



**BENI STABILI S.p.A. SIIQ**

**Remuneration Report pursuant to Art. 123-ter,  
Finance Consolidation Act**

**2018**



## SECTION I - REMUNERATION POLICY

### 1. CORPORATE BODIES AND OFFICERS INVOLVED IN THE PREPARATION AND APPROVAL OF THE REMUNERATION POLICY

#### **Shareholders' Meeting**

The Shareholders' Meeting ("**Shareholders' Meeting**") of Beni Stabili S.p.A. SIIQ ("**Beni Stabili**" or the "**Company**"), called to approve the annual financial statements pursuant to Art. 2364, paragraph 2 of the Italian Civil Code shall resolve, in a purely advisory capacity, in favour of, or against, the first section of the Remuneration Report ("**Report**"), illustrating the remuneration policy ("**Policy**"), in force at least for the following year, for the members of the Board of Directors ("**Directors**") and the executives with strategic responsibilities ("**Strategic Executives**"), as well as the procedures used for the adoption and implementation of said Policy.

Should the Policy be significantly amended during the year by the Company Board of Directors ("**Board of Directors**") and, as a result, the Policy is changed substantially from that on which the Shareholders' Meeting expressed its opinion pursuant to the previous paragraph, the Board of Directors shall call a Shareholders' Meeting to express an opinion about such revised Policy - in a purely advisory capacity, in favour or against – on the basis of a special report, drafted by the Board of Directors on the Policy as amended.

#### **Board of Directors**

As proposed by the Company's Remuneration Committee - and conditional upon the favourable opinion of the Chief Executive Officer of Beni Stabili ("**Chief Executive Officer**" or "**CEO**") as regards the remuneration of the Strategic Executives - the Board of Directors shall approve the Policy and, at least on an annual basis, assess its effectiveness, to be duly reported to the Shareholders' Meeting in the context of the Report.

#### **Remuneration Committee**

The Company has established within the Board of Directors a Remuneration Committee ("**Committee**"), composed of three independent Directors, one or more of which with appropriate knowledge and experience of financial matters and in terms of remuneration policies.

On an annual basis and at the latest during the Board of Directors' meeting resolving upon the call of the Shareholders' Meeting to approve the annual financial statements (and to express the opinion on the first section of the Report), the Committee shall formulate a proposal to the Board of Directors on the Policy adopted by the Company, pointing out any need to amend or integrate the Policy. During the year, the



Committee shall also report to the Board of Directors on any possible need to amend or integrate the Policy, as well as on any failure to implement the Policy and/or on the infringement of its principles.

With regard to the operational activity of the Committee, it has to be noted that the Committee always operates through duly called meetings and resolves in absence of the directly interested parties. Meetings are held at the request of anyone of its members and the Committee has the power to access the information and corporate departments necessary or useful in order to perform its duties. All Committee's meetings are duly recorded. The Committee may avail itself of external consultants in order to perform its duties, and in such case the relevant costs shall be borne by the Company.

The Committee lastly submitted its proposal to the Board of Directors in relation to the Policy on February 6, 2018. The remuneration policy of financial year 2018 is substantially in line with the policy adopted for financial year 2017.

In its proposal, the Committee confirmed that the Policy is compliant and consistent with the existing corporate practices and suitable to allow the definition of competitive remuneration levels and to promote equality and transparency. The assessments of the Committee were performed independently and without requesting support from independent experts.

The Board of Directors fully approved the proposal of the Committee on February 6, 2018.

The Committee will verify the correct implementation of the Policy, duly reporting to the Board of Directors.

### **Chief Executive Officer**

The Chief Executive Officer, where appropriate, may submit proposals to the Board of Directors relating to the Policy adopted by the Company on the remuneration to be paid to the General Manager if appointed, and to the Strategic Executives, where appointed, illustrating any need to amend or integrate the Policy in this respect. Should the Board of Directors decide to accept the amendment or addition to the Policy proposed by the Chief Executive Officer, it shall in any event contact in advance the Committee. The aforementioned power may be exercised by the Chief Executive Officer at the Board of Directors' meeting which resolves to call the Shareholders' Meeting for the approval of the financial statements pursuant to Art. 2364, paragraph 2 of the Italian Civil Code, or at any other Board of Directors' meeting resolving upon the calling of a Shareholders' Meeting, so that a report on the amended Policy may be included in the agenda of the forthcoming Shareholders' Meeting.

During the fiscal year, with particular reference to the General Manager if appointed and the Strategic Executives' remuneration, the Chief Executive Officer will verify the correct implementation of the Policy, duly reporting to the Board of Directors.

## **2. AIMS OF THE REMUNERATION POLICY AND UNDERLYING PRINCIPLES**

The Policy is a key instrument to protect and strengthen the reputation of Beni Stabili and create long-term value for all the Shareholders.



In compliance with the applicable regulations and in line with the values of transparency and responsibility, the Company, by means of the Policy, the Company intends to:

- a) guarantee, also through constant monitoring of market trends, a correct definition of competitive remuneration levels, promoting internal equality and transparency;
- b) guarantee that the remuneration of Directors and Strategic Executives is established at a level sufficient to attract, retain and motivate staff with the appropriate professional skills to best perform their respective duties and to successfully manage the Company;
- c) structure the remuneration in order to promote a medium/long-term sustainability and to guarantee that the remuneration is also based on results achieved in the medium/long term.

The Policy approved by the Board of Directors on February 6, 2018 is substantially in line with the remuneration practices previously adopted by the Company.

### **3. POLICY ON FIXED AND VARIABLE COMPONENTS OF REMUNERATION**

#### **Non-executive Directors**

According to the Policy, the remuneration of non-executive Directors consists of a fixed annual remuneration commensurate with the commitment required to each one. The amount of this component of the remuneration is the same for all non-executive Directors, except for the Chairman who is granted with an higher remuneration (please refer to paragraph 11 below).

Attendance fees could be foreseen as a variable portion of the Remuneration, based on the actual attendance by each Director to the meetings of the Board of Directors.

#### **Executive Directors**

With respect to the executive Directors, the Policy provides that their remuneration shall be composed of a fixed component and two possible variable components, in line with the guidelines below:

- the fixed component shall be sufficient to retain and motivate the executive Directors to best perform their duties, in accordance with the standard practice in force from time to time and in line with the market average;
- the executive Directors shall benefit of a possible yearly “variable” component (“**MBO**”), consisting of a cash premium up to 100% of the fixed component of the remuneration, to be granted upon achievement of predetermined annual performance targets; furthermore, as an incentive for an even better improvement of the executive Directors’ performances, with reference to annually set targets, the same can benefit of an additional *upside* up to a 50% maximum of the variable remuneration component, if the yearly objectives are not only reached but also exceeded;
- the executive Directors shall also benefit of a possible medium-long term “variable” component (“**LTI**”), consisting of a number of free shares of the parent company Foncière des Régions S.A. (“**FdR**”) equal to a maximum amount representing up to 100% of the fixed component of the



remuneration, to be granted upon achievement of predetermined medium-long term performance targets.

### **Strategic Executives**

The remuneration of the Strategic Executives shall be determined by applying, *mutatis mutandis*, the same architecture used for the Executive Directors' remuneration (also with reference to the criteria for assessment of results), taking into account the functions allocated and the objectives assigned to them. In such a case, the remuneration to be granted to said Executive Directors will be determined and paid only by the Company, as said Strategic Executives do not hold any office into the parent company Foncière des Régions.

In particular:

The remuneration granted to the General Manager shall be composed by a fixed component and two eventual variable components, related to, respectively, short and medium-long term targets, in accordance with the guidelines below:

- the fixed component shall be in line with the market practices and sufficient to retain and motivate the General Manager to best perform his/her duties;
- the short term variable component ("**Bonus**") consists of a cash premium up to 50% of the fixed component of the remuneration, to be granted upon achievement of predetermined annual performance targets; furthermore, as an incentive for an even better improvements on the part of the General Manager with respect to targets set annually, the same can benefit of an additional *upside* up to a maximum 50% of the variable remuneration component, if the yearly targets are not only reached but also exceeded;
- the medium-long term variable component ("**LTI**"), consists of the assignment of a number of free shares - with a three-year or more vesting period - of the parent company Foncière des Régions; up to 50% of this allocation will be based upon the market performance of Beni Stabili share (provided that it remains within the Group) and the remaining 50% will be based upon the achievement in the medium-long term of predetermined operational targets related to Beni Stabili. Furthermore, the General Manager may also participate in Group incentive plans, aimed at the retention of its management, which may provide for exceptional attribution of free shares of the parent company to Foncière des Régions S.A. linked to parameters related to the Group itself.

In this respect, it has to be noted that the possible assignment of free shares of Foncière des Régions S.A. to the General Manager shall be resolved by the Board of Directors of the Company, in accordance with the existing agreements between Beni Stabili and Foncière des Régions S.A. and the free stock grant plans approved by the competent bodies of Foncière des Régions S.A. (the "**FdR Plans**").

### **Incentive schemes based on financial instruments**

Currently the Company does not have any incentive schemes based on financial instruments in force.



Nonetheless, the remuneration system, as already explained, contemplates the possible assignment - by the Beni Stabili Board of Directors to the Strategic Executives (including the General Manager) of Beni Stabili – of free Foncière des Régions S.A. shares, in accordance with specific agreements in force between Beni Stabili and Foncière des Régions S.A. and with the FdR Plans.

According to the terms of the FdR Plans, each year the Board of Directors of Foncière des Régions S.A. may resolve, also on a non-recurring basis, to assign free Foncière des Régions S.A. shares to the beneficiaries (including Strategic Executives) - identified on each occasion, based on Group performance. The assignment becomes final on completion of a vesting period beginning on the date of the resolution regarding each annual assignment and that shall last 3 years minimum. For the entire duration of the vesting period, the beneficiaries cannot be considered owners of the shares and, therefore, are not entitled to exercise the rights attributed to the shareholders.

#### **4. POLICY ON FRINGE BENEFITS**

According to the Policy, the Executive Directors Officer and the Strategic Executives may be granted (for mixed use) and with tax withholdings pursuant to applicable laws) with certain fringe benefits, standard for directors/officers holding similar positions in listed companies similar, in size and quality, to the Company. Such fringe benefits consist of (i) accommodation if applicable, (ii) company car and (iii) company mobile phone.

#### **5. CRITERIA FOR ASSESSMENT OF RESULTS**

##### **General approach**

The variable components of the remuneration are assigned on the basis of an assessment of the short and medium/long term results achieved, performed using the benchmarks indicated in the Policy (see below) and taken into account the specific economic situation and the real estate market situation.

In general, the performance assessment is based on profitability and on other sustainable business leverages. Beni Stabili also takes into consideration numerous other circumstances, including the compliance with the Group values, the generation of value and the increase of the EBIT.

##### **MBO component for executive Directors**

The MBO component shall be assigned to the Chief Executive Officer upon achievement of Group's performance targets that should be clear, precise, quantifiable and operational. In general, the MBO component of the remuneration is awarded year by year, in part, on the basis of the achievement of quantitative targets regarding Real Estate market and financial indicators, such as, by way of example (i) financial results; (ii) the generation of sustainable value (iii) the improvement of Company's strategy; (iv) the enhancement of the financial profile, (v) the enhancement of market positioning in the respective geographic areas where the Group operates and, in part, on the base of the achievement of qualitative targets relating to the management, leadership and strategic position within the Company and the Group.



### **LTI component for executive Directors**

The Chief Executive Officer is beneficiary of an LTI plan issued by the parent company Foncière des Régions S.A., according to which the LTI component shall be assigned to the Chief Executive Officer in case of achievement of Group's *performance* targets, including the *performance* of the subsidiary Beni Stabili;

### **MBO and LTI component for Strategic Executives**

The variable component shall be granted to Strategic Executives upon achievement of clear, precise, quantifiable and operational performance objectives. The Board of Directors every year determines, on the basis of the Committee's proposal, said objectives; in doing so, the opinion of the Chief Executive Officer is also taken into consideration. The objectives are furthermore determined on the basis of the strategic plan, of the budget approved by the Board of Directors during the relevant year and of the current Company's priorities.

In particular, the Company may assign a variable bonus to each Strategic Executive, in accordance with the abovementioned guidelines and with reference to the General Manager, up to a maximum of 50% of the fixed component of the gross annual remuneration. Furthermore, as an incentive for an even better performance of the General Manager, also exceeding the awarded annual targets, the same can benefit of an additional *upside* up to a maximum of 50% of the variable remuneration component, if the annual targets are not only reached but also exceeded.

The General Manager is currently the only Company's Strategic Executives.

Provided that the parameters to operate under the "SIIQ" Regime have to be satisfied, the performance objectives of the General Manager are associated with:

- (i) the achievement of an adequate level of remuneration for Shareholders, with particular reference to EPRA Earnings and NAV;
- (ii) the improvement of profitability of the property assets, and of the occupancy rate;
- (iii) the optimization of the value of individual properties, also through asset rotation;
- (iv) the management of the property development projects and the launch of new property development projects planned in line with the budget and with the scheduled timing;
- (v) the efficient management of the working group, with the aim of improving its cohesion and bringing out talents and professional skills.

## **6. INFORMATION ON COMPLIANCE OF THE REMUNERATION POLICY WITH THE LONG-TERM INTERESTS OF THE COMPANY AND WITH THE RISK MANAGEMENT POLICY**

The Company considers that the remuneration system is consistent, as a whole, with the targets of creating value for all Shareholders, also during the long term period, throughout the prevision of an LTI component within the remuneration of the Executive Directors and of the General Manager.



The Policy is such that Directors and Strategic Executives are under no circumstances expected to assume risks to an extent exceeding the risk appetite envisaged in the corporate strategies, also taking into consideration the various levels of control exercised by the relevant corporate bodies, with particular reference to the risk management system.

#### **7. MATURITY OF RIGHTS AND ANY DEFERRED PAYMENT SYSTEMS**

The *performance* objectives to be achieved are identified during the Board of Directors' Meeting called to approve the draft annual financial statements and/or in connection with the possible appointment of an executive director by the Board of Directors.

The achievement of the predetermined *performance* objectives is assessed during the last Board of Directors' Meeting to be held in the fiscal year or, at the latest, during the Board of Directors' Meeting called to approve the draft financial statements, normally coinciding with the first Board Meeting after the end of the financial year. The Company may envisage a deferred payment system of the MBO component. The Policy also allows the Company to enter into specific *ad hoc* arrangements with the executive Directors, concerning the MBO component, in order to permit the Company to hold deferred payments or to reclaim, in whole or in part, the MBO variable components possibly awarded, but subsequently proved to be awarded based on data manifestly misstated.

The assignment of the LTI component shall become final on completion of a vesting period starting from the date of the Foncière des Régions' Board of Directors' decision to allocate free shares in favour of directors and employees of the Group, upon approval of that specific allocation from Beni Stabili's Board of Directors.

#### **8. INFORMATION ON ANY LOCK UP CLAUSES REQUIRING THAT FINANCIAL INSTRUMENTS ARE KEPT IN PORTFOLIO AFTER THEIR ACQUISITION, WITH AN INDICATION OF THE RELEVANT LOCK UP PERIODS AND CRITERIA USED TO DETERMINE SUCH PERIODS**

As at today, the Company has no incentive schemes based on financial instruments, nor maturing plans including clauses requiring that financial instruments be retained in the portfolio after their acquisition.

For the sake of completeness, the FdR Plans referred to in paragraph 3 above do not envisage that the Executive Directors and the Strategic Executives retain the allocated Foncière des Régions S.A. shares in portfolio at the end of the *vesting* period.

#### **9. POLICY ON TERMINATION OF OFFICE OR EMPLOYMENT CONTRACT**

The Policy allows the Company to enter into specific *ad hoc* contractual arrangements on Executive Directors, the General Manager, if appointed, and Strategic Executives, concerning indemnities payable in case of anticipated termination of the office, provided, in any case, that (i) no indemnity shall be payable in case of fair dismissal nor in the case of voluntary resignation from office, (ii) such indemnities cannot exceed 200% of the fixed yearly remuneration of the relevant Executive Director (plus any received bonus and any



amounts accrued by the Director) and (iii) the agreements shall be compliant with the relevant market benchmarks and with the applicable laws and regulations.

#### **10. INFORMATION ON ANY INSURANCE COVER, WELFARE OR PENSION CONTRIBUTIONS PROVIDED, OTHER THAN MANDATORY ELEMENTS**

According to the Policy, the Executive Directors and Strategic Executives may benefit of the following insurance covers, additional to the mandatory covers:

- “*Directors & Officers’ Liability*” policy (D&O), which covers, third party liability, *inter alia*, of the Chief Executive Officer and Strategic Executives for monetary losses deriving from claims for compensation for damages in relation to any offence committed by the insured during the course of his/her duties, except in case of wilful misconduct and to the extent that the Company has already compensated the insured;
- “*Legal aid policy*”, which covers the costs relating to any legal aid provided as defence counsel to the insured, in court proceedings and in out-of-court settlements, with regard to the specific cases envisaged.

In addition, the Strategic Executives may benefit from the following mandatory insurance, which are characterised by a coverage cap exceeding that one provided by the relevant National Collective Labour Agreement, whose exceeding cost relating to the higher coverage cap is borne by the Company:

- “*Executive life policy*”, in their capacity as executives, with coverage cap in line with the relevant National Pay Agreement whose premium is paid by the Company.
- “*Professional and equivalent accident policy*”, which indemnifies the permanent invalidity points assessed as a result of professional or extra-professional accidents, the coverage cap of which is calculated on the seriousness of the accident and the type of event involved, using a maximum of 5 times (in case of death) or 6 times (in case of total permanent disability) the gross annual remuneration of the insured. It has to be noted that, whereas extra-professional accident cover is mandatory under the National Pay Agreement, equivalent accident cover is not mandatory;
- “*Supplementary healthcare policy*” covering medical, health and surgery costs in addition to the health care fund envisaged in the relevant employment contracts.

#### **11. OTHER INFORMATION**

The Policy does not contemplate specific remunerations for the independent Directors. The remuneration of the Independent Directors is determined on the whole by the Shareholders’ Meeting at the time of their appointment.



With reference to the participations to each committee within the Board of Directors, Directors shall receive a fixed annual remuneration, regardless of the specific internal committee of which the Director is a member. Attendance fees could be foreseen, based on the actual attendance by each Director to the meetings of the Board of Directors.

The fixed remuneration payable to the Chairman, who holds also the office of independent Director and has certain specific technical skills, is composed by a fixed compensation higher than that of the other non-executive Directors.

With regard to the offices held in subsidiaries by any Beni Stabili director or Strategic Executive, the Policy provides that (i) if the relevant office held in the subsidiary is a non-executive one, the remuneration due shall be returned in full to Beni Stabili, while (ii) if the relevant office is an executive one, the remuneration due to the relevant Director may be retained by the same, upon Company's consent.

The Policy is substantially in line with the remuneration principles and guidelines in force within the Beni Stabili Group and, in particular, with the directives of Foncière des Régions S.A., the Company exercising management and coordination activity.



## **SECTION II - REMUNERATION DETAILS**

This section, divided into two parts, illustrates the remuneration for each current member of the corporate bodies and the remuneration of the company's Strategic Executives, including the General Manager.

### **PART ONE**

A suitable and complete representation of each item comprising the remuneration is provided below, including indemnities in the event of termination of office or of the employment contract, and indicating compliance with the remuneration policy concerned.

#### **FIXED AND VARIABLE REMUNERATION**

##### **Executive Directors**

During the 2017 fiscal year, the only Company Director considered "executive" was the Chief Executive Officer. Such office was held by Christophe Kullmann.

The remuneration of Mr. Christophe Kullmann, for 2017 fiscal year, in line with the 2017 fiscal year Policy's provisions, was as follows:

- € 250,000 gross as the remuneration established for the position of Chief Executive Officer;
- € 25,000 gross as the remuneration established for the position of Director. In addition to this amount the attendance fees shall be taken into consideration; such fees are equal to € 18,000 as remuneration for the attendance to the six meetings of the Board of Directors;
- € 6,000 gross as the remuneration established for the position of member of the Executive and Investments Committee.

It should be noted that the remuneration of the Chief Executive Officer, Christophe Kullmann, is structured with the provision of a fixed component, a short-term variable component and a variable medium-long term component, at Foncière des Régions Group level, also taking into account the fact that the current Chief Executive Officer is also Chief Executive Officer and General Manager of the French parent company Foncière des Régions.

We point out that the part of said remuneration, that will be borne by the Company, and which is granted to the Chief Executive Officer for the positions that the same holds within the Group, has been determined in a lump-sum all-inclusive amount including the fixed and variable components of such remuneration.

##### **General Manager**

The remuneration of the General Manager matured on year 2017, in line with the current Company's Policy, was as follows:

- € 220,000 gross as fixed component of the annual remuneration;



- € 120,000 gross as short-term variable component of the remuneration, based on the assessment carried out with respect to the achievement of the *performance* objectives for 2017 during the Board meeting of 6 February 2018, upon the favourable opinion of the Nomination and Remuneration Committee;
- no. 2,000 gratuitous shares of Foncière des Régions S.A. as a medium-long variable component (whose final allocation, at the end of the vesting period, is contingent up to 50% upon the performance of the Beni Stabili shares - subject to employment within the Group - and, for the remaining 50%, upon the achievement of pre-established medium-long term operations-related objectives at Beni Stabili level, as established by the Board during the meeting of 6 February 2018, upon the favourable opinion of the Nomination and Remuneration Committee.

It should also be noted that the General Manager, within the incentive and retention programs adopted by the Foncière des Régions Group and aimed also at the retention of its management, was also the recipient of an extraordinary allocation of no. 8,000 Foncière des Régions S.A. shares, the definitive allocation of which is linked to the achievement, at the end of the vesting period (which, in this case, was envisaged in 4 years), to parameters referring to the Group itself.

Lastly, it should be noted that, the Board of Directors, during the meeting held on 6 February 2018, for the purpose of assessing the achievement of the 2017 targets (and in any case upon the favorable opinion of the Nomination and Remuneration Committee), decided to increase, starting from 2018, the fixed component of the gross annual remuneration of the General Manager from € 220,000 to € 260,000 (so as to make it even more suitable for attracting, retaining and motivating the manager concerned, considering the positive results achieved by the Company during the current year, thanks also to the important contribution provided by the same) and to recognize to the same, as a further fringe benefit, the assumption by the Company of the costs related to housing (in line with the remuneration policy that foresees the possible attribution also of this fringe benefit).

### **Strategic Executives**

During 2017 financial year, the *Chief Corporate Officer*, Mr. Stefano Vittori, Strategic Executive of the Company, resigned from his office with effect from 6 December 2017.

The remuneration of the *Chief Corporate Officer*, Mr. Stefano Vittori, matured on year 2017, in line with the provisions of the 2017 fiscal year Policy, and in line with the agreements between the parties was as follows:

- € 262,779, as gross annual remuneration, until 6 December 2017;
- € 55,000 as a short term variable component (bonus) for the achievement of 2017 performance targets within the agreements relating to the termination of the employment relationship;
- € 176,362 as end of service payment (so called "TFR") and compensation for holidays not taken;
- cancellation of FdR free shares allocated in the years 2016-2017 (total no. 1,000) with vesting period November 2018 - November 2019 and retention of the free FdR shares (no. 2,500) that he received in 2014.



### **Additional information**

With regard to remuneration received in 2017 by other members of the Board of Directors and members of the Board of Statutory Auditors, please refer to Table 1 below.

### **INCENTIVE SCHEMES BASED ON FINANCIAL INSTRUMENTS**

Currently there is no incentive scheme in force based on financial instruments issued by Beni Stabili.

### **AGREEMENTS ENVISAGING INDEMNITY IN THE EVENT OF EARLY TERMINATION OF THE EMPLOYMENT CONTRACT**

Agreements contemplating indemnities payable in the event of early termination of the employment contract, in consideration of the resignation of the Chief Corporate Officer, are currently in force between the Company and the General Manager.

In particular, during the Board meeting of 9 February 2017, the Beni Stabili's Board of Directors, upon previous opinion from the Nomination and Remuneration Committee, resolved to execute an agreement in order to grant to the General Manager Mr. Alexei Dal Pastro an indemnity equal to 12 months of his annual gross remuneration (including the fixed and variable component of the remuneration), plus an indemnity equal to an additional month of the annual gross remuneration per each year spent in the Company up to a maximum equal to 24 months of said remuneration. The payment of such indemnity will be subject to the achievement of specific Company's performance objectives.

The Company does not currently have in force any agreements involving the assignment or retention of non-cash benefits in favour of persons resigning from the office, nor has it signed consulting contracts with such persons for a period after termination of their employment.

A non-competition agreement, applicable for the 18 months following the termination of the employment relationship, has been concluded with the Chief Corporate Officer.



## ***PART TWO***

Details concerning the remuneration paid in 2017, in any form and for any reason, by the Company and by companies of the Beni Stabili Group, are set forth in the tables below, drafted in accordance with CONSOB Regulation no. 11971/1999, as amended.

The information is provided separately in reference to positions held in the Company and positions in subsidiaries and associates, listed or unlisted, included in the Beni Stabili Group.

It is noted that, at present, in light of the circumstance that the remunerations received as Directors of subsidiaries of the Company are charged back in full to Beni Stabili, such remunerations are not indicated in the tables below.



**Table 1: Remuneration paid to Directors, Statutory Auditors and Strategic Executives (€/000)**

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Start date of term of office	Expiry of term of office	Fixed remuneration	Remuneration for committee membership	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	Total termination of office indemnity
						Bonuses and other incentives	Profit sharing					
<b>Enrico Laghi</b>	Chairman	7.04.16	05.02.18									
(I) Remuneration in the company preparing the financial statements				100 (a) 18	12 (a)							
(II) Remuneration from subsidiaries and associates												
(III) Total				118	12					130		
<b>Christophe Kullmann</b>	CEO	7.04.16	31.12.18									
(I) Remuneration in the company preparing the financial statements				250 25 18	6 (b)							
(II) Remuneration from subsidiaries and associates												
(III) Total				293	6					299		
<b>Leonardo Del Vecchio</b>	Director	7.04.16	31.12.18									
(I) Remuneration in the company preparing the financial statements				25								
(II) Remuneration from subsidiaries and associates												
(III) Total				25						25		



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Start date of term of office	Expiry of term of office	Fixed remuneration	Remuneration for committee membership	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	Total termination of office indemnity
						Bonuses and other incentives	Profit sharing					
<b>Françoise Pascale Jacqueline Debrus</b>	Director	7.04.16	09.02.17									
(I) Remuneration in the company preparing the financial statements				2 (c)								
(II) Remuneration from subsidiaries and associates												
(III) Total				2						2		
<b>Marjolaine Alquier de L'Epine</b>	Director	09.02.17	31.12.18									
(I) Remuneration in the company preparing the financial statements				23 (d) 18								
(II) Remuneration from subsidiaries and associates												
(III) Total				41						41		
<b>Jean Laurent</b>	Director	7.04.16	31.12.18									
(I) Remuneration in the company preparing the financial statements				25 15	6 (e)							
(II) Remuneration from subsidiaries and associates												
(III) Total				40	6					46	-	-



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Start date of term of office	Expiry of term of office	Fixed remuneration	Remuneration for committee membership	Bonuses and other incentives	Profit sharing	Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	Total termination of office indemnity
<b>Micaela Le Divelec Lemmi</b>	Director	7.04.16	31.12.18									
(I) Remuneration in the company preparing the financial statements				25 18	6 (f)							
(II) Remuneration from subsidiaries and associates												
(III) Total				43	6					49		
<b>Adriana Saitta</b>	Director	7.04.16	31.12.18									
(I) Remuneration in the company preparing the financial statements				25 18	12 (g)							
(II) Remuneration from subsidiaries and associates												
(III) Total				43	12					55		
<b>Ariberto Fassati</b>	Director	7.04.16	31.12.18									
(I) Remuneration in the company preparing the financial statements				25 18	18 (h)							
(II) Remuneration from subsidiaries and associates												
(III) Total				43	18					61		
<b>Angelo Busani</b>	Director	7.04.16	31.12.18									
(I) Remuneration in the company preparing the financial statements				25 18	6 (i)							
(II) Remuneration from subsidiaries and associates												
(III) Total				43	6					49		



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Start date of term of office	Expiry of term of office	Fixed remuneration	Remuneration for committee membership	Bonuses and other incentives	Profit sharing	Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	Total termination of office indemnity
<b>Giuseppe Cerati</b>	Chairman, Board of Statutory Auditors	9.04.15	31.12.17									
(I) Remuneration in the company preparing the financial statements				60 (j)								
(II) Remuneration from subsidiaries and associates												
(III) Total				60						60		
<b>Marcellino Bortolomiol</b>	Chairman, Board of Statutory Auditors Standing Auditor	9.04.15	31.12.17									
(I) Remuneration in the company preparing the financial statements				45 (k)								
(II) Remuneration from subsidiaries and associates				37								
(III) Total				82						82		
<b>Emanuela Rollino</b>	Standing Auditor	9.04.15	31.12.17									
(I) Remuneration in the company preparing the financial statements				45 (l)								
(II) Remuneration from subsidiaries and associates				20								
(III) Total				65						65		



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Start date of term of office	Expiry of term of office	Fixed remuneration	Remuneration for committee membership	Bonuses and other incentives	Profit sharing	Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	Total termination of office indemnity
<b>Stefano Vittori</b>	<b>Strategic Executive</b>	3.05.16 (m)	6.12.17									
(I) Remuneration in the company preparing the financial statements				263		55		6				
(II) Remuneration from subsidiaries and associates												
(III) Total				263		55		6		324		
<b>Alexei Dal Pastro</b>	<b>Strategic Executive</b>	3.05.16 (m)										
(I) Remuneration in the company preparing the financial statements				220		120		2				
(II) Remuneration from subsidiaries and associates												
(III) Total				220		120		2		342		

## NOTES

We point out that:

- in the column (1) “Fixed Remuneration”, the remuneration is indicated on an accrued basis, in accordance with Table 1, Scheme no. 7-*bis* of Schedule 3A of the Issuers’ Regulation adopted by Resolution no. 11971 of 14 May 1999, as subsequent amended and supplemented;
- in the column (3) “Variable non-equity compensation - Bonuses and other incentives”, the amounts of the variable component/bonus accrued during the financial year for the objectives achieved during the same year are indicated;
- with regard to column (4) “Non monetary benefits”, only the value of fringe benefits (according to a taxability criteria) is indicated. The value of insurance policies related to each beneficiary has not been indicated, as they are general insurance policies, provided for at a company level for more beneficiaries.

In column (6) “**Total**”, items from (1) to (5) are added.



### **Premise**

With regard to the remuneration granted to the members of the Board of Directors during 2017 financial year, we point out that:

- on 7 April 2016 the Shareholders' Meeting, called to resolve upon the appointment of the new Board of Directors, resolved, among other things, to assign to the Board of Directors an overall gross annual remuneration of € 500,000, inclusive of any attendance fees, with the right of the Board of Directors to divide it among its members.

During the Board of Directors' meeting held on the same date, the Board of Directors resolved, among other things, to divide said remuneration as follows:

- € 100,000 for the Chairman;
- € 25,000 for each of the other Directors;
- € 3,000 for each of the Directors as attendance fee for each Board of Directors' meeting attended.

During the same meeting, the Board, upon proposal of the Remuneration Committee, resolved to assign to each member of the various committees a gross annual remuneration of € 6,000.

- a) **Mr. Enrico Laghi** is the Chairman of the Executive and Investments Committee and Chairman of the Nomination and Remuneration Committee.
- b) **Mr. Christophe Kullmann** is member of the Executive and Investments Committee.
- c) **Mrs. Françoise Pascale Jacqueline Debrus** resigned from her office as Director of the Company with effect from 9 February 2017. Therefore, the remuneration indicated in column 1 represents the pro rata of the fee recognized for the office of Director up to that date.
- d) **Mrs. Marjolaine Alquier De L'Epine**, following the resignation given by Mrs. Françoise Pascale Jacqueline Debrus, was appointed by cooptation, as a new Director, at the Board meeting of February 9, 2017, and subsequently appointed, confirming in her office, by the Shareholders' Meeting held on 6 April 2017. The same remuneration already recognized to each of the other Directors has been attributed to Mrs Alquier de L'Epine. Therefore, the remuneration indicated in column 1 represents the pro rata of the fee recognized for the position of Director calculated from the day of the appointment by co-option (9 February 2017).
- e) **Mr. Jean Laurent** is a member of the Executive and Investments Committee.
- f) **Mrs. Micela Le Divelec Lemmi** is a member of the Nomination and Remuneration Committee.
- g) **Mrs. Adriana Saitta** is a member of the Executive and Investments Committee and of the Control and Risk Committee.
- h) **Mr. Ariberto Fassati** is a member of the Executive and Investments Committee, of the Nomination and Remuneration Committee and of the Control and Risk Committee.
- i) **Mr. Angelo Busani** is a member of the Control and Risk Committee.
- j) **Mr. Giuseppe Cerati** is the Chairman of the Board of Statutory Auditors. Mr. Cerati was appointed by the Shareholders' Meeting held on 9 April 2015 for the financial years 2015-2017. The Shareholders' Meeting resolved to grant an annual gross remuneration for said office of € 60,000.



- k) **Mr. Marcellino Bortolomiol** is a standing Statutory Auditor. Mr. Bortolomiol was appointed by the Shareholders' Meeting held on 9 April 2015 for the financial years 2015-2017. The Shareholders' Meeting resolved to grant an annual gross remuneration for said office of €45,000. Up to said date, Mr. Bortolomiol was the Chairman of the Board of Statutory Auditors.
- l) **Mrs. Emanuela Rollino** is a standing Statutory Auditor. Mrs. Rollino was appointed by the Shareholders' Meeting held on 9 April 2015 for the financial years 2015-2017. The Shareholders' Meeting resolved to grant an annual gross remuneration for said office of € 45,000.
- m) The Board of Directors of Beni Stabili S.p.A. SIIQ, during the meeting held on 3 May 2016, among other things, appointed (with effect from 1st July 2016) the General Manager **Mr. Alexei Dal Pastro** as "**Executive with strategic responsibilities**" and confirmed **Mr. Stefano Vittori** as Chief Corporate Officer. Both of them are executives of the Company. Mr Vittori resigned from his office with effect from 6 December 2017.



**Table 3A: Incentive schemes based on financial instruments other than stock options in favour of Directors and Strategic Executives (SE). Note that the plans indicated below are free share assignment plans approved by Foncière des Régions SA., the company responsible for management and coordination of Beni Stabili S.p.A. SIIQ.**

A	B	(1)	Financial instruments assigned in previous years but not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and assignable	Financial instruments for the year	
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and surname	Position	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at assignment date	Vesting period	Assignment date	Market price at assignment date	Number and type of financial instruments	Number and type of financial instruments	Value on maturity	Fair value
<b>Stefano Vittori</b>	<b>SE</b>												
		Plan F (06/05/11)											€ 60.295 (a)
		Plan G (06/05/11)	2.500 free shares	25/06/14 25/06/18									
<b>(III) Total</b>													€ 60.295



A	B	Financial instruments assigned in previous years but not vested during the year			Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and assignable		Financial instruments for the year
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)	
Name and surname	Position	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at assignment date	Vesting period	Assignment date	Market price at assignment date	Number and type of financial instruments	Number and type of financial instruments	Value on maturity	Fair value
<b>Alexei Dal Pastro</b>	<b>SE</b>												
		Plan A (15/02/17)			1.500 free shares	€116.575 (b)	15/02/17 15/02/20	15/02/17	€ 117.240 (c)				
(III) Total						€116.575							

## NOTES

The total (III) is indicated in reference to columns (5), (11) and (12).

(a) Refers to 700 free FdR shares assigned on 6 November 2017 (vesting period: 07/11/2013 – 06/11/2017). The unit fair value of the free FdR shares as at the date of assignment of 6 November 2017 is € 86.136.

In relation to the free FdR shares attributed to Stefano Vittori in the years 2016-2017 (total No. 1,000) with vesting period November 2018 - November 2019, it is specified, as better indicated in Section II of this Report, that the same were cancelled.

(b) The unit fair value of the free FdR shares as at the date of assignment of 15 February 2017 is € 77.717.

(c) The market price of the free FdR shares as at the date of assignment of 15 February 2017 is € 78.16.



**Table 3B: Monetary incentive plans for Directors, general managers and other Strategic Executives(€/000)**

A	B	(1)	(2)			(3)			(4)
Name and surname	Office	Plan	Bonus of the year			Bonus of previous years			Other Bonuses
<b>Stefano Vittori</b>	<b>SE</b>		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	Not payable anymore	Payable/paid	Still deferred	
(I) Compensation in the company preparing the financial statement		Plan A 07/11/17	€ 55						
(II) Compensation from subsidiaries and associates									
(III) Total			€ 55						
<b>Alexei Dal Pastro</b>	<b>SE</b>		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	Not payable anymore	Payable/paid	Still deferred	
(I) Compensation in the company preparing the financial statement		Piano A 06/02/18	€ 120						
(II) Compensation from subsidiaries and associates									
(III) Total			€ 120						



**TABLE 1: Investments of Directors and Statutory Auditors**

NAME AND SURNAME	POSITION	INVESTEE	NUMBER OF SHARES HELD AT END OF PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT YEAR END
Leonardo Del Vecchio	Director	Beni Stabili S.p.A. SIQ	59,409,568	17,332,832	-	76,742,400 (1)
Christophe Kullmann	Director	Beni Stabili S.p.A. SIQ	180,360	-	-	180,360
Marjolaine Alquier de L'Epine	Director	Beni Stabili S.p.A. SIQ	18,346	-	-	18,346

(1) Beni Stabili shares held by Leonardo Del Vecchio through the subsidiary Delfin S.àr.l.

**TABLE 2: Investments of strategic executives**

NUMBER OF STRATEGIC EXECUTIVES	INVESTEE	NUMBER OF SHARES HELD AT END OF PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT YEAR END
2	Beni Stabili S.p.A. SIQ	0	0	0	0