

Report on Corporate Governance and Ownership Structure

GLOSSARY

Board: the Issuers' Board of Directors appointed by the Shareholders' Meeting held on 23 April 2009

Bylaws: Bylaws of IGD SIIQ SpA available on the Company's website [ww.gruppoigd.it](http://www.gruppoigd.it)

Civ. cod./c.c.: the Italian Civil Code.

Code/Corporate Governance Code: the Corporate Governance Code for listed companies approved in March 2006, and amended in March 2010, by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (the Italian Stock Exchange).

Company: IGD SIIQ SpA

CONSOB: the Commissione Nazionale per le Società e la Borsa (Italy's Stock Market Regulator)

CONSOB's Regulations for Issuers: the regulations issued by CONSOB in Resolution n. 11971/99 (as amended) for issuers.

Instructions accompanying the stock market regulations: the Instructions accompanying the Regulations for Markets organized and managed by Borsa Italiana S.p.A..

Issuer: the Company issuer of stock referred to in this Report

Market Regulations: regulations for markets organized and managed by Borsa Italiana S.p.A., issued by the Borsa Italiana and approved by CONSOB in Resolution n.17026 dated 7 October 2009

MOG: Organizational Model pursuant to Legislative Decree. 231/2001

Report: the Report on Corporate Governance and Ownership Structure that companies are required to prepare pursuant to Art. 123-bis TUF

Subsidiaries: subsidiaries belonging to the IGD Group

TUF/"*Testo unico delle disposizioni in materia di intermediazione finanziaria*" Legislative Decree n. 58 dated 24 February 1998 - Financial Markets Consolidation Act:

Year: financial year closed on 31.12.2010 referred to in this Report

ISSUER PROFILE

IGD SIIQ S.p.A. adheres to and complies with the Corporate Governance code for Italian Companies issued in March 2006, and amended in March 2010, by the Corporate Governance Committee of *Borsa Italiana S.p.A.*.

In compliance with the law, this Report contains a general description of the company's corporate governance structure and contains information about the ownership structure and adhesion to the Corporate Governance Code.

Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. has a traditional system of management and control founded on the centrality of the Board of Directors.

The Company's Corporate Governance model is based on: (i) the guiding role of the Board of Directors in matters of corporate strategy; (ii) the transparency of business decisions within the Company and vis-à-vis the market; (iii) the efficiency and efficacy of the internal control system; (iv) the strict governance of potential conflicts of interest; and (v) clear procedures for transactions with related parties and for the treatment of corporate information

OWNERSHIP STRUCTURE

3.1 INFORMATION ON OWNERSHIP STRUCTURE (pursuant to Art. 123-bis, para. 1, T.U.F)

Share capital structure (pursuant to Art. 123-bis, para. 1, lett. a), TUF)

The share capital approved at 9 March 2011 totals €392,855,265.00, of which €309,249,261.00 is fully paid-in and subscribed, divided in ordinary shares with a par value of €1 each.

Share transfer restrictions (pursuant to art. 123-bis, para 1, letter b), TUF)

There are no restrictions and all shares are freely transferable.

Significant interests in share capital (pursuant to Art. 123-bis, para. 1, lett. c), TUF)

Based on the declarations received under art. 120 of TUF and other available information, the shareholders with voting rights holding more than 2% of the company's ordinary share capital at 11 March 2010 are those indicated in Table 1 "Significant interests in share capital" attached to this report.

Shares granting special rights (pursuant to Art. 123-bis, para. 1, lett. d), TUF)

The shares issued all have the same rights.

Employee share ownership: exercise of voting rights (pursuant to art. 123-bis, para 1, letter e), TUF)

No specific mechanisms for the exercise of voting rights under employee share ownership are provided for.

Restrictions on voting rights (pursuant to Art. 123-bis, para. 1, lett. f), TUF)

There are no restrictions on voting rights.

Shareholder Agreements (pursuant to Art. 123-bis, para. 1, lett. g), TUF)

The Company is party to the following shareholder agreements deemed relevant pursuant to Art. 122 of Legislative Decree 58/1998 (TUF):

- On 7 February 2011 Coop Adriatica S.c.a r.l. ("Coop Adriatica") and Unicoop Tirreno Società Cooperativa ("Unicoop Tirreno") stipulated a Shareholders' Agreement which establishes a voting block of Immobiliare Grande Distribuzione SIIQ S.p.A. shares, pursuant to Art. 122 paragraphs 1 and 5 lett. A) and B), of Legislative Decree n. 58/1998 designed to facilitate the Company's strategic decisions and their management. The agreement involves 170,516,129 ordinary shares or 55.1139% of the Company's share capital, of which 157,713,123 or 51% of the share capital are bound by a voting block and the remaining ones are free.

- On 25 May 2008 Fondazione Cassa di Risparmio di Imola and Fondazione Cassa di Risparmio in Bologna, along with Fondazione Cassa dei Risparmi di Forlì, formalized a Consultation Agreement deemed relevant pursuant to Art. 122 of Legislative Decree 58/1998. This agreement expired on 25 May 2008. Fondazione Cassa dei Risparmi di Forlì expressed no interest in renewing the agreement related to all the shares (925,000) transferred under the agreement while Fondazione Cassa di Risparmio di Imola and Fondazione Cassa di Risparmio in Bologna renewed the former agreement on 4 June 2008.

The above agreements are available to the public on the Consob's website, in accordance with the law.

Change of control clauses (pursuant to Art. 123-bis, para. 1, lett. h), TUF)

In the course of their normal business, the Company and group companies may stipulate agreements with financial partners which include clauses which grant each of the parties the right to rescind and/or amend said agreements and/or require repayment of the loan in the event the direct or indirect control of the parties themselves should change.

Authority to increase share capital and authorizations to buy back shares(pursuant to Art. 123-bis, para. 1, lett. m), TUF)

The extraordinary shareholders' meeting held on 25 June 2007 voted to issue bonds convertible into newly issued ordinary shares of IGD with a combined nominal value of €230,000,000.00, represented by 2,300 convertible bonds with a nominal value of €100,000.00 each, excluding any pre-emption rights, pursuant to Art. 2441, 5th and 6th paragraphs, of the Italian Civil Code and resolved to increase the share capital, in a divisible manner, for the purpose of servicing conversion of the bonds up to a maximum of € 46,653,144.00 at par, in one or more instalments through the issue of up to 46,653,144 ordinary shares of a par value of €1.00 each, with the same dividend rights as shares in circulation on the issue date to be used exclusively and irrevocably to service the conversion of the bonds. The capital increase will remain irrevocable through the expiration of the bond conversion period and is limited to the amount of shares subject to conversion.

Subsequently, on 22 April 2010, the Shareholders' Meeting, in extraordinary session, approved amendments to the terms and conditions of the above mentioned convertible bond to extend the expiration from June 2012 to 28 December 2013, increase the cash coupon from 2.50% to 3.50% with payment of the coupon half-yearly instead of yearly, and lower the conversion price from € 4.93 a € 2.75. Consequently, the Extraordinary Shareholders' Meeting resolved to increase share capital in order to service the conversion of the bond for up to a maximum amount of € 83,636,364.00, in one or more instalments, through the issue of up to maximum of 83,636,364 ordinary shares with a par value of €1.00 each.

On 9 March 2011 the company's Board of Directors resolved to propose that the Shareholders' Meeting, in ordinary session, to be held on 20 April 2011, approve the authorization to buy and sell treasury shares in accordance with Art. 2357, second paragraph, of the Italian Civil Code.

The purchase and disposal of treasury shares will be done in accordance with the means established by the shareholders as indicated in the Directors' Report.

As of the date in which the Directors' Report was approved, the Company holds 10,976,592 treasury shares, equal to 3.549% of the share capital.

Direction and control (pursuant to Art. 2497 et seq. Italian Civil Code)

The Company is subject to the direction and control of shareholder Coop Adriatica s.c.ar.l. who controls 41.497% of the company's share capital.

OTHER INFORMATION

Indemnity of Directors (pursuant to art. 123-bis, para 1, letter i), TUF)

There is no agreement between the Company and the Directors in the event of resignation, dismissal or termination following a takeover bid.

Shareholder meetings and applicable norms and regulations (pursuant to Art. 123-bis, para. 1, lett. I), TUF)

The shareholder meetings are conducted and governed in accordance with Title IV of the bylaws (Shareholder Meetings), which can be found on the company's website (www.gruppoigd.it) in compliance with the recent directives relating to shareholders' rights. Please refer to the section "Shareholders' Meetings" of this report for further information.

CORPORATE GOVERNANCE

3.2 COMPLIANCE (pursuant to Art. 123-bis, para. 2, lett. a), T.U.F)

Since its IPO, on 11 February 2005, the Company has adopted Borsa Italiana's Corporate Governance Code for listed companies and has structured its corporate governance, the rules and standards of conduct, in a way that ensures efficient and transparent corporate bodies and control systems in line with the code guidelines.

The code is published on Borsa Italiana's website (www.borsaitaliana.it).

The structure of the company's governance is described in this section of the Directors' Report.

CORPORATE GOVERNANCE STRUCTURE

Insofar as it is an Italian company with shares listed on the stock exchange which adheres to the code referred to above, the governance structure is founded on a traditional model comprised of: Shareholders' Meetings, the Board of Directors, Board of Statutory Auditors and External Auditors.

The Shareholders' Meeting is the forum used by the shareholders to express their wishes. The resolutions are made in accordance with the law and the bylaws while the meetings are governed by specific regulations adopted by the Company in order to ensure that the meetings are carried out in an orderly and efficient manner. In order to comply with Legislative Decree 27/2010 and directives relating to shareholders' rights, during the meeting held on 13 December 2010, the Board of Directors amended the bylaws pursuant Art. 2365 of the Italian Civil Code. The amendments were made to the bylaws in order to facilitate shareholder participation and the exercise of voting rights during the shareholder meetings.

The Board of Directors defines the strategy for the Company and its subsidiaries and oversees the business operations. In accordance with the bylaws, the Board of Directors may take all measures it deems fit for implementing and achieving the corporate purpose, except for those that the law or the bylaws reserve for the shareholders.

The Board of Statutory Auditors oversees compliance with the law and the bylaws and ensures that the standards of correct administration are observed and, in particular, that the organizational, administrative and accounting structures are adequate, that they function correctly, that the corporate governance rules provided for in the Code are complied with and that the disclosures made by the Company to its subsidiaries comply with Art. 114, paragraph 2, of the TUF (public disclosures).

The Board of Statutory Auditors is not responsible for financial audit which is, in accordance with the law, assigned to a financial audit company appointed by the shareholders. In this regard the Board of Statutory Auditors may be called upon to provide shareholders with a motivated opinion as to the choice of the external audit firm to be hired for financial audit.

The company's subsidiaries include the Romanian company which, however, has no impact on IGD's current corporate governance structure

3.3 BOARD OF DIRECTORS

APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, para. 1, lett. I), TUF)

The Company is administered by a Board of Directors composed, as per the bylaws, of seven to nineteen members.

The shareholders' meeting of 23 April 2009 decided that there will be 15 members in the Board of Directors, to serve until the date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2011.

Pursuant to Articles 16.2 and 16.3 of the bylaws, the directors are elected on the basis of preference lists submitted by the shareholders in maximum transparency and in accordance with Art. 6.P.1 of the Corporate Governance Code. In accordance with Art. 16.3 of the bylaws, lists may be submitted by shareholders who, alone or together with others, hold the percent interest determined in accordance with CONSOB regulations. The lists must be filed at the head office at least twenty days in advance of the first-call date of the meeting. The candidates must be numbered sequentially in the lists up to the number of seats to be filled. In accordance with the latest version of Art. 147 *ter*, fourth paragraph, of the TUF, Art. 16.3, last passage, of the bylaws states that every list must include at least two clearly indicated candidates who qualify as independent in accordance with the law.

In compliance with the bylaws, the lists must be filed along with the candidates' irrevocable acceptance of office (should they be elected), curriculum vitae, and statements confirming that there are no reasons for ineligibility and/or disqualification and that they meet the requirements set by law.

Art. 16.4 of the bylaws, reflecting the new provisions of Art. 147-*ter*, paragraph 3 of the Consolidated Finance Act (as amended by the Investor Protection Law and the Corrective Decree), prohibits any shareholder from submitting or participating in the submission of more than one list. In keeping with the above, Art. 16.7 of the bylaws states that if more than one list is submitted, at least one director must be appointed from the minority list. Thus, if the candidates ranked with the highest quotients come from a single list, the candidate from the minority lists who has earned the highest quotient will be elected in place of the candidate at the bottom of the ranking.

Art. 16.8 of the bylaws, on the subject of filling vacancies on the Board of Directors, combines the co-optation system with the requirement that minority interests be represented and that at least two directors qualify as independent pursuant to Art. 147-ter, para. 3 of the TUF.

The shareholders' agreement between Coop Adriatica and Unicoop Tirreno, deemed relevant as per Art. 122 of the TUF, was recently renewed on 7 February 2011 and will expire on 30 June 2012.

Pursuant to Art. 2 of the agreement above the Board of Directors of IGD is to be comprised of 15 members for the duration of the agreement. In the event the Board of Directors is renewed, the parties agreed to submit a list of fifteen candidates, consisting of 7 directors designated by the Coop Adriatica (3 of which are independent pursuant to Borsa Italiana's Corporate Governance Code and at least one of which possesses the requisites pursuant to Art. 148, para. 3 of Legislative Decree n. 58/1998), 5 directors designated by Unicoop Tirreno (2 of which are independent pursuant to Borsa Italiana's Corporate Governance Code and at least one of which possesses the requisites pursuant to Art. 148, para. 3 of Legislative Decree n. 58/1998) and 3 directors designated jointly by Coop Adriatica and Unicoop Tirreno (independent pursuant to Borsa Italiana's Corporate Governance Code). Furthermore, pursuant to both Art. 2 above and Art. 16.7 of the bylaws, if more than one list is submitted, at least one director must be appointed from the minority list.

COMPOSITION (pursuant to Art. 123-bis, para 2, lett. d) TUF)

The Board of Directors in office through 31.12.2009 consists of 15 directors and was appointed by the shareholders during the meeting held on 23 April 2009 for a term of three years which expires on the date the Shareholders' Meeting is called to approve the financial statements at 31 December 2011.

During the Shareholders' Meeting held on 23 April 2009 the two lists of the majority shareholders Coop Adriatica and Unicoop Tirreno and the two minority shareholders Società Fondazione Cassa di Risparmio di Imola and Fondazione Cassa di Risparmio di Bologna were presented. The lists were submitted with all the documentation relating to the personal characteristics of the candidates along with their irrevocable acceptance of the appointment in the time period provided for under the law.

The members of the current Board of Directors, along with their status as executive or non-executive and/or independent members as per the Corporate Governance Code and the committees formed as of the date in which this report was approved, can be found in Table 2 "Structure of the Board of Directors and Committees" attached.

In accordance with the Rules for Corporate Governance approved by the Board of Directors on 18 September 2008 and updated during the meeting held on 9 March 2011, the directors agree to accept appointments when they feel that they will be able to dedicate sufficient time to fulfilling their duties given the nature of the assignment, including taking into account any other directorships or statutory auditorships held in other companies, including in light of the maximum permitted number of appointments described below.

All the directors dedicate the time deemed necessary to diligently fulfil their duties, taking into account other offices held and are aware of the responsibilities inherent in the positions they hold; they must be constantly up-to-date as to new laws and regulations which concern the Company and its operation.

The directors must comply with the Ethical Code, the Code of Internal Dealing and any other provisions with which the Company may regulate the directors' conduct; the directors, like the statutory auditors, must treat any documents and information to which they might have access in the course of their duties with the maximum confidentiality.

Maximum number of appointments allowed in other companies

In order to regulate the maximum permitted number of appointments in another company that a director may hold, the Company drafted specific regulations referred to as the "Limits to the maximum number of appointments allowed in other companies" which were approved by the Board of Directors on 13 December 2010, in accordance with the proposal received from the Nominations Committee. Based on the regulations, the term "maximum number" does not refer solely to the number of offices held, but also attributes a weight to each type of appointment in relation to the nature and size of the company, as well as the position held by IGD's directors in other companies, in light of the fact that more time is dedicated to certain positions than to others. In light of this consideration, IGD's Board of Directors held that the weight to be attributed to the office of Chairman, Executive Director be different, for example, than that of a non-executive director or member of the Board of Statutory Auditors. Lastly, the weight attributed each office was also different based on the type and size of the company and two sub-categories were established; Group A and Group B. Group A includes other companies listed on regulated markets, financial institutions, banks, insurance companies or other large companies. All the companies which are not part of Group A are automatically considered part of Group B. In light of these considerations, the Board listed the overall weight of the offices held in other companies which can be considered compatible with acting effectively as a director in IGD.

The general criteria described above were approved by the Nominations Committee and then by IGD's Board of Directors in light of the fact that in order to act as a director the appointees must be able to devote the time necessary to diligently and effectively fulfil his/her obligations. On the basis, therefore, of the regulations governing "Limits to the maximum number of appointments allowed in other companies" the current board was found to be fully compliant.¹

Pursuant to the Corporate Governance Code the principle offices held by directors in companies other than those of the IGD Group can be found in Table 4 "Offices held by the directors at 31.12.2010", attached.

ROLE AND FUNCTIONS OF THE BOARD OF DIRECTORS (pursuant to Art. 123-bis, para 2, lett. d) TUF)

The Company is administered by a Board of Directors.

In order to ensure maximum attendance at the Board meetings, they are held on the dates indicated in a financial calendar which has been disclosed to the market in accordance with *Borsa Italiana's* instructions. Additional meetings may be called if deemed necessary in order to address certain issues; the Board, at any rate, takes the steps necessary to effectively fulfil its duties. The Company published the following financial calendar which calls for 4 meetings to be held in 2011:

- 9 March 2011: Board of Directors' meeting to examine the separate and consolidated financial statements at 31.12.2010;
- 11 May 2011: Board of Directors' meeting to examine the Interim Management Statement at 31.03.2011;
- 25 August 2011: Board of Directors' meeting to examine the Half-year Financial Report at 30.06.2011;
- 11 November 2011: Board of Directors' meeting to examine the Interim Management Statement at 30.09.2011.

If the company deems it opportune it may convene, in accordance with the bylaws, other board of director meetings in 2011.

¹ Corporate Governance Code: Art. 1.C.3.

Pursuant to Art. 17.3 of the bylaws, the chairman calls and presides over meetings of the Board of Directors; conducts, coordinates and moderates the discussion and related activities; and announces the results of votes.

Without prejudice to the call prerogatives guaranteed by law, meetings of the Board of Directors are called by the chairman, or the chairman's deputy, whenever this person sees fit or at the request of a majority of the directors. Art. 18 of the bylaws also provides for Board of Directors' meetings to be called by the Board of Statutory Auditors. Meetings are normally called by telegram, fax, or other means as long as this ensures proof of receipt at the domicile of each member of the Board of Directors at least five days in advance of the meeting. In urgent cases, meetings may be called two days in advance. The statutory auditors are informed of the meeting according to the same terms described above. Typically the meetings are called via e-mail.

The power to call the Board of Directors' meetings granted to the Board of Statutory Auditors or by any member thereof complies with Art. 151, second paragraph of TUF as amended by the Uniform Savings Act.

The Board of Directors meets at the place specified in the notice of meeting, which may be the registered office or anywhere else in Italy.

Board meetings are presided over by the chairman or, if the chairman is unavailable, by the vice chairman (if appointed) or, if the vice chairman is unavailable, by the most senior director in terms of age.

For each meeting the Board of Directors, at the chairman's proposal, elects a secretary who may or may not be a member and who will sign the minutes of the meeting.

The bylaws require the presence of at least one member of the Board of Statutory Auditors at all sessions of the Board of Directors, to ensure that the auditors are informed of the Company's activities and of the transactions having a significant impact on profitability, assets, liabilities, and financial position carried out by the Company or its subsidiaries, in particular those transactions in which they have an interest on their own or third parties' account; that are influenced by the party in charge of management and coordination; or that have been the subject of resolutions, debate or announcement during the course of the session. If no statutory auditor is present at a meeting of the Board of Directors, or if the procedures adopted in accordance with the preceding section do not guarantee that the auditors are informed on at least a quarterly basis, then according to the bylaws the chairman and/or the chief executive officer must report in writing on his or her activities to the chairman of the Board of Statutory Auditors within three months. This report must be mentioned in the minutes of the first subsequent meeting of the Board of Statutory Auditors.

During the year ended 31 December 2010, the Board of Directors held 9 meetings, on 11.03, 13.05, 9.06, 28.06, 26.08, 11.11 and 13.12, at 3:00 pm in extraordinary session and at 3:40 pm in ordinary session, duly attended by the directors and by a member of the Board of Statutory Auditors. The absentee rate was quite low and all absences were excused. Each meeting lasted an average of 3 hours.

Some meetings of the Board of Directors were attended by Company executives or external parties, when deemed appropriate, so they could provide specialized input on the topics up for debate.

Following the criteria set forth in Art. 1.C.1 of the Corporate Governance Code, the Board of Directors:

- examines and approves the strategic, industrial and financial plans of the company, the company's corporate governance system, as well as that of the strategically important subsidiaries;
- judges the adequacy of the organizational, administrative, and accounting structure of the Company and its strategic subsidiaries as arranged by the chief executive officer, with particular reference to the internal control system and the management of conflicts of interest;

- defines, with the help of the Internal Control Committee, the guidelines for the internal control system and, at least once a year defines, evaluates its adequacy, efficacy and functioning with respect to the nature of the Company's business and appoints an executive director to monitor the functioning of the internal control system;
- appoints and dismisses, in accordance with the proposal submitted by the executive director in charge of internal control and recommendations of the Internal Control Committee, one or more internal control officers;
- in order to encourage the involvement and cooperation of the directors, institutes the board committees and commissions deemed necessary for the proper functioning of the Company, while also defining its active duties and consulting functions;
- grants and revokes the powers of the chief executive officer, defining limits and procedures; establishes the frequency—no less than quarterly—with which the chief executive officer must report on his or her activities to the Board of Directors;
- determines, after consulting the Board of Statutory Auditors and the relative committee, the compensation of the chief executive officer and the other directors with particular responsibilities, and divides the Board of Directors' overall compensation among its members if the shareholders' meeting has not done so;
- evaluates general business performance, taking account of the information received from the chief executive officer, and periodically comparing actual results with forecasts;
- examines and approves in advance the transactions of the Company and its subsidiaries, where such transactions are strategically, economically or financially significant for the Company, paying special attention to situations in which one or more directors have an interest on their own or on third parties' behalf and, more generally, to transactions with related parties;
- decides which controls are necessary to prevent conflicts of interest and defines the regulations for transactions with related parties and establishes the general criteria to define significant transactions and adopts measures to ensure that the strategically important subsidiaries submit any such transactions to the Board of Directors of the Parent Company for examination;
- evaluates, at least once a year, the size, composition and proper functioning of the Board of Directors and its committees, expressing any opinions as to the professional figures whose presence on the board would be considered appropriate;
- prepares the report on corporate governance in accordance with the Corporate Governance Code with particular focus on the number of Board of Directors' meetings held during the year and the attendance of each director;
- after the appointment of an independent director and subsequently once a year, evaluates – based on the information received from the interested party or, at any rate, available to the Company - the independent status of its non-executive members: this independence is evaluated on the basis of the criteria indicated in the Corporate Governance Code and any other facts which could impact each instance; the Board of Directors will advise the market as to the results of its evaluations (upon appointment, in a press release and, subsequently, in the Corporate Governance Report).

Pursuant to the Corporate Governance Code, the Board of Directors used the information provided by the Chief Executive Officer during the year to evaluate the adequacy of the Company's and its subsidiaries organizational, administrative and general accounting structures, particularly with regard to the internal control system.

Internal Control System ²

²Corporate Governance Code: Art. 1.C.1., lett. b)

The Board of Directors evaluates the adequacy of the Internal Control System. In this regard please note that during the last Board of Directors' meeting held on 9 March 2011, on the basis of the information provided by the Internal Control Committee as well as the Chief Executive Officer's yearly report prepared in accordance with Art. 2831, para.3 of the Italian Civil Code, the Board confirmed the adequacy of the Company's organizational, administrative and accounting structures and its overall performance.

Evaluation of the overall performance³

The Board of Directors, in accordance with the bylaws⁴ and the current norms and regulations⁵ evaluated the company's performance and its outlook at least quarterly. Please refer to the section "Supervisory Board" , "Reporting to the Board of Directors", for further information.

Remuneration of directors with particular responsibilities⁶

The Board of Directors, upon appointment of the Chairman, Vice Chairman and Chief Executive Officer, approved the annual fixed and variable compensation to be paid the directors with particular responsibilities on the basis of the proposal submitted by the Compensation Committee and the favourable opinion issued by the Board of Statutory Auditors.

For more information about the functions of the Compensation Committee please refer to the section "Directors' Compensation".

Related party transactions⁷

For information on the related party transactions please refer to the section "Directors' interests and transactions with related parties"

Board performance evaluation⁸

The Board of Directors continued with the Board Review process begun in 2007 in order to remain in line with international best practices and to fully comply with the Corporate Governance Code. As in the past, for the year that closed on 31 December 2010 IGD hired the consulting company Egon Zehnder International to help with this self-assessment process. This survey was conducted in accordance with the most sophisticated international best practices and was carried out on the basis of:

³ Corporate Governance Code: Art 1.C.1., lett. e)

⁴ Art. 23.2 of the bylaws

⁵ Art. 150 of TUF

⁶ Corporate Governance Code: Art 1.C.1., lett. d)

⁷ Corporate Governance Code: Art. 1.C.1., lett. f)

⁸ Corporate Governance Code: Art. 1.C.1., lett. g)

- discussions with each Director, after having completed a questionnaire prepared for this purpose, in light of the areas in need of improvement indicated in the 2009 Board Review;
- analysis of the comments and observations received and the preparation of a summary report which was presented to the Board;
- discussion of the main results and relative follow-up strategies with the Board.

The Board Review results, including the areas found to be in need of further improvement, were presented during the Board of Directors' meeting held on 9 March 2011. More in detail, IGD's Board of Directors was found to have achieved levels of market excellence in terms of:

- Size which was found to be adequate and efficient, with a majority of independent directors;
- Balanced composition and, overall, the presence of the necessary expertise and managerial experience;
- Efficient functioning, thanks above all to:
 - positive and efficient environment; adequate and timely distribution of information to the directors in preparation for the Board meetings;
 - effective dialogue and ability to make decisions, in particular with regard to financial matters and the assessment of investments;
 - the Chairman's ability to coordinate, guide and facilitate the Board's activities which was, once again, well supported by the Chief Executive Officer
 - useful and adequate participation of company managers in the Board meetings when deemed opportune.

SUPERVISORY BOARD

Chief Executive Officer

The bylaws⁹ state that the Board of Directors may delegate its powers, within the confines of Art. 2381 of the Italian Civil Code and determining the limits of such authority, to a Supervisory Board comprised of some of its members and/or to one or more members given the title of chief executive officer or executive directors.

On 30 April 2009, the Board of Directors confirmed Claudio Albertini as Chief Executive Officer, granting him the following powers:

- to develop and propose – as agreed with the Chairman – the policies and programs related to the company's real estate investments in accordance with the development plans approved by the Board of Directors;
- to develop and propose the strategies and financial policies of the Company and the group in relation to the growth, profitability and risk objectives determined by the Board of

⁹ Art. 23 of the bylaws

Directors, with responsibility for their implementation; to ensure that objectives are pursued in accordance with the guidelines set by the Board of Directors;

- to optimize the instruments and procedures of financial management and manage relations with the financial system;
- to develop and propose strategies for organizational development and policies for hiring, managing and training human resources;
- to recommend group accounting standards and operating principles to the Board of Directors and ensure that the financial statements (separate, administrative and consolidated) are properly formulated; to ensure compliance with group directives and with administrative, legal, and tax regulations and laws;
- to coordinate the drafting of the business plans, annual budget and the relative reporting;
- to monitor and coordinate any related activities: general services, any legal problems and fiscal implications;
- to assume responsibility for the prompt and correct implementation of work on property carried out directly by the Company, in compliance with the plans, budgets, and timeframes approved by the Board of Directors;
- to assume responsibility for operational supervision of the progress of turn-key contracts acquired from third parties;
- to assume responsibility for the proper maintenance of real estate assets according to rental contracts between IGD SIIQ S.p.A. and third parties and the budgets approved by the Board of Directors, in compliance with applicable provisions of law;
- to assume responsibility for preparing the annual plan of work and the respective budget forecasts, with regard to both new construction and maintenance, subject to the approval of the Board of Directors;
- to interface, as agreed upon with the Chairman, with the shareholder cooperatives, regarding any integration of the respective investment plans.

Chairman of the Board of Directors

The Board of Directors appoints from among its members a Chairman, if the Shareholders' Meeting has not done so, and a Vice Chairman. If the Chairman is absent, the chairmanship is assumed by the Vice Chairman and if the Vice Chairman is absent the chairmanship is assumed by the Chief Executive Officer.

The chairman of the Board of Directors has signing authority for the Company and shall represent it before any legal or administrative authority and vis-à-vis third parties; if the chairman is absent or unavailable, this authority is held by the Vice Chairman (if appointed), or by the most senior director in terms of age if the vice chairman is also absent or unavailable. Unless otherwise resolved, legal representation is also held by each Executive Director appointed in accordance with the bylaws¹⁰.

During the meeting held on 30 April 2009, the Board of Directors appointed Gilberto Coffari Chairman and assigned him the following functions:

- to develop and propose – as agreed with the Chief Executive Officer and as per his proposal – the policies and programs related to the company's real estate investments in accordance with the development plans approved by the Board of Directors;

¹⁰ Art. 24.1 of the bylaws

- to coordinate the Company's programmed investments with the real estate projects undertaken by the shareholder cooperatives;
- to interface with the shareholder cooperatives regarding any integration of the respective investment plans.
- to take responsibility for the internal audit functions, with the exception of those reserved for the chief executive officer who is responsible for the full functioning of the Internal Control System.

During the meeting held on 30 April 2009, the Board of Directors appointed Sergio Costalli Vice Chairman, granting him the powers assigned to the Chairman to be exercised if the latter is absent or unavailable.

Executive Committee (pursuant to Art. 123-bis, para. 2, lett. d), TUF)

The Company did not appoint an Executive Committee.

Reporting to the Board of Directors

In accordance with Article 23.2 of the bylaws and Art. 150 of TUF, the Board of Directors and the Board of Statutory Auditors must report in writing at least once a quarter, when the Board meetings are held, on general performance, the business outlook, and the transactions most relevant in terms of size or characteristics carried out by the Company or its subsidiaries. Each director may request that the deputized parties provide the Board with information regarding the Company's management.

For the purposes of fostering organized reporting, the Company has adopted a set of specific Guidelines which define the rules to be followed for complying with the reporting obligations.

The main purpose of these guidelines is to provide corporate governance tools that are concrete examples of the recommendations found in the Corporate Governance Code. The guidelines, in particular, ensure the transparency of the Company's management, make it possible for each director to be involved in the management in a more knowledgeable way thanks to the efficient flow of information between the deputized parties and the Board as per the Corporate Governance Code which stress the centrality of the Board's role while also seeking to reinforce the internal control functions.

The guidelines also contain information about the supervisory activities of the Board of Statutory Auditors pursuant to Art. 149 (TUF).

The Guidelines are published in full on the Company's website (www.gruppoigd.it).

OTHER EXECUTIVE DIRECTORS ¹¹

The Board of Directors appointed the Chief Executive Officer Claudio Albertini to act as Executive Director.

¹¹ Corporate Governance Code: Art. 2.C.1.

INDEPENDENT DIRECTORS

The Company's Board of Directors evaluated compliance with the requirements for independent, non-executive directors provided for in the Corporate Governance Code and TUF upon and subsequent to appointment of the directors. The outcome of this evaluation was disclosed to the market.

After having examined the information provided by the directors, in the meeting held on 9 March 2011 the Board of Directors confirmed that the independent directors appointed (Aristide Canosani, Fabio Carpanelli, Massimo Franzoni, Francesco Gentili, Andrea Parenti, Riccardo Sabadini, Giorgio Boldreghini, Sergio Santi) still qualified as such¹². As the current Board of Directors is comprised of 15 members, the independent directors represent 53% of the total number of directors and 57% of the total number of non-executive directors. Please note that the Board of Directors also verified that all the directors who qualify as independent pursuant to the Corporate Governance Code also meet the requirements for independent applied to members of the Board of Statutory Auditors pursuant to TUF.

In line with the recommendations of the Corporate Governance Code¹³, the Board of Statutory Auditors verified that the Board of Directors had correctly applied the assessment criteria and procedures used to evaluate the independence of its members.

The Independent Directors met twice in 2010 (5 March and 11 November 2010) as convened by the Lead Independent Director

Lead Independent Director

In February 2007, in order to further enhance the role of independent directors, the Board decided to introduce the title of **Lead Independent Director**. Lead Independent Director Riccardo Sabadini will be the reference person and coordinator for all positions and activities of the independent directors.

The Lead Independent Director, acting individually or at the request of other directors, may also call meetings of independent directors only ("independent directors' executive sessions") to discuss topics deemed of interest in relation to the functioning of the Board of Directors or the Company's management.

3.4 TREATMENT OF CORPORATE INFORMATION

Procedure for managing and disclosing price sensitive information

In accordance with Code recommendations, particularly with regard to price sensitive information pursuant to Art. 114, para. 1 TUF, in December 2006, the Company adopted an internal procedure for the secure, confidential management and disclosure of price sensitive information and documents.

The procedure is to be followed by all members of corporate bodies, as well as managers and employees of the Company and its subsidiaries who have access to price sensitive information. They must, therefore, keep confidential the documents and information obtained during the course of their duties and follow the procedure the Company has adopted for the internal management and disclosure to third parties of such data.

¹² Corporate Governance Code: Art 3.C.4

¹³ Corporate Governance Code: Art 3.C.5

The procedure also aims to prevent such information from being disclosed selectively (i.e. divulged ahead of time to certain parties, such as shareholders, reporters or analysts), or in an untimely, incomplete or inadequate manner.

Registry of Insiders

Pursuant to Art. 115-bis TUF and in order to foster greater control in the internal management and disclosure of price sensitive information, in June 2006 the Company established a registry of the persons who have access to price sensitive information, the "Registry of Insiders".

The purpose of the above mentioned regulation is twofold; to develop greater awareness as to the importance of price sensitive information and to facilitate Consob's supervisory activities, as well as the judicial authorities' investigations in cases involving potential market abuse.

All the directors, statutory auditors, managers and employees who have access, on a continuous basis to price sensitive information, are listed in the registry.

Internal Dealing

In accordance with Art. 114, paragraph 7 of Legislative Decree 58 of 24 February 1998, as amended (the "Consolidated Finance Act" or TUF), and with the implementation provisions found in Arts. 152-sexies et seq. of the CONSOB regulations approved with Resolution 11971 of 14 May 1999, as amended (the "Regulations for Issuers"), effective as of January 2007 the Board of Directors adopted a procedure governing mandatory notification and conduct on the subject of transactions carried out by relevant persons and parties closely related to such persons on the Company's shares or on related financial instruments.

The code of conduct is available at www.gruppoigd.it in the Investor Relations section.

3.5 BOARD COMMITTEES (pursuant to Art. 123-bis, para. 2, lett. d), TUF)

In 2008 the Board of Directors, in accordance with Art. 5.P.1. of the Code, formed the Compensation Committee, the Nominations Committee and the Chairman's Committee. The members of each committee were appointed when the Board was recently confirmed.

3.6 NOMINATIONS COMMITTEE

The Nominations Committee consists of three non-executive independent directors in the persons of Andrea Parenti, Giorgio Boldreghini and Fabio Carpanelli.

The Nominations Committee submits proposals regarding the optimal composition of the Board of Directors, Company management and selection of directors, statutory auditors and management for subsidiaries held to be of strategic importance in order to guarantee an adequate level of separation between directors and management.

The Nominations Committee is also called upon to express opinions with regard to the type of Administrative Body (single party or board), the number of members and the candidates to be presented for director and statutory auditor, as well as Chairman, Vice-Chairman and General Manager (and/or Chief Executive Officer) of subsidiaries and affiliates.

The Nominations Committee met 2 three times in 2010 and expressed its opinion about the subsidiaries' directors and the hiring of managers.

3.7 COMPENSATION COMMITTEE

Composition and role of the compensation committee (pursuant to art. 123-bis, para. 2, lett. d), TUF)

The Compensation Committee is comprised of three independent directors in the persons of Riccardo Sabadini, also appointed Chairman, Sergio Santi and Francesco Gentili.

The Compensation Committee met 2 times in 2010 with 100% of the directors in attendance.

Functions of the Compensation Committee

The Compensation Committee submits proposals to the Board for the compensation of directors and management of the Company and its related parties which reflect standards of fairness and compensation which will both remunerate and motivate the personnel in possession of the professional attributes deemed useful to the success of the Company and its affiliates.

In accordance with Art. 2.2.3 of the Market Regulations, the Compensation Committee's duties are as follows:

- to submit proposals to the Board for the compensation of executive directors and other directors with particular responsibilities, and to ensure that the Board's decisions are complied with;
- to submit opinions to the Board regarding the general criteria to be used in determining the compensation to be granted the General Manager and other top Company managers;
- to submit opinions to the Board regarding the compensation of the Chairmen, Vice Chairmen and General Managers (and/or Chief Executive Officers) of the subsidiaries deemed strategic based on the proposals submitted by the Chairman and the Parent Company's Chief Executive Officer;
- to submit opinions to the Board regarding the overall compensation to be granted the Board members of the subsidiaries and affiliates.

During the meetings held the Compensation Committee determined the compensation for the Chairman, the Vice Chairman, the Chief Executive Officer, as well as for the directors who serve on Board committees.

In 2011 the Board of Directors will change the function of the Compensation Committee in order to comply with the new recommendations found in Art. 7 of the Corporate Governance Code.

3.8 CHAIRMAN'S COMMITTEE

The Chairman's Committee is comprised of the Chairman, the Vice Chairman, the Chief Executive Officer, as well as the Director Roberto Zamboni and Independent Director Sergio Santi.

The Chairman's Committee assists in determining the development policies, along with the strategic and operational guidelines, to be submitted to the Board of Directors and oversees the correct implementation of same. The committee is also called upon to express opinions regarding the strategically relevant development and investment transactions to the extent that the latter could have a significant impact on the value or composition of the company's equity or stock price.

The Chairman's Committee met 7 times in 2010.

3.9 DIRECTORS' COMPENSATION

Pursuant to Art. 25 of the bylaws, the members of the Board of Directors receive fees in the amount determined by the shareholders' meeting. The shareholders' resolution, once taken, is also valid for subsequent years until otherwise determined.

The Board of Directors, after consulting the statutory auditors, establishes the compensation for directors with particular responsibilities, including the chairman.

Part of the chief executive officer's and the top management's variable compensation is linked to the Company's economic results.

No stock option plans are envisioned for either the chief executive officer or top management.

There is no agreement between the Company and the Directors regarding indemnities in the event of resignation, dismissal or termination following a takeover bid (pursuant to art. 123-bis, para 1, letter i), TUF).

There are no agreements between the Company and the directors regarding dismissal and/or termination without just cause.

3.10 INTERNAL CONTROL COMMITTEE¹⁴

The Internal Control Committee was established by the Board of Directors in accordance with the Rules for Corporate Governance and the recommendations found in the Corporate Governance Code¹⁵.

Composition and role of the internal control committee (pursuant to art. 123-bis, para. 2, lett. d), TUF)

The Internal Control Committee is made up of three non-executive directors, two of whom are independent¹⁶, in the

¹⁴ The Internal Control Committee referred to is the committee formed in accordance with the Corporate Governance Code to which the Internal Control Committee defers, as does the Board of Statutory Auditors, in accordance with regulations related to financial audit pursuant to Art. 19 of Legislative Decree 39/2010

¹⁵ Corporate Governance Code: Art. 8.P.4.

¹⁶ Corporate Governance Code: Art. 5.C.1., lett. a)

persons of Aristide Canosani, Massimo Franzoni and Leonardo Caporioni.

The Board of Directors considers Leonardo Caporioni to have sufficient accounting and financial experience¹⁷

The Chairman of the Board of Statutory Auditors, or who on his behalf¹⁸, may be invited to attend the meetings of the Internal Control Committee.

In 2010 the Internal Control Committee met 5 times, on 8 March, 13 May, 9 August, 4 November and 13 December and minutes were regularly taken. Each meeting lasted an average of 1 hour with attendance reaching 100% for Massimo Franzoni, 100% for Aristide Canosani and 80% for Leonardo Caporioni.

Functions of the internal control committee

The Internal Control Committee helps the Board of Directors: i) to define the guidelines for the Company's internal control system so that the risks faced by the Company and its subsidiaries are correctly identified, assessed, managed and monitored while also evaluating the extent to which these risks are compatible with sound and correct business management¹⁹; ii) to appoint the executive director in charge of supervising the proper functioning of the internal control system, as required by the Corporate Governance Code; iii) to draft the part of the annual corporate governance pertaining to the internal control system, its essential components and the evaluation as to the overall adequacy of the system itself.

The Internal Control Committee, in addition to assisting the Board of Directors on the matters above, also:

- assesses, along with the Financial Reporting Officer and the auditors, the appropriateness of the accounting standards adopted and their uniformity with a view to the preparation of the consolidated financial statements²⁰;
- at the request of the executive director in charge, expresses opinions on specific aspects concerning the identification of business risks, and on the planning, realization and management of the internal control system²¹;
- evaluates the plan of work and periodic reports prepared by the internal control officers²²;
- evaluates accounting firm's bids for the external auditing assignment, and reviews the external auditing plan and the auditors' reports and recommendations²³;
- monitors the efficacy of the external auditing process²⁴;
- performs the other duties entrusted to it by the Board of Directors, particularly as regards relations with the external auditors, the Board of Statutory Auditors, the Supervisory Board and the Financial Reporting Officer;

¹⁷ Corporate Governance Code: Art. 8.P.4.

¹⁸ Corporate Governance Code: Art. 8.C.4.

¹⁹ Corporate Governance Code: Art 8.C.1.

²⁰ Corporate Governance Code: Art 8.C.3., lett. a)

²¹ Corporate Governance Code: Art 8.C.3., lett. b)

²² Corporate Governance Code: Art 8.C.3, lett. c)

²³ Corporate Governance Code: Art. 8.C.3, lett. d)

²⁴ Corporate Governance Code: Art. 8.C.3, lett. e)

- reports to the Board of Directors at least every six months, when the annual and interim reports are approved, on the work performed and the adequacy of the internal control system²⁵.

Through the end of 2010 the Internal Control Committee held a particular role with regard to transactions with related parties which is discussed in paragraph 14 “Directors’ Interests and Transactions with Related Parties” based on the “Procedure for Related Party Transactions” adopted by the Company through the previously mentioned date. At the end of 2010, IGD’ Board of Directors, in accordance with Art. 2391-*bis* of the Italian Civil Code and Art. 4, paragraphs 1 and 3, of the Consob regulations governing related party transactions as per Resolution n. 17389 of 23.06.2010, adopted a new “Procedure for Related Party Transactions” and, at the same time, formed a new “Committee for Related Party Transactions” which is responsible for topics pertinent to related party transactions effective 1 January 2011.

During the meetings held in 2010 the Committee was involved primarily in the following activities:

- a. control of the transactions with related parties to ensure that they were in line with market practices;
- b. assessment, along with the Financial Reporting Officer, of the appropriateness of the accounting standards adopted and their uniformity with a view to the preparation of the consolidated financial statements;
- c. examination of the controls conducted by Internal Audit based on the work plan agreed upon.

3.11 COMMITTEE FOR RELATED PARTY TRANSACTIONS

The Committee for Related Party Transactions was formed in accordance with Art. 2391-*bis* of the Italian Civil Code and Art. 4, paragraphs 1 and 3, of the Consob regulations governing related party transactions as per Resolution n. 17221 of 12 March 2010, as subsequently amended in Resolution n. 17389 of 23 June 2010.

The Committee for Related Party Transactions is comprised of three independent directors; Riccardo Saladini, who also acts as Chairman, Giorgio Boldregghini and Andrea Parenti, appointed by the Board of Directors on 26 agosto and has the functions outlined in more detail in the “Procedure for Related Party Transactions” approved by the Board of Directors on 11 November 2010.

The Committee for Related Party Transactions met twice in 2010; on 20 October and 10 November.

More in detail, the Committee for Related Party Transactions:

- a) expresses a non-binding opinion regarding the Company’s interest in completing less material related party transactions, as well as the substantial correctness and fairness of the terms and conditions of said transaction;
- b) with regard to material related party transactions the Committee may avail itself of one or more appointed delegates to assist it during the negotiations and preliminary phases of the transaction as per the means outlined in the Procedure. Once the preliminary phases are completed, the Committee expresses a binding opinion regarding the Company’s interest in completing the material related party transaction, as well as the substantial correctness and fairness of the terms and conditions of said transaction.

3.12 INTERNAL CONTROL SYSTEM

Introduction

²⁵ Corporate Governance Code: Art. 8.C.3, lett. g)

The Internal Control System consists in the set of rules, procedures and organizational structures designed to ensure that the business is run correctly and in line with the objectives agreed upon through the proper identification, assessment and control of the primary risks facing the company. This internal control system helps guarantee (i) the safeguarding of the company's assets, (ii) the efficiency and efficacy of the company's operations, (iii) the reliability of financial information, and (iv) compliance with laws and regulations.

The roles and responsibilities with regard to risk management and the control system are identified and defined in the report "IGD's Internal Control System" which summarizes the structure and functions of the Internal Control System and which was approved by the Board of Directors on 14 May 2008. These provisions are in line with the recommendations found in Borsa Italiana's Corporate Governance Code to which the Company adheres.

The Board of Directors is responsible for the internal control system and toward this end works with the Internal Control Committee in order to establish system guidelines and periodically verify that they are being complied with.

The position of Executive director in charge of internal control, identified in the person of the Chief Executive Officer, must identify the company's primary risks and implement the guidelines defined by the Board of Directors, while verifying their overall adequacy, efficacy and efficiency.

The Internal Control Officer, also the Head of Internal Audit, must verify that the internal control system is always adequate, fully operative and functional.

IGD's Internal Control Officer was appointed by the Board of Directors, after having consulted with the Internal Control Committee, from within the company Unilab.

The Internal Control Officer reports to the Internal Control Committee and to the Board of Statutory Auditors; it may also be requested that he report to the Executive director in charge of internal control.

In order to most effectively serve its control and risk management needs, as well as its complexity, its status as a listed company and business dynamics, IGD developed an integrated model for risk management which is in line with renowned international Enterprise Risk Management (ERM) standards. This "ERM" model helps top management to identify the primary risks to which the Company is exposed, how to manage them, as well as to define the risk management system. The main objective is to implement a systematic and pro-active risk management system capable of understanding the potential negative impact of risks in advance, take the necessary steps to control them, as well as continuously monitor the different exposures.

Thanks to the Enterprise Risk Management project completed by IGD, the results of which were presented to the Board of Directors on 13 December 2010, a systematic management system was implemented which makes it possible for the Group and top management to identify, measure and assess strategic, operational, financial and compliance risks.

The risk management system adopted is constantly updated and developed by management in order to ensure that it is adequate in light of changes in the organizational structure or business.

The methods used as part of the Group's ERM system call for the following periodic activities: (i) verification and/or update of the risk map, in light of the Company's strategies and the organizational and business models; (ii) confirmation as to the efficacy of the risk assessment model used and its appropriateness given the Company's organizational structure, business and strategies; (iii) analysis of the risks identified, the organization of the risk management personnel and the risk control measures used; (iv) assessment of the risks to which Group companies are exposed; (v) assessment of the level of risk coverage based on the control mechanisms used; (vi) prioritization of the risks and the steps to be taken; (vii) risk tolerance analysis in accordance with the instructions received from the Group's top management; (viii) definition of the management and control strategies and assignment of responsibilities; (ix) monitoring implementation of the system and related activities over time.

In 2011 a specific project was launched in order to ensure that the Group is equipped with the instruments needed to fully implement the ERM system and assess risk. As part of this project, the company Unilab, under the supervision of the Chief Executive Officer, was appointed to act as Risk Manager. The Risk Management team will coordinate the activities relating to the implementation of the model and the control of the risk control activities.

A specific working group was formed in order to carry out the initial phase of the activities listed above.

The internal controls implemented in relation to the financial reporting process play an important part in the general process used to identify and assess areas of the Group's business risk and to develop an internal control system that best controls these business risks.

The ERM model should not, therefore, be considered separately from the internal controls implemented in relation to the financial reporting process, insofar as both are part of IGD's overall internal control systems..

In this regard, it is noted that the preparation of the yearly and interim financial reports and, in particular, to the identification of the principle risks facing IGD and the Group, are strictly linked to the Enterprise Risk Management systems used by the Company and the Group to identify, assess and mitigate business risk

Main features of the existing internal control and risk management systems in relation to the financial reporting process

With regard to the internal controls implemented in relation to the financial reporting process, in prior years IGD has undertaken to comply with Law 262/05 by updating the accounting and administrative control models and has also executed the controls necessary to support the Financial Reporting Officer's certification process.

The above mentioned accounting and administrative control system represents the set of rules, procedures and internal tools used by the Company to ensure the reliability, accuracy, and timeliness of financial reporting;

The methods used by the Financial Reporting Officer in the development of the accounting and administrative control system are those described in specific guidelines drafted in this regard which are in line with the recommendations for the Financial Reporting Officer found in the COSO Report issued by ANDAF.

The internal control system implemented in relation to IGD's financial reporting process involves the following activities:

- Identification of the perimeter of the relevant administrative-accounting processes;
- Assessment of the risk management and administrative-accounting control processes;
- Definition of the administrative-accounting control system;
- Implementation and verification of the controls.

As part of the yearly and half-yearly financial reporting process, in order to understand the principal risks to which IGD and the Group are exposed, the Financial Reporting Officer works with the parties involved in the Company's and the Group's Enterprise Risk Management system (the working group initially dedicated to the launch of the ERM system) in order to identify and assess business risks.

The activities listed above are described below.

Identification of the perimeter of the relevant administrative-accounting processes

This activity involves defining the perimeter of the Group and Group company processes to be controlled. Quantitative and qualitative parameters are used to assess the risks and the administrative-accounting controls based on the impact that the different items have on the financial statements.

This perimeter is constantly reviewed each year by the Company to determine if any changes are needed, including with regard to the companies doing business in Romania. Another review of the perimeter was made in the second half of 2010 in order to update the administrative-accounting controls in light of changes in the Group's organizational structure and business.

This scoping phase calls for a multi-year plan based on which the processes, risks and administrative-accounting controls are reviewed.

Assessment of the processes, risks and administrative-accounting controls

This activity involves assessing the financial reporting control system used with regard to each item, process and transaction in order to effectively mitigate the risks linked to the administrative-accounting process.

The approach used takes into account the margin for error, as well as the risk that fraudulent acts may occur, by providing for controls and verifications of this type of risk which are coordinated with the controls implemented as part of the entire internal control system.

The approach used also takes into account both manual and IT system controls which include automatic controls incorporated into applications, as well as the general IT controls that regulate system access, systems development and the adequacy of the IT structures.

Based on the multiyear plan referred to above, the assessment of the processes pertaining to Group companies was prioritized. More in detail, in 2010 the analyses of the processes used to identify and control risks continued as part of the risk assessment and the scoping reviews conducted pursuant to Law 262/05. The Financial Reporting Officer constantly monitored the adequacy of the controls implemented and, if necessary, took corrective action.

The Company continuously evaluates the need to change/update the mapping and assessment of the control system.

Definition of the administrative-accounting system

Based on the results of the assessment of the processes, risks and controls, the Company then defines or updates the administrative-accounting procedures and guarantees their adequacy with respect to the internal control system by monitoring the different phases of the process used to update or define each procedure. The administrative-accounting procedures are defined and implemented on the basis of a plan; in 2010 the Company also standardized the administrative-accounting procedures used by the Romanian companies.

Implementation and verification of the controls

The administrative-accounting procedures are continuously monitored; toward this end specific checks are programmed in order to ensure that the administrative-accounting procedures and the relative controls have been correctly implemented. These controls are made of the entire perimeter of the companies active in Italy, with the support of Internal Audit, as well as in Romania.

* * *

During the year the Board monitored the adequacy, efficacy and functioning of the internal control system, based on the information provided by the Internal Control Committee, as well as the reports prepared by the Chief Executive Officer, the Financial Reporting Office and Internal Audit.

* * *

EXECUTIVE DIRECTOR IN CHARGE OF INTERNAL CONTROL

In 2007 the Board of Directors, with the help of the Internal Control Committee, identified the Executive director in charge of internal control in the person of the Chief Executive Officer who, in accordance with the Code's recommendations, has the following duties:

- identification of the company's principal risks, taking into account of the business carried out by the Issuer and its subsidiaries and periodically report his findings to the Board of Directors;
- execution of the guidelines defined by the Board of Directors while ensuring that the internal control system is properly planned, implemented and managed and verifying its overall adequacy, efficacy and efficiency; adaptation of this system to reflect business conditions and changes in the law and regulations;
- submission of proposals regarding the appointment, dismissal and compensation of one or more Internal Control Officers to the Board of Directors.

The Executive director in charge of internal control performed his duties with the support of the Internal Control Committee and the Internal Control Officer and also used the powers granted him in order to guarantee full compliance with the Corporate Governance Code for listed companies.

Internal Control Officer

The Board of Directors, after consulting with the Internal Control Committee and as per the recommendation of the Executive director in charge of internal control, appointed the Internal Control Officer from within Internal Audit, outsourced to the company Unilab.

The Board of Directors viewed this choice as the most effective in light of the Company's characteristics and size, as well as the independent nature and expertise of the candidate. The independence and autonomy of the Internal Control Officer are guaranteed by the fact that he is not responsible for any operations nor is he supervised by any division heads or involved in any business activities.

The Internal Control Officer prepares a plan of work for the audit activities and monitors the internal control system. In order to do so the Officer has access to all useful information. More in detail, the Officer verifies that the rules and procedures adopted by the Company in order to reach its objectives are complied with and that the Company structures are adequate. The Officer also reports periodically to the Internal Control Committee and to the Supervisory Board.

DECREE 231/2001 ORGANIZATIONAL MODEL

In 2006 the Board of Directors approved adoption of the Organizational Model, as subsequently amended, which further strengthened the internal control system.

The Organizational Model seeks to ensure that the system complies with Decree 231/2001 based on which companies were made administratively responsible in criminal proceedings for certain types of crimes committed by top managers and subordinates and is based on the standards and procedures described below.

The Organizational Model includes the following:

- d. mapping of the activities at risk based on the information gathered regarding IGD's activities and organizational structure;
- e. the Ethical Code, which formulates the general principles (diligence, honesty and fairness) inspiring the conduct of business;
- f. internal control mechanisms monitoring areas at risk;
- g. the disciplinary system which enforces the Model's rules;
- h. the Supervisory Board which is charged with monitoring the effectiveness, adequacy and compliance with the Model;

The Supervisory Board may act independently and must ensure that the Model is constantly updated.

The Supervisory Board also provides the Board of Directors with information regarding the changes that need to be made to the Model in order to comply with norms and regulations and to reflect the business operations.

The Supervisory Board reports to the Chairman of the Board of Directors and the Board of Statutory Auditors on a periodic basis and to the Board of Directors every six months.

Please note that the Company's internal audit, carried out by the company Unilab, provides the support necessary for the management and analysis of the information generated pursuant to Art. 6, para. 2, lett. d) of Legislative Decree 231/01, as well as for the execution of specific audits deemed necessary based on the information gathered.

In 2010 the Board of Directors updated the Model in order to comply with the law and, therefore, added new procedures and a special section which lists the criminal offences referred to in the Decree, how to identify the potential criminal liability and the controls instituted by the Company with regard to the new procedures and controls.

The Supervisory Board is currently made up of independent director Fabio Carpanelli, who serves as chairman, and by independent directors Sergio Santi and Francesco Gentili. In 2010 it met four times; on 5 March, 13 May, 23 September, and 13 December.

The Model is also available on the company's website www.gruppoigd.it, in the IR/corporate documents section.

External Auditors

The activities related to financial audit are carried out by a company selected by the Shareholders' Meeting from among those listed in Consob's specific roll.

On 16 September 2004 the Shareholders' Meeting granted the company Reconta Ernst&Young the assignment, which was subsequently renewed on 23 April 2007, for the financial audit of separate and consolidated annual and half-yearly financial statements for the period 2006-2014. The assignment was granted on the basis of a detailed analysis of the motivated opinion submitted by the Board of Statutory Auditors in accordance with current norms and regulations.

The fees paid the external auditors for the financial audit of IGD's separate and consolidated financial statements at 31 December 2010 can be found in the notes to the separate and consolidated financial statements.

FINANCIAL REPORTING OFFICER

In compliance with art. 154-bis of TUF and Article 23.5 of the bylaws, the Board of Directors must appoint a Financial Reporting Officer, subject to the unbinding opinion of the Board of Statutory Auditors, who has matured at least five years of experience in a) administrative or control activities and who has had a supervisory role in companies or entities with assets of not less than €10 million, or b) professional activities, including as part of audit functions, strictly connected to business activities and functions that the officer is called up to perform.

In July 2007, after receiving a favourable opinion from the statutory auditors, the Board of Directors appointed Grazia Margherita Piolanti as the Financial Reporting Officer for an indefinite period and invested her with responsibilities, powers and means.

The Financial Reporting Officer has access to adequate administrative and accounting procedures in order to draft the separate and, where provided for, the consolidated financial statements, as well as all other financial documents.

The Board of Directors must ensure that the Financial Reporting Officer is granted the organizational and operational power and means needed to carry out the duties assigned herein.

The Financial Reporting Officer must provide a written declaration which accompanies the announcements made by the Company to the market, as well as the interim and financial reports, attesting that the information contained reflects the underlying records, ledgers and accounting entries.

The Financial Reporting Officer must also attest that the separate and consolidated financial statements:

- a) are drawn up in accordance with the international accounting standards recognized by the European Union pursuant to the Regulation 1606/2002/EC;
- b) correspond to the ledgers and accounting entries;
- c) provide fair and truthful disclosures of the company's income statement, balance sheet and financial positions and the companies included in the scope of consolidation.

Lastly, the Financial Reporting Officer, along with the deputized bodies, must attest that the directors' report accurately depicts the operating performance and results of both the Company and the businesses included in the scope of consolidation, as well as the principle risks and uncertainties to which they are exposed.

3.13 DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

With regard to the transactions with related parties, in 2010 the Company continued to apply the "Procedure for Related Party Transactions" based on which the Internal Control Committee had an important role in matters reserved and not reserved for the Board of Directors. In this regard, the Internal Control Committee verified that the transactions were being carried out at arms' length and, therefore, the conditions were the same as those applied to transactions carried out with non related parties, and then issued a non-binding opinion.

At the end of 2010, precisely on 11 November 2010, the Board of Directors approved the new "Procedure for Related Party Transactions" subject to the favorable opinion of the Committee for Related Party Transactions, pursuant to Art. 2391-*bis* of the Italian Civil Code and Art. 4, paragraphs 1 and 3, of the Consob regulations relating to procedures for related party transactions adopted in Resolution n. 17221 of 12 March 2010, as subsequently amended in Resolution n. 17389 of 23 June 2010. The Company's Board of Statutory Auditors also verified that the procedure approved by the Board of Directors complied with the Consob Regulations.

The above mentioned procedure took effect on 1 January 2011 and up until that time the Company, therefore throughout 2010, applied the "Procedure for Related Party Transactions" approved in February 2007.

The purpose of the new "Procedure for Related Party Transactions" is to define the rules governing the approval and execution of related party transactions entered into by the Company, directly or through its subsidiaries, in order to ensure the transparency, as well as the substantive and procedural fairness of the transaction.

The term "Related Party" is defined explicitly in the Regulations, as per IAS 24, with marginal adjustments in order to ensure that the perimeter of related parties and related transactions is correctly determined. In order to maintain consistency in the financial statements, the Company decided to apply the Procedure to the subsidiaries of the company which exercises a significant influence over IGD, pursuant to Art. 4, para. 2, of the Regulations.

Related party transactions are transactions in which there is a transfer of resources, services or obligations between one or more related parties, regardless of whether a price is charged.

The Regulations distinguishes between:

Material related party transactions (including cumulatively): one in which at least one of the following Consob materiality ratios has a value of 5% or more:

- (i) transaction materiality ratio: this is the ratio between the amount of the transaction and the higher of the amount of equity IGD SIIQ's capitalization;
- (ii) assets materiality ratio: the ratio between the total assets of the entity involved in the transactions and IGD SIIQ's total assets;
- (iii) liabilities materiality ratio: the ratio between acquired entity's total liabilities and IGD SIIQ's total assets.

Less material related party transactions, which includes all the other transactions.

The Regulations establish the criteria to be used in approving the material and less material transactions:

- the Committee for Related Party Transactions and the body involved in the approval of the transaction must be provided with complete and adequate information in a timely manner prior to approval;
- the Committee for Related Party Transactions may, at the expense of the Company, avail itself of independent experts;
- a statement attesting to the fact that the transaction is in the best interest of the Company and that the terms and conditions are fair and substantively correct must be included in the minutes, when recorded.
- the Board of Directors and the Board of Statutory Auditors must be informed as to the status of the transactions at least on a quarterly basis.

Furthermore, pursuant to and in accordance with the Regulations, the Procedure for Related Party Transactions also includes a list of the transactions which are not governed by the Regulations (with the exception of certain disclosure requirements) and which include:

1. immaterial transactions (below the amount indicated in the Company's Procedure).
2. resolutions relating to remuneration of directors holding particular offices (Chairman, Chief Executive Officer, committee members) and under certain conditions (i.e. if the company's compensation policy calls for the involvement of the Compensation Committee).
3. compensation packages based on financial instruments approved by the shareholders pursuant to Art. 114-*bis* of TUF.
4. routine transactions concluded in accordance with market equivalent or standard conditions (i.e. service contracts).
5. transactions with or between subsidiaries and associate companies (when the transaction does not correspond to a material interest of other related parties, without prejudice to any periodic accounting information provided).

The Committee for Related Party Transactions with regard to

- less material transactions, will issue a non-binding opinion regarding the company's interest in completing the transaction, its fairness and procedural correctness;
- material transactions, without prejudice to the transactions subject to a Board of Directors' resolution, will issue a binding opinion. Furthermore, the Committee for Related Party Transactions, or who on its behalf, will be involved in the preliminary phases (by receiving the information distributed) and the negotiations and is entitled to request information and share comments with the parties involved in the negotiations of this type of transaction. Once the preliminary phases are terminated, the Committee for Related Party Transactions must issue, in a timely manner, a favorable, binding opinion attesting to the fact that the transaction is in the best interest of the Company and that the terms and conditions are fair and substantively correct. In order to formulate its opinion, if deemed necessary and opportune, the Committee for Related Party Transactions may avail itself of one or more independent experts of its choosing. The experts chosen by the Committee must be recognized professionals, experts in the subject matter involved and proven to be without any conflict of interest with regard to the transaction. In the event the Committee is not in favour of the transaction, and if so provided in the bylaws, the Board may, at any rate, proceed with the transaction as long as it is approved by the shareholders. In this instance and whenever the Board of Directors intends to submit a material transaction to the shareholders for approval despite the negative opinion issued by the Committee for Related Party Transactions, the transaction may not be completed in the event a majority of non-related shareholders vote against the transaction, as long as said shareholders represent at least 10% of the share capital with voting rights.

The procedure described above can be found on the Company's website (www.gruppoigd.it).

3.14 APPOINTMENT OF THE STATUTORY AUDITORS

Pursuant to Art. 26.2 of the Bylaws, members of the Board of Statutory Auditors are elected on the basis of preference lists that must be filed at the registered office along with declarations in which each candidate states that he/she is not in violation of the limits for multiple assignments provided for under the law, as well as detailed information about each candidate's personal and professional background, at least twenty days in advance of the shareholders' meeting called for this purpose.

According to Art. 16 of the bylaws, the following procedure applies to the appointment of the Board of Statutory Auditors:

- from the list obtaining the highest number of votes, two standing auditors and one alternate auditor will be taken in the order in which they appear on the list;
- the third standing auditor and the second alternate auditor are drawn from the list with the second highest number of votes, in the order in which they appear.

In the event of a tie between lists, a new ballot is held between these lists on which all shareholders present at the meeting shall vote. The candidates on the list winning a simple majority of votes are elected.

The first candidate on the minority list with the second highest number of votes will be appointed Chairman of the Board of Statutory Auditors.

Candidates for statutory auditor must meet the requirements set by law. For the purposes of judging the qualifications of those with at least three years' experience in:

- (a) professional activities or as confirmed university professors in law, economics, finance or technical-scientific subjects closely related to the Company's business;
- (b) management roles at public bodies or public administrations in sectors closely related to the Company's business, the following rules apply:
 - all subjects per letter a) above that are associated with the real estate business or other sectors pertaining to real estate are considered to be closely related to the Company's business;
 - sectors pertaining to real estate are those in which the parent companies operate, or those that may be controlled by or associated with companies operating in the real estate business.

Those whose situations are incompatible with the title and/or who do not satisfy the requirements of integrity and qualification established by law, and those who are standing auditors at more than five companies listed on official Italian markets, may not be elected as statutory auditors and, if elected, lose office. Positions held at parent companies, subsidiaries, or affiliates do not apply.

With regard to the Chairman of the Board of Statutory Auditors, pursuant to Art. 148, para. 2 bis, TUF, as amended by the Uniform Savings Act, the former was appointed by the Shareholders' Meeting from the minority list of candidates, in accordance with Articles 26.4 and 26.5 of the bylaws and the current norms and regulations based on which the first candidate on the minority list with the second highest number of votes will be appointed Chairman of the Board of Statutory Auditors.

3.15 STATUTORY AUDITORS (pursuant to Art. 123-bis, para. 2, lett. d) TUF

The current Board of Statutory Auditors appointed during the Shareholders' Meeting held on 23 April 2009, is comprised of three standing and two alternate auditors in the persons of: Romano Conti (Chairman), minority list candidate, Roberto Chiusoli (standing auditor) majority list candidate, Franco Gargani (standing auditor), majority list candidate, Isabella Landi (alternate auditor) majority list candidate, and Monica Manzini (alternate auditor), majority list candidate.

The statutory auditors were appointed on the basis of a list system.

In 2010 the Board of Statutory Auditors met 9 times on 11 January, 26 January, 4 March, 23 March, 31 March, 28 June, 23 September, 7 October and 23 December. Additional meetings were held specifically with the Company's management, with external auditors, and with the Internal Control Committee.

In order to comply with amendments made to the new Corporate Governance Code regarding the Board of Statutory Auditors, independent members and declarations to this effect, the Board verified that the criteria and the procedures adopted by the Board of Directors in this regard were adequate.

The Board of Statutory Auditors supervises the work of the external auditors. Furthermore, pursuant to Art. 27.2 of the bylaws the ordinary Shareholders' Meeting grants the assignment to the external auditors on the basis of the motivated opinion submitted by the Statutory Auditors.

The names of the statutory auditors in office are listed in Table 3 "Structure of the Board of Statutory Auditors" attached.

3.16 Relations with Shareholders

The Company strives to maintain a constant dialogue with its shareholders and investors based on an understanding of mutual roles, and regularly organizes meetings with the Italian and international financial community in full compliance with laws on price-sensitive information.

Toward this end, the Board of Directors appointed an Investor Relations Manager, and set up a dedicated unit and a section on the Company's website (www.gruppoigd.it).

In this section, investors can download a complete range of documents regarding IGD's accounts and corporate governance.

3.17 SHAREHOLDERS' MEETINGS

Pursuant to Art. 10.3 of the bylaws, the protocol for shareholders' meetings is formalized in a set of Regulations, approved by the shareholders in ordinary session.

Regulations governing the attendance and the exercise of voting rights at Shareholders' Meetings have recently been changed pursuant to Legislative Decree n. 27 of 27 January 2010, (the "**D. Lgs. 27/2010**"), in implementation of EC directive 2007/36/EC relating to shareholders' rights, in order to facilitate attendance of listed companies' Shareholders' Meetings. Partial integration of D. Lgs. 27/2010 in the Company's bylaws was approved by the Board of Directors on 13 December 2010, pursuant to Art. 2365, para. 2, of the Italian Civil Code and Art. 22.1(ii) of the bylaws.

In accordance with the law, the Shareholders' Meetings are convened as per the notice published on the Company's website and in at least one national daily newspaper (Art. 125-bis TUF and Resolution n. 17002 of 17 August 2009).

Under Art. 125-bis TUF the notice of call must be published at least 30 days prior to the day in which the Shareholders' Meeting is to be held. The timeframe is different when the Shareholders' Meetings are called to (i) appoint members of the corporate bodies (i.e. 40 days prior to the day in which the Shareholders' Meeting is to be held); (ii) resolve on takeover bids (i.e. 15 days prior to the day in which the Shareholders' Meeting is to be held); and (iii) resolve on reducing share capital and appoint a liquidator (i.e. 21 days prior to the day in which the Shareholders' Meeting is to be held).

Pursuant to Art. 12.2 of the bylaws, in order to attend and vote at the Shareholders' Meetings, shareholders must provide the Company with the certification issued by a licensed intermediary indicating the shareholdings recorded as of the seventh trading day prior to the date set for the Shareholders' Meeting in first call (the record date). Under Art. 83-sexies TUF, any movements in the shareholdings subsequent to this period will not be considered for the purposes of voting rights.

Pursuant to Art. 13 of the bylaws, those in possession of voting rights may be represented via a written proxy submitted in accordance with the law. The proxy may also be submitted by accessing a specific section on the Company's website, as well as via certified e-mail submitted in accordance with the modalities indicated in the notice of call.

Furthermore, unless otherwise provided for in the bylaws, the Company may appoint a designated representative for each Shareholders' Meeting to which the proxies with voting instructions relative to all or some of the items on the agenda may be granted (Art. 135-undecies TUF). The Board of Directors resolved to submit a proposal to the shareholders for approval at the Annual General Meeting convened, in first call, on 20 April and, in second call, on 21 April, to amend the bylaws so that the Company may appoint a representative for each Shareholders' Meeting to whom shareholders may grant their proxies with voting instructions.

Under the new regulations, shareholders may submit questions relating to the items on the agenda prior to the Shareholders' Meeting. These questions will be answered, at the latest, during the meeting itself (Art. 127-ter TUF). Questions for which answers are provided in the Q&A section of the Company's website need not be answered.

The current Regulations for Shareholder Meetings, approved during the Shareholders' Meeting held on 26 March 2003 and published on www.gruppoigd.it in the Investor Relations section, are designed to guarantee that the Shareholders' Meetings are conducted in an orderly fashion and in full respect of the rights of each shareholder to request clarifications in relation to certain issues being discussed, to express opinions and submit proposals.

The Board of Directors resolved to submit a proposal to the shareholders for approval at the Annual General Meeting convened, in first call, on 20 April and, in second call, on 21 April to amend the Regulations for Shareholder Meetings in order to comply with D. Lgs. 27/2010 and the provisions relating to shareholders' rights.

ATTACHMENTS

Board of Directors

Table 1; "Information on the ownership structure"

Table 2 "Structure of the Board of Directors and Committees"

Table 3 "Structure of the Board of Statutory Auditors"

Table 4 "Offices held by the directors at 31.12.2010"

Board of Statutory Auditors

Table 5: "Offices held by the statutory auditors at 31.12.2010"

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE

SHARE CAPITAL STRUCTURE				
	N. of shares	% of share capital	Listed(specify markets) / not listed	Rights and obligations
Ordinary shares	309,249,261	100%	Listed on the STAR segment of the Italian Stock Exchange	
Shares with limited voting rights	None			
Shares without voting rights	10,976,592	3.549%	Listed on the STAR segment of the Italian Stock Exchange	

OTHER FINANCIAL INSTRUMENTS (granting the right to subscribe to newly issued shares)				
	Listed(specify markets) / not listed	N. of securities in circulation	Class of shares subject to conversion	Number of shares subject to conversion
Convertible bonds		2,300	Shares convertible in ordinary shares excluding option rights	83,636,364
Warrant	No			

SIGNIFICANT INTEREST IN SHARE CAPITAL			
Declarant	Direct shareholder	% of ordinary capital	% of voting capital
Coop Adriatica	Coop Adriatica	41,497	43,024
Unicoop Tirreno	Unicoop Tirreno	13,642	14,143
IGD SIIQ SpA	IGD SIIQ SpA	3,549	(without voting rights)
AXA Investment Managers	AXA Investment Managers	2.01	2,084
European Investors Inc.	European Investors Inc.	4.903	5.083

TABLE 2: Structure of the Board of Directors and Committees at 01 January 2010

Board of Directors										Internal Control Committee		Compensation Committee		Nominations Committee		Lead Independent		Chairman's Committee		Supervisory Board		Committee for Related Party Transactions	
Office	Members	In office since	In office until	List (M/m)*	Exec.	Non exec.	Indep. as per the Code	Indep. under TUF	(%)**	Number of other appointments**	****	****	****	****	****	****	****	****	****	****	****		
Chairman	Coffari Giberto	29/02/2009	31/12/2011	M		x			100%	11								x		86%			
Chief Executive Officer	Albertini Claudio	29/02/2009	31/12/2011	M	x				100%	12								x		100%			
	Zamboni Roberto	29/02/2009	31/12/2011	M		x			44%	5								x		71%			
	Costelli Sergio	29/02/2009	31/12/2011	M		x			56%	6								x		43%			
	Caporali Leonardo	29/02/2009	31/12/2011	M		x			56%	6	x	50%											
	Phleggini Fernando	29/02/2009	31/12/2011	M		x			56%	2													
	Canossa Attilio	29/02/2009	31/12/2011	M		x	x	x	100%	5	x	100%						x		100%			
	Carpanelli Piero	29/02/2009	31/12/2011	M		x	x	x	100%	4			x	100%	x	100%					x	100%	
	Frasconi Massimo	29/02/2009	31/12/2011	M		x	x	x	56%	1	x	100%						x		50%			
	Gentili Francesco	29/02/2009	31/12/2011	M		x	x	x	100%	2		x	100%					x		50%		x	100%
	Fiorani Andrea	29/02/2009	31/12/2011	M		x	x	x	100%	22			x	100%	x	100%						x	100%
	Sebastiani Riccardo	29/02/2009	31/12/2011	M		x	x	x	67%	2		x	100%					x		100%		x	100%
	Bolognini Giorgio	29/02/2009	31/12/2011	M		x	x	x	89%	1		x	100%	x	100%							x	100%
	Santi Sergio	29/02/2009	31/12/2011	m		x	x	x	89%	14		x	100%					x		86%	x	100%	
	Pinzelli Corrado	29/02/2009	31/12/2011	M		x			89%	14													

DIRECTORS WHO VACATED OFFICE DURING THE YEAR

Quorum required for submitting lists at the latest election:

N. of meetings held as of 1 January 2010

80D: 9

ICC: 5

CC: 2

NC: 2

LI: 2

CC: 7

SB: 4

RPT: 2

* M/M INDICATES WHETHER THE DIRECTOR WAS ELECTED ON A MAJORITY LIST (M) OR A MINORITY LIST (M).

** THIS COLUMN REPORTS THE PERCENTAGE OF MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES ATTENDED BY THE DIRECTORS (NO. ATTENDANCES/NO. MEETINGS HELD DURING A DIRECTOR'S EFFECTIVE PERIOD IN OFFICE).

*** THIS COLUMN REPORTS THE NUMBER OF APPOINTMENTS HELD BY THE PERSON CONCERNED AS A DIRECTOR OR STATUTORY AUDITOR OF OTHER COMPANIES LISTED ON REGULATED MARKETS, IN ITALY OR ABROAD, OR IN FINANCIAL, BANKING, INSURANCE OR OTHER LARGE COMPANIES. THE LIST OF THESE COMPANIES FOR EACH DIRECTOR IS ATTACHED TO THIS REPORT, INDICATING WHETHER THE COMPANY IN WHICH THE APPOINTMENT IS HELD IS A MEMBER OF THE GROUP HEADED BY THE ISSUER.

**** THIS COLUMN INDICATES WITH AN "X" THE DIRECTOR'S MEMBERSHIP OF THIS COMMITTEE.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS at 31 December 2010

Board of Statutory Auditors								
Office	Members	In office since	In office until	List (M/m)	Indep as per the Code	** (%)	Number of other appointments***	**** (%)
CHAIRMAN	CONTI ROMANO	23/04/09	31/12/11	m	X	100%	19	67%
STANDING AUDITOR	CHIUSOLI ROBERTO	23/04/09	31/12/11	M	X	100%	6	67%
STANDING AUDITOR	GARGANI FRANCO	23/04/09	31/12/11	M	X	100%	21	67%
ALTERNATE AUDITOR	LANDI ISABELLA	23/04/09	31/12/11	M				
ALTERNATE AUDITOR	MANZINI MONICA	23/04/09	31/12/11	m				
STATUTORY AUDITORS WHO VACATED OFFICE DURING THE YEAR								
Name								
Quorum required for submitting lists at the latest election:								
Number of meetings held during the year: 9								

NOTE:

* M/m indicates whether the director was elected on a Majority list (M) or a minority list (m).

**This column reports the percentage of meetings of the Board of Statutory Auditors attended by the statutory auditors (no. attendances/no. Meetings held during the auditor's effective period in office).

***This column reports the number of appointments held as a director or statutory auditor that are relevant for the purposes of art. 148-bis TUF. The complete list of appointments, pursuant to art. 144-quinquiesdecies of the CONSOB Issuer Regulations, is appended to the statutory auditors' report on their monitoring activities, prepared in accordance with art. 153 par. 1 of TUF.

****This column reports the percentage of BoD meeting attended by statutory auditors (no. attendances/no. meetings held during the auditor's effective period in office)

TABLE 4 "Offices held by the Directors at 31 December 2010"

Director	Offices held in other companies	"IGD" Group Companies	"IGD" Group Shareholder Companies
COFFARI GILBERTO Chairman	Director CENTRALE ADRIATICA SOCIETA' CONSORTILE COOPERATIVA a R.L.		
	Member of Surveillance Board COOP ITALIA - SOCIETA' COOPERATIVA IN SIGLA COOP ITALIA SOCIETA' COOPERATIVA A RESPONSABILITA LIMITATA		
	Chairman of the Board COOP. ADRIATICA - SOCIETA' COOPERATIVA A RESPONSABILITA' LIMITATA		X
	Director FINSOE S.P.A. - FINANZIARIA DELL'ECONOMIA SOCIALE S.P.A.		
	Director HOLMO S.P.A.		
	Vice Chairman of the Board UGF BANCA S.P.A.		
	Director UGF S.P.A.		
	Director UNIPOL GRUPPO FINANZIARIO ASSICURAZIONI S.P.A.		
	Director SPRING 2 S.R.L.		
	Director FEDERAZIONE DELLE COOPERATIVE DELLA PROVINCIA DI RAVENNA SOCIETA' COOPERATIVA PER AZIONI		
	Chairman of the Board LIMA SRL		
ALBERTINI CLAUDIO Chief Executive Officer	Standing Auditor CEFLA CAPITAL SERVICES S.P.A.		
	Director EUROMILANO S.P.A.		
	Director FINANZIARIA DI PARTECIPAZIONE E SERVIZI S.R.L. FIN. P.A.S.		
	Director PEGASO FINANZIARIA S.P.A.		
	Director SOFINCO S.P.A		
	Director SORIN S.P.A		
	Director UGF MERCHANT - BANCA PER LE IMPRESE S.P.A.		
	Chairman of the Board UGF PRIVATE EQUITY SOCIETA' DI GESTIONE DEL RISPARMIO S.P.A		
	Director HOLCOA S.P.A.		
	Director PROTOS - SOCIETA' DI CONTROLLI TECNICI E FINANZIARI S.P.A.		
	Chairman of the Board HOTEL VILLAGGIO CITTA' DEL MARE S.P.A.		
	Director NOMISMA - SOCIETA' DI STUDI ECONOMICI - S.P.A.		
ZAMBONI ROBERTO Director	Director UNAGRO S.P.A.		
	Vice Chairman INRES - ISTITUTO NAZIONALE CONSULENZA, PROGETTAZIONE, INGEGNERIA- SOCIETA' COOPERATIVA		
	Director FORUM - S.R.L.		
	Director INIZIATIVE BOLOGNA NORD S.R.L.		
	Director CONSORZIO BOLOGNESE ENERGIA-GALVANI S.C.R.L.		
COSTALLI SERGIO Vice Chairman	Director FINSOE S.P.A. - FINANZIARIA DELL'ECONOMIA SOCIALE S.P.A.		
	Director HOLMO S.P.A.		
	Director UGF BANCA S.P.A		
	Chairman of the Board UGF MERCHANT S.P.A.		
	Vice Chairman and CEO UNICOOP TIRRENO SOCIETA' COOPERATIVA A RESPONSABILITA LIMITATA		X
	Director UGF S.P.A.		

CAPORIONI LEONARDO Director	Vice Chairman of the Board TIRRENO LOGISTICA S.R.L.		
	Director COOPERARE S.p.A.		
	Director COOPERATIVA LAVORATORI DELLE COSTRUZIONI- SOCIETA' COOPERATIVA		
	Director COOPFOND S.p.A.		
	Vice Chairman of the Board IMMOBILIARE SVILUPPO DELLA COOPERAZIONE S.p.A.		
	Chairman of the Board of Statutory Auditors COMPAGNIA FINANZIARIA ED IMMOBILIARE TOSCANA S.p.A.		
PELLEGRINI FERNANDO Director	Director and Member of the Executive Committee SIMGEST - SOCIETA' DI INTERMEDIAZIONE MOBILIARE S.P.A.		
	Chairman of the Board SOCIETA' GESTIONE FINANZIARIA S.R.L.		
CANOSANI ARISTIDE Director	Director AVIVA S.P.A.		
	Director CNP VITA S.P.A.		
	Director COOP. ADRIATICA - SOCIETA' COOPERATIVA A RESPONSABILITA' LIMITATA		X
	Chairman of the Board CREDITRAS ASSICURAZIONI S.P.A.		
	Chairman of the Board CREDITRAS VITA S.P.A.		
CARPANELLI FABIO Director	Chairman of the Surveillance Board MANUTENCOOP FACILITY MANAGEMENT SOCIETA' PER AZIONI		
	Chairman of the Board PORTA MEDICEA SRL	X	
	Sole Director VEICOLO 5 SRL		
	Chairman of the Board AUTOSTAZIONE DI BOLOGNA SRL		
FRANZONI MASSIMO Director	Representative of the shareholders holding privileged shares UNIPOL GRUPPO FINANZIARIO S.P.A.		
GENTILI FRANCESCO Director	Director BANCA DELLA MAREMMA - CREDITO COOPERATIVO DI GROSSETO - SOCIETA' COOPERATIVA		
	Sole Director GLISCO S.A.S.		
PARENTI ANDREA Director	Standing Auditor MONTE PASCHI FIDUCIARIA S.P.A.		
	Director CECCHI GORI HOME VIDEO SRL		
	Standing Auditor CONSORZIO MACROLOTTO IND. N.2 DI PRATO		
	Standing Auditor ORTOINVEST SRL		
	Standing Auditor EDILSVILUPPO SPA		
	Chairman of the Board of Statutory Auditors F.LLI CIAMPOLINI & C. SPA		
	Chairman of the Board of Statutory Auditors FRAMAFRUIT SPA		
	Chairman of the Board of Statutory Auditors FRUTTITAL FIRENZE SPA		
	Chairman of the Board of Statutory Auditors GALANDI & C. SPA		
	Chairman of the Board of Statutory Auditors GIOTTOFRUIT COMMERCIALE SRL		
	Chairman of the Board of Statutory Auditors IMMOBILIARE SUD-EST SPA		
	Standing Auditor MEGA SRL		
	Standing Auditor FOND. OSPEDALE PEDIATRICO MEYER		
	Chairman of the Board of Statutory Auditors IMMOBILIARE MINERVA		

	SPA		
	Chairman of the Board of Statutory Auditors PENTAFIN SPA		
	Chairman of the Board of Statutory Auditors PICCHI SPA		
	Chairman of the Board of Statutory Auditors PI.DA SPA		
	Chairman of the Board of Statutory Auditors SDI SOCIETA' DISTIRIBUZIONE IMBALLAGGI SRL		
	Chairman of the Board of Statutory Auditors TIRRENO IMMOBILIARE SRL		
	Standing Auditor UNICA S.C. DI ABITAZIONE		
	Chairman of the Board of Statutory Auditors EGAN IMMOBILIARE SRL		
	Standing Auditor BINFI SPA		
SABADINI RICCARDO Director	Director SAPIR S.P.A.		
	Director DINAZZANO PO SPA		
BOLDREGHINI GIORGIO Director	Chairman of the Board TECONOPOLIS SOC. COOP		
SANTI SERGIO Director	Chairman of the Board of Statutory Auditors HERA S.P.A.		
	Chairman of the Board FONDAZIONE CASSA DI RISPARMIO DI IMOLA		
	Chairman of the Board of Statutory Auditors WIMAXER S.P.A.		
	Standing Auditor HERA COMM S.R.L.		
	Standing Auditor HERA ENERGIE RINNOVABILI S.P.A.		
	Standing Auditor HERA TRADING S.R.L.		
	Standing Auditor HERAMBIENTE S.R.L.		
	Standing Auditor UNIFLOTTE S.R.L.		
	Standing Auditor HERA LUCE S.R.L.		
	Standing Auditor MODENA NETWORK S.P.A.		
	Standing Auditor SET S.P.A.		
	Standing Auditor FAMULA ON-LINE S.P.A.		
	Director A.M. GENERAL CONTRACTOR S.P.A		
	Standing Auditor AKRON S.P.A.		
PIRAZZINI CORRADO Director	Director FEDERAZIONE DELLE COOPERATIVE DELLA PROVINCIA DI RAVENNA SOCIETA' COOPERATIVA PER AZIONI		
	Vice Chairman of the CONSORZIO NAZIONALE E SERVIZI S.C.		
	Director ASSICOOP RAVENNA SPA		
	Chairman of the Board COPU RA SOC. COOP.		
	Chairman of the Board ARMONIA HOLDING SPA		
	Chairman of the Board ATHENA SRL		
	Director CENTROPLAST SPA		
	Director DISTER ENERGIA SPA		
	Director GRUPPO NETTUNO SPA		
	Chairman of the Board ECOCAMER SRL		
	Vice Chairman of the Board MORINA SRL		
	Director UNAGRO S.P.A.		
	Director PEGASO SOCIETA' CONSORTILE A R.L.		
	Vice-Chairman of the Board EDILNET		

TABLE 5: "Offices held by the Statutory Auditors at 31 December 2010"

Statutory Auditor	Offices held in other companies	Company
ROMANO CONTI		
CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS	SOLE ADMINISTRATOR	FINMECO S.R.L.
	STANDING AUDITOR	UNICREDIT LEASING S.P.A.
	DIRECTOR	DESPINA S.P.A.
	DIRECTOR	G.M.G. GROUP S.R.L.
	CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS	COMET HOLDING S.P.A.
	STANDING AUDITOR	EDITORIALE CORRIERE DI BOLOGNA S.R.L.
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