains the highest number of shareholder votes, in the sequential order in which they appear on the list, without prejudice to the observance of the Full Quota or of the Reduced Quota, where applicable;*
- a Standing Auditor and an Alternate Auditor shall be drawn from the list that obtains the highest number of shareholder votes from among the lists submitted and voted for by minority shareholders, in the sequential order in which they appear on the list, provided that, pursuant to the law and related regulations, they are not connected with the shareholders who submitted or voted the above list.*

The Chairman of the Board of Statutory Auditors shall be appointed by the General Meeting from among the Auditors appointed by the minority shareholders.

Should two or more lists obtain the same number of votes, a new ballot will be held in order to obtain a clear result.

Should only one list be submitted or no lists be deposited by minority shareholders, this fact shall be immediately reported in accordance with the provisions of regulations currently in force, so that lists can continue to be submitted up to the third day after the deadline for their deposit at the registered office. In this case, the shareholding percentage required to submit lists is reduced by half.

The list that obtained the majority of votes must ensure the observance of the Full Quota or of the Reduced Quota, where applicable. In particular, if the composition of the body,

determined on the basis of the progressive numbers assigned to the candidates of the above list, also taking account of the gender of the candidate appointed by the minority, does not allow the observance of the Full Quota or of the Reduced Quota, where applicable, the candidates with the lowest progressive number, belonging to the gender mainly represented, will be replaced by the candidates of the less represented gender with the higher progressive number, until the composition prescribed by the applicable law is reached.

In the event of replacement of a Statutory Auditor, his place shall be filled by the Alternate Auditor from the same list from which was drawn the Statutory auditor passed away and of the same gender should this be necessary for the presence in the Board of Statutory Auditors of the Full Quota or of the Reduced Quota, where applicable. In any other eventuality, the General Meeting called to restore the required number of Statutory Auditors pursuant to the law shall proceed in such a way as to comply with the principle of minority representation and, if necessary, in such a way as to observe the Full Quota or the Reduced Quota, where applicable.

The Board of Statutory Auditors shall oversee compliance with the Law and these Articles of Association and with correct corporate governance principles, and, above all, the adequacy of the organisational, management and accounting structure adopted by the Company and its proper functioning.

The Board of Statutory Auditors shall meet at least every ninety days. Meetings may be held via video-conference and teleconference links on condition that all participants are able to receive, transmit and/or view documents.

The Board of Statutory Auditors, or at least two Auditors, may convene General Meetings and meetings of the Board of Directors and of the Executive and Investment Committee, subject to prior communication to the Chairman of the Board of Directors.

Statutory Auditors' fees are established by the General Meeting."

Please note that the percentage investment required for the submission of lists for appointment of the Board of Statutory Auditors must be at least 1% of the share capital of Beni Stabili S.p.A. SIIQ, as established by Consob Resolution no. 19109 of 28 January 2015, published in accordance with Art. 148, Italian Legislative Decree 58/1998 and Art. 144-*septies*, paragraph 1, Consob Resolution no. 11971/1999 and subsequent amendments and additions.

In accordance with current regulations, also note that the following documents and/or information must accompany the list for appointment of the Board of Statutory Auditors:

- a note of the identity of the Shareholders submitting the list and the overall percentage of share capital held, together with a copy of the certificate required by law that proves ownership of the investment;
- where necessary, a declaration from Shareholders other than those who hold, individually or jointly, a controlling or majority interest, confirming the absence of any association with the latter, as envisaged in Art. 144-*quinquies*, Consob Resolution 11971/1999 and subsequent amendments and additions.
- a full description of the personal and professional characteristics of the candidates;
- a declaration by which the candidate accepts the candidacy and, under his/her own responsibility, confirms that the requisites established by current regulations on such matters, by the Articles of Association and by the company's Code of Self-Regulation to hold the office in question are satisfied, in particular with regard to:
 - independence, integrity and professionalism requirements prescribed by Art. 148, Italian Legislative Decree 58/1998;
 - compliance with the accumulation of office limits envisaged in Art. 148-*bis*, Italian Legislative Decree 58/1998 and Art. 144-*terdecies*, Consob Resolution 11971/1999 and subsequent amendments and additions.

We also wish to inform you that, in accordance with Communication no. DEM/9017893 of 26 February 2009, Consob recommends that Shareholders other than those who, individually or jointly, have a controlling or majority interest should provide the following information in the aforementioned declaration:

- any current relations with Shareholders who, individually or jointly, hold a controlling or majority interest. In particular, it is recommended that the relations disclosed are at least those listed in paragraph 2 of the aforementioned Consob Communication. Alternatively, the absence of significant relations should be indicated;
- the reasons why such relations are not considered significant in determining the existence of relations of association pursuant to Art. 148, paragraph 2, Italian Legislative Decree 58/1998 and Art. 144-*quinquies*, Consob Resolution 11971/1999 and subsequent amendments and additions.

Given all of the above, we hereby invite you to appoint members of the Board of Statutory Auditors for 2015, 2016 and 2017, and in any event until approval of the financial statements as at 31 December 2017. Furthermore, after arranging appointment of the Chairman of the Board of Statutory Auditors as described above, we invite you to determine the annual fees, including attendance fees and related travel expenses, which we propose to determine in € 60,000 gross fees per year for the Chairman of the Board of Statutory Auditors and € 45,000 gross fees per year for each of the Standing Auditors.

Rome, 27 February 2015

For the Board of Directors

The Chairman

(Enrico Laghi)