IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETÀ DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.
Registered office: Via Agro Pontino 13, Ravenna
Headquarters: Via Trattati Comunitari Europei 1957-2007, n. 13, Bologna
Share capital fully subscribed and paid-in: EUR 599,760,278.16
comprising n. 813,045,631 ordinary shares
Ravenna Companies Register and tax identification no. 00397420399
Ravenna Chamber of Commerce (R.E.A.) no.: 88573
Company subject to the direction and control of Coop Alleanza 3.0 Soc. Coop.

ANNUAL GENERAL MEETING OF IGD SIIQ S.P.A.
14 - 15 APRIL 2016

EXPLANATORY NOTES ON THE ITEMS OF THE AGENDA PREPARED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 125-*TER* AND 154-*TER* OF LEGISLATIVE DECREE N. 58/1998 AS WELL AS ART. 73 OF THE CONSOB REGULATION ADOPTED BY RESOLUTION N. 11971/1999

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1. Separate financial statements at 31.12.2015; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2015; Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions;
2. Report on compensation in accordance with Art. 123-*ter*, paragraph 6, of Legislative Decree n. 58/98; related and consequent resolutions;
3. Authorization to purchase and dispose of treasury shares; related and consequent resolutions;
4. Appointment of a member of the Board of Directors in accordance with Art. 2386 of the Civil Code; related and consequent resolutions

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Item 1 of the Agenda of the Ordinary General Meeting - Separate financial statements at 31.12.2015; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2015; Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions.

Dear Shareholders,

The separate financial statements for the year ended on 31 December 2015 which are being submitted to you for your approval show a net profit of € 45,011,200**.** This result reflects the full-year effect of the acquisition of the "core" portfolio made at the end of 2014, in addition to the opening of Clodì Retail Park, which took place in May 2015, which led to the main changes in costs and revenues, with significant variations in the operating profit. Please also note a clear improvement of the effects of the fair value change. During the year it was also recorded and collected the dividend, distributed by the subsidiary Igd Property SIINQ S.p.A., equal to Euro 9,459,364, entirely derived from the exempt management.

In particular total revenues amounted to €75 million with respect to €70.3 million posted in the prior year, recording an increase of 6.7%.

EBIT amounted to €63.3 million which, net of the change in fair value and write-downs of assets under construction, came in at €51.1 million, up with respect to 2014 explained primarily by what is reported above.

The IGD Group's total operating revenue at 31 December 2015 amounted to €128.5 million, an increase of 5% with respect to the 2014 (Total operating revenue at 31 December 2014 amounted to €122.4 million). This increase was mainly due to the positive impact of the change in the portfolio, resulting from the opening of Clodì Retail Park, from the full contribution of the "core" portfolio acquired in the last quarter of 2014 and from higher sales of residential units as part of the Porta a Mare project – sub-sector Mazzini. Core business revenue reached €125.9 million, increasing compared to €120.5 million recorded in 2014. More in detail, rental income at 31 December 2015 recorded a 4.8% change with respect to 2014, due to what is reported above.

Direct costs, pertaining to the core business and including personnel expenses, amounted to €30.5 million at 31 December 2015, a decrease of 2% with respect to the prior year. This decrease is primarily attributable to the decrease in rents and payable leases costs due to the purchase of Città delle Stelle mall held in usufruct in the previous year.

General expenses for the core business, including payroll costs at headquarters, amounted to €10.7 million, increasing compared to €10.1 million posted at 31 December 2014 and with a percentage of revenue at 8.5% on the core business' revenue.

The Gross Operating Margin (EBITDA) in 2015 amounted to €84.4 million, an increase of 7% compared to €78.8 million posted in the prior year. IGD Group's core business EBITDA at 31 December 2015 amounted to €84.8 million, with an increase of 6.9% with respect to the €79.3 million recorded at 31 December 2014.

The EBITDA Margin for the core business amounted to 67.3%, up by 1.5 percentage points with respect to the same period of previous year, when it was equal to 65.8%. IGD Group's EBIT at 31 December 2015 amounted to €84.2 million, an increase of 55.5% with respect to the €54.2 million recorded at 31 December 2014 mainly due to positive result of write-downs and fair value adjustments, equal to €1.5 million compared to €23.1 million recorded in the previous year. The pre-tax income at 31 December 2015 amounted to €44.9 million, an increase with respect to €9.4 million of 2014.

The Group's portion of net profit at 31 December 2015 amounted to €45.6 million, an increase compared to €7.3 million posted in 2014. Core business Funds from Operations (FFO) changed from €35.1 million at 31 December 2014 to €45.1 million at 31 December 2015, with an increase of 28.5%.

Thanks to the capital increase ended in December 2015, IGD Group's financial structure has improved: at 31 December 2015 the *gearing ratio* was equal to 0.93, decreasing with respect to 31 December 2014; IGD Group's net financial debt at 31 December 2015 amounted to €984.8 million, an increase compared to 31 December 2014, when it was equal to €942.1 million, due to investments and acquisitions made in 2014.

The Real Estate Portfolio at 31 December 2015

Based on CBRE Valuation S.p.A., REAG S.p.A. and Cushman & Wakefield's independent appraisals, the market value at 31 December 2015 of IGD Group's real estate portfolio reached €2,082.01 million, increasing compared to €1,951.21 million recorded at 31 December 2014.

In light of the above, the Board of Directors submits the following proposal to you for approval:

"The Ordinary Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,

- *having seen the Board of Directors' report;*

- *having seen the Board of Statutory Auditors' report;*
- *having examined the Company's financial statements for the year ended 31 December 2015;*
- *having acknowledged the report prepared by the external auditors PricewaterhouseCooper S.p.A.;*
- *as the total maximum number of ordinary shares with dividend rights at the proposed ex-div date amounts to 813,045,631;*

resolve

1. *to approve the financial statements of IGD SIIQ S.p.A. for the year ended at 31 December 2015 and the Board of Directors' report;*
2. *to use the share premium reserve for €10,000,000, in addition to the legal reserve up to one-fifth of the share capital, bringing the legal reserve from €109,952,056 to €119,952,056, which, therefore, would be entirely shaped at a rate established by Article 2430 of the Civil Code; the share premium reserve would increase from €39,971,151.2 to €29,971,151.2;*
3. *to reclassify €2,661,977 of the available reserve, as a result of the restriction envisaged provided by Art. 6 of Legislative Decree n. 38 of 28 February 2005, following the sales of real estate assets made in 2015, increasing the non-distributable earnings reserve;*
4. *to allocate the stated profit of € 19,318,102 to the fair value reserve, related to the evaluation of real estate assets at fair value. Consequently, the fair value reserve related to the evaluation of real estate assets at fair value would increase from €213,204,348.64 to €232,522,450.64;*
5. *to pay a dividend of €0.04 per ordinary shares outstanding when the shares go ex-div.*

   The total dividend payout, calculated based on the number of shares outstanding at 3 March 2016 (813,045,631), amounts to €32,521,825.24 to be taken from:

   - ✓ *for €25,693,098, from separate profit which became available for distribution, specifying that it is entirely derived from exempt operations;*
   - ✓ *for €2,661,868.38,from the reserve for retained earnings arising from the elimination of the restrictions on the fair value reserve and entirely attributable to exempt operations;*

     The total income distributed generated by exempt operations amounts to €28,354,966.38, equal to €0.034875 per share;

   - ✓ *for €3,955,934.45, making full use of the merger surplus reserve as capital reserve and for €210,924.41 partially using the bond issue reserve as capital reserve.*

     The dividend distributed as capital reserve amount to €4,166,858.86, equal to €0.005125 per share.

Altogether, each outstanding share is proposed to allocate a dividend of €0.04 for a total amount of €32,521,825.24, calculated on the number of existing shares to date and entitled to receive the dividend.

The dividend will be payable, with detachment of coupon n. 16 as of 23 May 2016 with shares going ex-div on 25 May 2016; the entitlement to the dividend payment will be set with reference to records of the intermediary's accounts pursuant to Art. 83-quater, par. 3 of Legislative Decree n.58 of 24 February 1998, at the end of the accounting date of 24 May 2016 (i.e. record date), in accordance with Art. 83-terdecies of the same Legislative Decree n.58 of 24 February 1998.

6. *to grant the Chairman and the Chief Executive Officer, jointly or separately, the power to determine in due time, with reference to the exact number of shares with dividend rights, the amount of the distributed net income;*

* * *

Item 2 of the Agenda of the Ordinary General Meeting – Remuneration report pursuant to 123-*ter*, paragraph 6, of Legislative Decree 58/98; related and consequent resolutions.

Dear Shareholders,

as you are well aware, pursuant to art. 123-*ter* of TUF, listed companies are required to prepare a Remuneration Report and make it available to the general public.

This report was approved by the Board of Directors on 3 March 2016, subject to approval by the Nominations and Compensation Committee, and made available to the public at the Company's registered office, on the Company's website http://eng.gruppoigd.it/Governance/Shareholders-Meetings and on the authorized storage system www.emarketstorage.com in accordance with the law.

Pursuant to art. 123-*ter*, paragraph 6, of TUF, you are being asked to resolve either in favor or against the first section of the Remuneration Report, called for in paragraph 3 of art. 123-*ter*, which describes the Company's policy relating to remuneration of members of the Board of Directors, general managers and executives with strategic responsibilities, as well as the procedures used to adopt and implement said policy.

We remind also that, pursuant to art. 123-*ter*, paragraph 6, of TUF, the resolution that you are requested to approve will not, in any case, be binding in nature.

In light of the above, the Board of Directors submits the following proposal to you for approval:

"*The Ordinary Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,*

- *having examined and discussed the section of the Remuneration Report called for under art. 123-ter, paragraph 3, of Legislative Decree n. 58 dated 24 February 1998, prepared by the Board of Directors based on the recommendations of the Remuneration and Nominations Committee, which describes the Company's policy relating to remuneration of members of the Board of Directors, general managers and executives with strategic responsibilities, as well as the procedures used to adopt and implement said policy, and made available to the public in accordance with the law;*

resolves

to approve the first section of the Remuneration Report adopted by the Board of Directors on 3 March 2016 pursuant to art. 123-ter of Legislative Decree n. 58 dated 24 February 1998."

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Item 3 of the Agenda of the Ordinary General Meeting – Authorization to purchase and dispose of treasury shares; related and consequent resolutions.

Dear Shareholders,

We remind you that on 15 April 2015the Annual General Meeting granted the Board of Directors the authorization to buy and sell treasury shares pursuant to Art. 2357, second paragraph, of the Italian Civil Code. The authorization to purchase treasury shares was effective for 18 (eighteen) months as from the date of the shareholder's resolution, while the authorization to dispose of treasury shares was without a time limit. The authorization to purchase treasury shares, therefore, will expire on 15 October 2016.

In consideration of the opportunity to renew for a further period this authorization to the Board, it is proposed to the Shareholders to revoke the authorization due to expire, granting a new authorization for a period of 18 (eighteen) months. The authorization we propose to grant to the Board will be in line with the one granted on 15 April 2015.

<u>Reasons for the proposed authorization</u>

The authorization to buy and sell treasury shares is deemed opportune in order to pursue the Company's aims as allowed by regulations and market practices recognized by Consob, which include:

i) trading and hedging transactions;

ii) to invest liquidity;

iii) to allow for the use of treasury shares in transactions related to current operations and business projects in accordance with the strategic guidelines pursued by the Company, in relation to which opportunities arise to exchange, swap, contribute or otherwise dispose of said shares.

Maximum number of shares subject to authorization

At the date of this report the share capital is equal to €599,760,278.16 entirely subscribed and paid-in, broken down in 813,045,631 ordinary shares without a stated par value.

In this regard, we propose that the shareholders authorize the purchase of treasury shares on one or more occasions of up to the maximum permitted by law, equal to the 20% of share capital pursuant art. 2357, item 3 of the Civil Code.

The purchases may be made using distributable income and available reserves as of the last annual report approved.

The authorization includes the ability to dispose, including before the maximum amount has been purchased, and repurchase the shares held to the extent that the total treasury shares held by the Company does not exceed the limit established in this authorization.

Useful valuation information provided pursuant to Art. 2357, paragraph 3 of the Italian Civil Code.

As of the date of this report neither the Company nor its subsidiaries hold any shares in the Company. The subsidiaries are required to advise of any purchases made in a timely manner in accordance with and pursuant to Art. 2359-*bis* of the Italian Civil Code.

Duration of the authorization

The authorization to purchase treasury shares will be effective for 18(eighteen) months as from the date of the shareholder's resolution.

There is no time limit on the authorization to dispose of the shares.

Maximum and minimum prices

The purchases may be made at prices which comply with Art. 5, paragraph 1, of European Commission Regulation n. 2273/2003 of 22 December 2003 or with other provisions applying to time of transactions. More in detail, based on this article the issuer may not acquire shares at a price that is higher than the highest price between the last independent trade and current higher last independent offer made on the stock exchange organized and managed by *Borsa Italiana S.p.A.*

The disposal of treasury shares, as part of cash transactions, may be made at a price that is not 90% lower than the stock's official closing price recorded during the last market session of the stock exchange organized and managed by *Borsa Italiana S.p.A.* prior to each single transaction. This parameter is deemed to adequately reflect when the sale is in the best interest of the Company.

In the event the treasury shares are part of exchanges, swaps, transfers or any other non-cash transaction, the economic terms and conditions of the transaction, including the valuation of the shares exchanged, will be determined on the basis of the type of transaction, as well as the market performance of IGD SIIQ S.p.A.'s shares.

<u>Ways in which the purchases and the disposals will be made.</u>

The purchase of treasury shares must be done in accordance with Art. 132 of Legislative Decree n. 58 dated 24 February 1998 ("*Testo Unico della Finanz*a" or "TUF"), Art. 144-*bis* of CONSOB Resolution n. 11971/99 (the "Regulations for Issuers") and any other applicable regulation, as well as the market practices recognized by Consob.

More in detail, the purchases of treasury shares must be made in accordance with Art. 144-*bis*, para. 1 (b) and (c) of the Regulations for Issuers. The purchases may be made in ways others than those mentioned above when allowed under Art. 132, para. 3, of TUF or any other legal provisions applicable at the time of the transaction.

The disposals may be made, on one or more occasion, even prior to having completed the purchases.

The disposals may be made in accordance with the law and recognized market practices as follows:

i) as part of cash transactions on regulated and/or non regulated markets (off the market);

ii) as part of exchanges, swaps, transfers or any other disposals related to business projects or extraordinary financial transactions.

<u>Information regarding the purchases and the reduction of share capital</u>

Please note that the authorization requested to purchase treasury shares is not instrumental to reducing share capital.

In light of the above, the Board of Directors submits the following proposal to you for approval:

"*The Ordinary Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento*

Immobiliare Quotata S.p.A., having acknowledged the proposal submitted by the Board of Directors,

resolve

1. *to revoke the authorization granted by the Ordinary General Meeting on 15 April 2015 to buy and sell treasury shares;*
2. *to authorize the purchase, including through the trading of options and IGD SIIQ S.p.A ordinary stock derivatives on one or more occasions up to the maximum permitted by law, for a period of 18 (eighteen(months as from the date of the this resolution.*

   The purchases must be made in accordance with Art. 144-bis, par. (b) and (c) of the Regulations for Issuers at prices which comply with Art. 5, par. 1, of EC Regulation n. 2273/2003 of 22 December 2003 or with other provisions applying to time of transactions.

   The purchase of treasury shares must be done in accordance with Art. 2357 et seq., Art. 132 of Legislative Decree n. 58/98, Art. 144-bis of the Regulations for Issuers and any other applicable regulation, as well as the market practices recognized by Consob.
3. *to authorize the disposal of treasury shares, on one or more occasion, without a time limit, as deemed in the interest of the Company and in accordance with the law as follows:*

   i) as part of cash transactions on regulated and/or non regulated markets (off the market) at a price that is not 90% lower than the stock's official closing price recorded during the last market session of the stock exchange organized and managed by Borsa Italiana S.p.A. prior to each single transaction;

   ii) as part of exchanges, swaps, transfers or any other disposals related to business projects or extraordinary financial transactions. In this case the economic terms and conditions of the transaction, including the valuation of the shares exchanged, will be determined on the basis of the type of transaction, as well as the shares' market performance.

   The disposals may be made even prior to having completed the purchases authorized in this resolution;
4. *to grant the Board of Directors and on its behalf the Chairman and the Chief Executive Officer, severally, the broadest powers to take all other action necessary or useful to implementing the above resolutions and to make the necessary market disclosures in accordance with the law*."

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Item 4 of the Agenda of the Ordinary General Meeting – Appointment of a member of the Board of Directors in accordance with Art. 2386 of the Civil Code; related and consequent resolutions

Dear Shareholders,

on 17 November 2015, the independent director John William Vojticek resigned from his office with immediate effect.

Dr. Vojticek had been appointed by the Ordinary Shareholders' Meeting of IGD of 15 April 2015 between the independent candidates included in the list submitted by Quantum Strategic Partners Ltd.

Article 16.8 of the Bylaws, at point i) provides that, if during the period one or more directors should leave the office - provided they represent less than one third of the Board of Directors, excluding from the calculation co-opted directors not yet confirmed by the Shareholders - it is provided pursuant to art. 2386 of the Civil Code and the Board of Directors appoints a co-optee "from the same list as the Directors who have ceased to hold office, starting with the first unsuccessful candidate, taking care to ensure that the Board of Directors includes the minimum number of independent members as required by laws and regulations, and also complies with the laws governing gender equality".

The following point ii) of art. 16.8 of the Corporate Bylaws states that "*if there are no candidates left on this list who have not already been elected, the Board of Directors replaces the directors who have ceased to hold office without observing the procedure specified in point (i), taking care to ensure that the Board of Directors includes the minimum number of independent members as required by laws and regulations, and also complies with the laws governing gender equality*".

Because within the list presented by Quantum Strategic Partners Ltd. no other candidates remained, according to art. 16.8, point ii) of the Bylaws, the Board of Directors on 3 March 2016, replaced Dr. John William Vojticek, pursuant to art. 2386 of the Civil Code, by co-opting as independent non-executive member of the Board of Directors Dr. Luca Dondi Dall'Orologio.

In accordance with article. 2386, first paragraph, of the Civil Code, the office of this director will expire at the Annual General Meeting called for 14 April 2016 and 15 April 2016, respectively, in first and second call that, therefore, will be called to appoint a new member the Board of Directors.

In light of the above, the Board of Directors proposes to Shareholders to confirm Dr. Luca Dondi Dall'Orologio in the office of Company's Director, for the duration of the Board of Directors currently in office, and therefore until the Shareholders' Meeting called to approve the financial statements for the year ended at 31 December 2017.

Please note that the Code of Conduct, in the commentary on Article 5, recommended that for the appointment of directors rules are laid down to ensure the transparency of the process and a balanced composition of the board.

In light of the above, is attached to this Report the curriculum vitae of Dr. Luca Dondi Dall'Orologio as well as copies of the statements of: (i) its willingness to accept the office and the absence of ineligibility and incompatibility causes and the existence of the requirements prescribed by law and by the corporate bylaws, as well as, (ii) possession of independence requirements provided by Article 148, paragraph 3, of the TUF, by the Corporate Governance Code adopted by Borsa Italian S.p.A. and art. 37 of Consob Resolution of 29 October 2007, n. 16191. In this regard, please note that, with the appointment of Dr. Luca Dondi Dall'Orologio, the Board of Directors would continue to be composed of a majority of independent directors, and broadly met the requirements of the current legislation. In addition, it is noted that the composition of the Board of Directors currently in office already ensures compliance with current legislation on gender balance.

Please remember that the Director appointed by Shareholders' Meeting on 14 April 2016 will remain in office for the duration of the current Board of Directors, and then up to the date of the Shareholders' Meeting called to approve the financial statements for the year ended at 31 December 2017 and that he will have the *pro rata temporis* fee determined by Directors during Shareholders' Meeting on 15 April 2015.

It also points out to Shareholders that on the occasion of this appointment, since a mere integration of the current Board of Directors is involved, does not apply the list voting system. The appointment will therefore proceed with the majorities required by law.

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In light of the above, the Board of Directors submits the following proposal to you for approval:

"The Ordinary Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., having examined and discussed the proposal of the Board of Directors, as stated in the explanatory report on the fourth item on the agenda of the Annual General Meeting,

resolve

to appoint dr. Luca Dondi Dall'Orologio as Director of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., he will remain in office until the expiration of the current Board of Directors, i.e. until the Shareholders' Meeting called to approve the financial statements for *the year ended at 31 December 2017. "*

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Attachments:

- Attachment A: Statement of acceptance of office and absence of ineligibility causes
- Attachment B: Statement of independence
- Curriculum vitae of Dr. Luca Dondi Dall'Orologio

Bologna, 3 March 2016

On behalf of the Board of Directors

The Chairman

Gilberto Coffari