



BENI STABILI S.p.A. SIIQ

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

2016



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 of which with appropriate knowledge and experience of financial matters.

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 10, 2016. 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 10, 2016. The Committee will verify the correct implementation of the Policy, duly reporting to the Board of Directors.



- Chief Executive Officer -

Where appropriate, the Chief Executive Officer 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, 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 obtain prior and binding favourable opinion from 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 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 10, 2016 is substantially in line with the remuneration practices previously adopted by the Company.

It has to be noted that the Board of Directors will terminate its mandate upon approval by the Shareholders' Meeting – to be held on April 7, 2016 - of the financial statements as of December 31, 2015. Therefore, the Policy outlines the guidelines applicable to the remuneration of the Directors to be appointed by such Shareholders' Meeting (as well as to the Strategic Executives, including therein the General Manager, if appointed). On turn, the new Board of Directors to be appointed by the Shareholders' Meeting will analyze and resolve upon such Policy as deemed appropriate.

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 and of the specialised Committees.

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;
- the executive Directors shall also benefit of a possible medium-long term “variable” component (“**LTI**”), consisting of a number of free shares of Foncière des Régions S.A. (“FdR”) equivalent to an amount representing up to 100% of the fixed component of the remuneration, to be granted upon achievement of predetermined medium-long term performance targets. In this respect, it has to be noted that the possible assignment of the FdR free shares to the executive Directors shall be resolved upon by the Company Board of Directors, in accordance with specific agreements in force between Beni Stabili and FdR and in compliance with the free shares plans approved by the competent corporate bodies of FdR (“**FdR Plans**”).

For further details with respect to the criteria governing the assignment of the variable components of the remuneration payable to the executive Directors and the relevant performance objectives, please refer to paragraph 5.

Finally, the Policy allows the Company to provide and assign, to executive Directors, for a limited period of time, not longer than one fiscal year, an entirely fixed remuneration upon occurrence of exceptional circumstances to be discretionarily evaluated by the Board of Directors, such as in case of possible short-term alternation/succession of Directors, with the definition of a new corporate governance structure.

Strategic Executives

The remuneration of the General Manager, if appointed, shall be structured in a manner substantially similar, *mutatis mutandis* (also with reference to the criteria for assessment of results), to the scheme provided for the remuneration of the Executive Directors, taking into account the functions allocated to the General Manager and the objectives assigned to the same.

The remuneration to be granted to the other Strategic Executives consists of the fixed remuneration set forth in the relevant employment contracts.

The Strategic Executives may also be awarded with bonus of a variable amount - up to a maximum of 30% of their gross annual remuneration – based essentially to the achievement of predetermined objectives and/or additional objectives non identifiable in advance but actually achieved. As a general remark, it has to be noted that the performance of the Strategic Executives is evaluated not only on the basis of the annual performance, but also on the basis of the relevant medium/long-term impact.

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 anticipated, contemplates the possible assignment - by the Beni Stabili Board of Directors to the executive Directors of Beni Stabili – of free FdR shares, in accordance with specific agreements in force between Beni Stabili and FdR and with the FdR Plans.

According to the terms of the FdR Plans, each year the Board of Directors of FdR may resolve to assign free FdR 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 (including any possible bonuses to the Strategic Executives) 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.

The Company considers that the case-by-case assessment, in any event based on company budget forecasts, is in line with Beni Stabili's intention to reward persons who, despite the economic and financial crisis, contribute positively to the aim of creating value for all the Company Shareholders.

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 executive Directors upon achievement of performance objectives clear, precise, quantifiable and operational. These targets are determined every year by the Board of Directors, based on proposals put forward by the Committee. They are determined according to the strategic plan, the budget approved by the Board of Directors for the relevant year, and the Company's priorities at the time. In general, the MBO component of the remuneration is awarded according to the below guidelines:

- c. 70% in case of achievement of quantitative targets regarding Real Estate and financial Key indicators, such as (i) the generation of sustainable value (ii) the adequate level of remuneration for Shareholders, with particular reference to the net income per share (EPRA/RNI and EPRA/NAV per share), (iii) the improvement of the quality of the Company's portfolio, (iv) the increase of the occupancy levels, (v) the enhancement of the financial profile, (vi) the enhancement of market positioning with particular regard to the Italian market;
- c. 30% in case of achievement of qualitative targets relating to the management, leadership and strategic position within the Company and the Group.

LTI component for executive Directors

The LTI component shall be assigned to the executive Directors in case of achievement of performance targets - each analysed over vesting period - in accordance with the following guidelines:

- 50% for [the overall stock market performance of Beni Stabili (Total Shareholder Return "TSR") in relation to the EPRA index;
- 50% for the achievement of MBO targets.

Possible bonuses to Strategic Executives

The Strategic Executives may be granted with bonuses of a variable amount essentially linked to the achievement of predetermined objectives and/or objectives additional to those identifiable in advance. In any case, the evaluation of their performance is based not only on the annual performance, but also on the medium/long-term impact of the same. In particular, the Company may assign a variable bonus to each Strategic Executive, up to a maximum of 30% of the gross annual remuneration of the same.

The Chief Operating Officer and Chief Financial Officer are currently the only Company's Strategic Executives. The criteria for assessment of the results for these officers are listed below.

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



- (i) efficient strategic and operational planning;
- (ii) achievement of the objective of constant corporate growth;
- (iii) efficiency of operational risk management;
- (iv) improvement of profitability of the property assets, with a view to optimising the value of individual properties, also through asset rotation;
- (v) launch of new property development projects and renovation works to guarantee that a high quality standard of the real estate portfolio is maintained;
- (vi) consolidation and improvement of relations with tenants.

The performance objectives of the Chief Financial Officer are associated with:

- (i) reduction in cost of debt and reinforcement of debt structure / maturity
- (ii) cost control and reduction, provided that the quality of reporting (internal/management and external/institutional) and IT systems remains high;
- (iii) efficiency of financial risk management and, in general, financial planning (with regard to the deadlines for the closure of interim/annual reporting periods);
- (iv) organisational and administrative process efficiency;
- (v) improvement in the level of cash flows and the capacity to obtain funding.

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 as a whole is consistent with the objective of creating value for all Shareholders.

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 Board of Directors' allocation decision.

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

At present, 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 FdR shares in portfolio.



9. POLICY ON TERMINATION OF OFFICE OR EMPLOYMENT CONTRACT

No indemnities in case of unfair dismissal are currently provided in favour of any Director.

However, the Policy allows the Company to enter into specific *ad hoc* contractual arrangements on Executive Directors and the General Manager, if appointed, 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 Director and (iii) the agreements shall be compliant with the relevant market benchmarks and with the applicable laws and regulations.

Except in cases of termination/dismissal for just cause, in all cases of termination of employment by the Company, Strategic Executives shall receive an indemnity equal to 30 months of the cost of their total remuneration as at the time of the termination of the employment contract. Such indemnity shall also be payable if the officers resign within 180 days of certain selected events (e.g. unilateral amendment by the Company that significantly reduce the powers, office or duties of the Strategic Executives; change of control of Beni Stabili).

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 exceeding that one envisaged in the relevant National Pay Agreement. In particular, the Company shall be liable for the difference between the maximum envisaged in the aforementioned policy and that one provided by the relevant National Pay Agreement;
- “Professional and equivalent accident policy”, 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 permanent disability) the gross annual remuneration of the insured. It has to be noted that, whereas 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 which are not fully reimbursed under the mandatory health policy envisaged in the relevant employment contracts.

11. OTHER INFORMATION

The Policy does not contemplate specific remunerations for the independent Directors.

As regards the membership to each committee within the Board of Directors, Directors shall receive a fixed annual remuneration. The amount of such fixed annual remuneration shall be the same, 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 and of the specialised Committees.



The fixed remuneration payable to the Chairman, who holds also the office of independent Director and has certain specific technical skills, shall include an additional fixed compensation, to be added to the fixed remuneration contemplated in favour 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.

The Policy has been defined independently by Beni Stabili, without making reference to remuneration policies adopted by other companies.

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 FdR, 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, in aggregate format, the remuneration of the company's two Strategic Executives.

No officers currently hold the position of General Manager of the Company.

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 2015 fiscal year, the only Company Director considered "executive" has been the Chief Executive Officer. Such office was held by Aldo Mazzocco until October 21, 2015 (date on which he resigned from any office held in the Beni Stabili Group and from the office of *Directeur Général Délégué* of the parent company Foncière des Régions S.A.). Following the resignation of Aldo Mazzocco, Christophe Kullmann was appointed as Chief Executive Officer.

The remuneration of Aldo Mazzocco, for 2015 fiscal year, was as follows:

- € 228,000 gross as the remuneration established for the position of Chief Executive Officer until 21 October 2015;
- € 40,000 gross as member of the Board of Directors until 21 October 2015;
- € 5,000 gross as member of the Executive and Investments Committee until 21 October 2015;
- € 270,000 gross as the fixed component of the loyalty and performance bonus;
- € 173,000 as gross annual remuneration as executive of a subsidiary (until 10 January 2016);
- € 105,398.65 gross as severance indemnities for termination of employment relationship (known as "TFR") as executive of a subsidiary;
- a lump-sum all-inclusive amount of € 2,000,000 gross for the early termination of his office;
- free shares in FdR as a remuneration for the office of this company's *Directeur Général Délégué*.

As regard the remuneration of Christophe Kullmann Beni Stabili will bear a cost of equal to Euro 500.000¹, to be calculated *pro rata temporis*, in addition to the remuneration attributed as member of the Board of Directors, equal to Euro 50.000 gross per annum, and as member of the Executive and Investments Committee, equal to Euro 6.000 gross per annum. Such determination of the remuneration of the Chief Executive Officer, as fixed component, has been maintained, as an exceptional measure, in line with principle set out in the final subsection of paragraph no. 3 of Section I of this Report, for a limited period of time, until the final corporate governance structure will be defined (taking into account the forthcoming renewal of the Board of Directors scheduled on the same date of the Shareholders' Meeting called to approve the financial statements of the company as at 31.12.2015 and the possible appointment of a General Manager).

¹ Pursuant to a specific agreement in force between Beni Stabili and FdR such amount is paid to the Director directly from FdR as a part included in his global remuneration for the offices he holds and the activities carried out within the Group



Strategic Executives

The Committee envisaged a bonus to the Strategic Executives in order to encourage a winning and striking performance in the medium-long term, by considering the objectives entrusted to the same as better specified above.

Regarding the *Chief Operating Officer*, a bonus equal to € 25,000 gross was proposed, taking into account the considerable effort made in planning the Company's operating activities aiming to pursue the company objectives and in particular safeguarding the value of the property assets despite of the difficult current market situation, and signing a letting agreement with Telecom Italia on half of the portfolio

As regards the *Chief Financial Officer* in particular, a bonus equal to € 15,000 gross was proposed, taking into account the effort made during the important refinancing operations of the company carried out throughout 2015, as well as the the refinancing of Beni Stabili and the reduction in cost of debt.

Additional information

With regard to remuneration received in 2015 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.

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

An agreement contemplating an indemnity payable in the event of early termination were in force with the former Chief Executive Officer Aldo Mazzocco. Based on such agreement but also on a specific settlement agreement, Aldo Mazzocco received a lump-sum equal to € 2,000,000 gross, for the early termination of his office.

Agreements contemplating indemnities payable in the event of early termination of the employment contract are in force also between the Company and the Strategic Executives. Precisely, the Strategic Executives shall receive an indemnity equal to 30 months of the cost of their overall remuneration applicable as at the time of termination of their employment contract. This indemnity will be payable in the event of:

- (i) unfair dismissal by the Company;
- (ii) fair resignation;
- (iii) resignation within 180 days of any of the following events: change of control of Beni Stabili; unilateral amendment by the Company that significantly reduces the powers, remuneration, offices or duties of the Strategic Executives.

Specifically, with regard to 2015:

- the cost relating to total gross remuneration of the *Chief Operating Officer* was € 448,113.324 as fixed remuneration (company cost which derives from a RAL equal to € 306,713.81), in addition to the value of the fringe benefits. In consideration of the performance objectives achieved during 2015, as better identified above, the *Chief Operating Officer* was also awarded a bonus of € 25,000 gross, for a company cost equalling € 33,422.00.
- the cost relating to total gross remuneration of the *Chief Financial Officer* was € 374,750.45 as fixed remuneration (company cost which derives from a RAL equal to € 268,392.16), in addition to the value of the fringe benefits. In consideration of the performance objectives achieved during 2015, as better identified above, the *Chief Financial Officer* was also awarded a bonus of € 15,000 gross, whose company cost equals € 20,053.50.

The indemnity payable to each Strategic Executive are determined according to the following criteria:

- 1) the total gross cost of the annual remuneration;
- 2) the average bonuses received in the three years prior to the termination;
- 3) the development of the assigned benefits.



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.

No Strategic Executives resigned from the office during the year.

PART TWO

Details concerning the remuneration paid in 2015, 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.

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.

Tables 2 and 3B of Regulation no. 11971/1999, as amended, are missing because the Company does not have in force any financial instrument-based or cash-based incentive schemes.



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					
Enrico Laghi	Chairman	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				100 (a)	24 (a)	-	-	-	-	124	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				100	24	-	-	-	-	124	-	-
Aldo Mazzocco	CEO	17.04.13	21.10.15									
(I) Remuneration in the company preparing the financial statements				228 (b)	5 (b)	-	-	27	-	-	-	2,000
				40 (b)								
				270 (b)								
(II) Remuneration from subsidiaries and associates				173 (b)	-	-	-	-	-	-	-	105
(III) Total				711	5	-	-	27	-	743	-	2,105
Isabella Bruno Tolomei Frigerio	Director	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				50 (c)	-	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				50	-	-	-	-	-	50	-	-



(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					
Françoise Pascale Jacqueline Debrus	Director	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				50 (d)	6 (d)	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				50	6	-	-	-	-	56	-	-
Leonardo Del Vecchio	Director	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				50 (e)	6 (e)	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				50	6	-	-	-	-	56	-	-
Christophe Kullmann	Director CEO from 21.10.15	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				99 (f) from 21.10.15		-	-	-	-	-	-	-
				50	6 (f)							
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				149	6	-	-	-	-	155	-	-



(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					
Jean Laurent	Director	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				50 (g)	-	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				50		-	-	-	-	50	-	-
Giacomo Marazzi	Director	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				50	24 (h)	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				50	24	-	-	-	-	74	-	-
Clara Pierfranca Vitalini	Director	17.04.13	31.12.15									
(I) Remuneration in the company preparing the financial statements				50 (i)	12 (i)	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				50	12	-	-	-	-	62	-	-
Giuseppe Cerati	Chairman, Board of Statutory Auditors	9.04.15	31.12.17									
(I) Remuneration in the company preparing the financial statements				44 (j)	-	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				44	-	-	-	-	-	44	-	-



(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					
Marcellino Bortolomiol	<i>Chairman, Board of Statutory Auditors</i>	18.04.12	31.12.14									
	Standing Auditor	9.04.15	31.12.17									
(I) Remuneration in the company preparing the financial statements				16 (k) up to 9.04.15	-	-	-	-	-	-	-	-
				33 (k) from 9.04.15								
(II) Remuneration from subsidiaries and associates				35	-	-	-	-	-	-	-	-
(III) Total				84	-	-	-	-	-	84	-	-
Emanuela Rollino	Standing Auditor	9.04.15	31.12.17									
	(I) Remuneration in the company preparing the financial statements				33 (I)	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				33	-	-	-	-	-	33	-	-
Luciano Acciari	<i>Standing Auditor</i>	18.04.12	31.12.14									
	(I) Remuneration in the company preparing the financial statements				12	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12	-	-	-	-	-	12	-	-



(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					
Fabio Venegoni	<i>Standing Auditor</i>	18.04.12	31.12.14									
(I) Remuneration in the company preparing the financial statements				12	-	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				12	-	-	-	-	-	12	-	-
2	Strategic Executives	8.11.10 (m)	-									
(I) Remuneration in the company preparing the financial statements				575	-	-	-	11	-		-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-		-	-
(III) Total				575	-	-	-	11	-	586	-	-

NOTES

Also in view of the peculiar nature of the existing remuneration system of the Company, the following should be noted:

- the amounts in column (1), "Fixed remuneration", are indicated on an accruals basis as envisaged in Table 1, Schedule 7-*bis* to Annex 3A of the Issuers' Regulation adopted by Resolution no. 11971 of 14 May 1999, as amended (in this respect, compare with note b) below in relation to Chief Executive Officer emoluments);
- with regard to column (3), "Variable non-equity remuneration", as the Company has not adopted any cash-based incentive schemes, but only the assignment of variable components of remuneration/bonuses not governed by a single structured plan, this column indicates the amounts of variable components/bonuses due during the year. For the above reasons, the criterion of amounts of remuneration accrued but not yet paid does not apply to the Company. The amounts indicated in column (3), therefore, are all amounts actually paid during the year;



- column (4), “Non-cash benefits”, indicates only the value of fringe benefits (according to a taxable income criterion). The figures relating to the value of insurance policies are not, however, indicated in reference to individual beneficiaries as these are complex corporate-level policies covering multiple beneficiaries;
- with regard to column (8), “Total termination of office indemnity”, please note that Aldo Mazzocco, following his resignation from the office of Chief Executive Officer on October 21, 2015, received a lump-sum equal to € 2,000,000 gross for the early termination of the office (pursuant an agreement contemplating an indemnity payable in the event of early termination and to the Remuneration Report approved by the Board of Directors of the Company on February 10, 2015). The severance indemnity related to the termination of the employment contract as executive in the subsidiary company BS 7 S.p.A, occurred on January 10, 2016, shall be paid on February and shall be equal to Euro 105,398,65 gross.
No other directors resigned during the fiscal year.

Please note that the shareholders' meeting, held on April 9, 2015, resolved to appoint as members of the Board of Statutory Auditors for the financial years 2015-2017, Giuseppe Cerati (Chairman), Marcellino Bortolomiol (Standing Auditor) and Emanuela Rollino (Standing Auditor) and to grant them a gross annual remuneration of Euro 60,000 for the Chairman and Euro 45,000 for each Standing Auditor.

Until that date the Board of Statutory Auditors, appointed by the shareholders' meeting on April 18, 2012, was as follows: Marcellino Bortolomiol (Chairman), Luciano Acciari (Standing Auditor) and Fabio Venegoni (Standing Auditor). The remuneration resolved to the Board of Statutory Auditors amounted to: Euro 60,000 gross per year for the Chairman and € 45,000 gross per year for each Standing Auditor.

Column (6), “**Total**”, indicates the sum of items (1) to (5).

- a) The Shareholders' meeting held on 17 April 2013 resolved, among other things, to assign to the Board of Directors, an overall gross annual remuneration of € 500,000 with the right of the Board to divide it internally.
The Board of Directors, convened on the same date, resolved, among other things, to divide the said remuneration as follows:
- € 100,000 for the Chairman;
 - € 50,000 for each of the Directors.
- During the same meeting, the Board, as proposed by the Remuneration Committee, resolved to assign an annual gross remuneration of € 6,000, to each member of the various Committees.
Enrico Laghi is: Chairman of the Executive and Investments Committee, Chairman of the Appointment Committee, Chairman of the Remuneration Committee and member of the Control and Risk Committee.
Therefore, for what concerns Laghi, the remuneration for his membership of the four Committees totals € 24,000 for 2015.
- b) The Board of Directors of Beni Stabili S.p.A. SIIQ, during the meeting held on 17 April 2013, resolved, among other things, to assign to the Chief Executive Officer, **Aldo Mazzocco**, as proposed by the Remuneration Committee, an annual gross remuneration, for the 2013-2014-2015 financial years, of € 610,000, broken down as follows:
- a “remuneration for company positions held” of € 340,000 (obtained by adding € 50,000 for the position of Director; € 284,000 for the position of Chief Executive Officer and € 6,000 for the position of member of the Executive and Investments Committee);
 - a “loyalty and performance bonus” consisting of a fixed amount of € 270,000 and a variable component, if any, related to the achievement of specific performance objectives.
- Please note that, as indicated in the Remuneration Report, Mr. Aldo Mazzocco resigned from the offices of Director and Chief Executive Officer of the Company and from the office of Director of the subsidiary Company Beni Stabili Development Milano Greenway S.p.A. (office without remuneration)



on October 21, 2015. Therefore the Company paid to Mr. Mazzocco the fixed remuneration accrued until the abovementioned date and, in relation to the achievement of certain objectives during the year 2015, € 270,000 gross as the fixed component of the loyalty and performance bonus. As regards the employment agreement between Mr. Mazzocco and BS 7 S.p.A., a wholly owned subsidiary of Beni Stabili, please note that, pursuant to certain agreements, the fixed remuneration as executive was decreased since November 1, 2015, taking into account the limited commitment required, to Euro 80,000 gross yearly. Mr. Mazzocco communicated his will to terminate the employment relationship with BS 7 S.p.A. on January 10, 2016.

- c) **Isabella Bruno Tolomei** is not a member of any Committee.
- d) **Françoise Pascale Jacqueline Debrus** is a member of the Appointment Committee. As a consequence, the remuneration for Ms. Debrus participating in the Committee she is a member of equals €6,000 for 2015.
- e) **Leonardo Del Vecchio** is a member only of the Executive and Investments Committee. As a consequence, the remuneration for Mr Del Vecchio participating in the Committee he is a member of equals €6,000 for 2015.
- f) **Christophe Kullmann**, already Director, was also appointed Chief Executive Officer on October 21, 2015. The Board of Directors resolved, on that date, in connection with the assignment of CEO, a gross annual remuneration equal to 500,000 Euros, to be calculated pro rata, until the maturity of the mandate (shareholders' meeting called to approve the financial statements at 31.12.2015). Christophe Kullmann is a member only of the Executive and Investments Committee. As a consequence, the remuneration for Mr. Kullmann participating in the Committee he is a member of equals €6,000 for 2015.
- g) **Jean Laurent** is not a member of any committee.
- h) **Giacomo Marazzi** is a member of the Executive and Investments Committee, member of the Remuneration Committee, Chairman of the Control and Risk Committee and member of the Appointment Committee. Therefore, for what concerns Marazzi, the remuneration for his membership of the four Committees totals €24,000 for 2015.
- i) **Clara Pierfranca Vitalini** is a member of the Remuneration Committee and of the Control and Risk Committee. As a consequence, the remuneration for Ms. Vitalini participating in the two Committees she is a member of equals € 12,000 for 2015 .
- j) **Giuseppe Cerati** is the Chairman of the Statutory Auditors. He was appointed by the Shareholders' meeting held on April 9, 2015 for the fiscal years 2015-2017, with a remuneration of Euro 60,000 gross per year.
- k) **Marcellino Bortolomiol** is Statutory Auditor. He was appointed by the Shareholders' meeting held on April 9, 2015 for the fiscal years 2015-2017, with a remuneration of Euro 45,000 gross per year. Until that date he held the position of Chairman of the Statutory Auditors (gross annual remuneration equal to Euro 60,000).
- l) **Emanuela Rollino** is Statutory Auditor. She was appointed by the Shareholders' meeting held on April 9, 2015 for the fiscal years 2015-2017, with a remuneration of Euro 45,000 gross per year.
- m) The Board of Directors of Beni Stabili S.p.A. SIIQ, during the meeting of 8 November 2010, identified, among other things, the Chief Operating Officer and the Chief Financial Officer - both executives of the Company - as "Executives with strategic responsibilities" of the Company.



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	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)	(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
Stefano Vittori	SE												
		Plan A (16/05/08)			-	-	-	-	-	-	-	-	-
		Plan B (16/05/08)			-	-	-	-	-	-	-	-	-
		Plan C (16/05/08)			-	-	-	-	-	-	-	-	€ 87,700 (a)
		Plan D (06/05/11)			-	-	-	-	-	-	-	-	€ 122,970 (b)
		Plan E (2012)	700 free shares	08/11/12-07/11/16	-	-	-	-	-	-	-	-	-
		Plan F (2013)	700 free shares	07/11/13-06/11/17	-	-	-	-	-	-	-	-	-
		Plan G (2014)	2.500 free shares	25/06/14-25/06/18									-
(III) Total													-
													€ 210,670 €



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
Luca Lucaroni	SE												
		Plan A (16/05/08)			-	-	-	-	-	-	-	-	-
		Plan B (06/05/08)			-	-	-	-	-	-	-	-	€ 40,990 (b)
		Plan C (06/05/11)	500 free shares	08/11/12-07/11/16									-
		Plan D (2012)	500 free shares	07/11/13-06/11/17	-	-	-	-	-	-	-	-	-
		Plan E (2013)	2.500 free shares	25/06/14-25/06/18									-
(III) Total												-	€ 40,990

NOTES

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

- (a) Refers to 1,000 free FdR shares assigned on 21 February 2011 (vesting period: 21/02/2011 – 20/02/2015). The unit fair value of the free FdR shares as at the date of assignment of 20 February 2015 is € 87,70.
- (b) Refers respectively to no. 1,500 free FdR shares and 500 free shares FdR assigned on 9 November 2011 (vesting period: 09/11/2011 – 09/11/2015). The unit fair value of the free FdR shares as at the date of assignment of 09 November 2015 is € 81,98..



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
Aldo Mazzocco	CEO	Beni Stabili S.p.A. SIIQ	2,300,000		-	2,300,000 (at 21.10.15)
Leonardo Del Vecchio	Director	Beni Stabili S.p.A. SIIQ	32,307,352	1,300,000	-	33,607,352 (1)
Christophe Kullmann	Director	Beni Stabili S.p.A. SIIQ	180,360		-	180,360
Giacomo Marazzi	Director	Beni Stabili S.p.A. SIIQ	5,000	-	5,000	-

(1) Beni Stabili shares held by Leonardo Del Vecchio through the subsidiary Delfin S.à.r.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	78.000			78,000