

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Pursuant to art 123-bis TUF

20
15



CONÉ

Conegliano - Treviso

Opening 2010

Mall GLA sq.m 12,146

Food anchor GLA sq.m 9,498



3,141,004 visitors in 2015

Report on Corporate Governance and Ownership Structure

on the financial year ended at 31/12/2015.

Approved on 3 March 2016.

Available on the website www.gruppoigd.it

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Glossary

CODE/CORPORATE GOVERNANCE CODE:

the Corporate Governance Code for listed companies approved in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

CIV. COD./C.C.:

the Italian Civil Code.

BOARD:

the Issuers' Board of Directors.

ISSUER OR THE COMPANY:

issuer of stock referred to in this Report.

YEAR:

financial year referred to in this Report.

CONSOB REGULATIONS FOR ISSUERS:

the regulations for issuers approved CONSOB in Resolution n. 11971 of 1999, as amended.

CONSOB MARKET REGULATIONS:

market regulations issued by CONSOB pursuant to Resolution n.16191 of 2007, as subsequently amended.

CONSOB REGULATIONS**FOR RELATED PARTY TRANSACTIONS:**

the Regulations issued by CONSOB pursuant to Resolution n. 17221 of 12 March 2010, as subsequently amended, for related party transactions.

REPORT:

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

TUF/"TESTO UNICO DELLE DISPOSIZIONI IN MATERIA DI INTERMEDIAZIONE FINANZIARIA":

Legislative Decree n. 58 dated 24 February 1998 (as subsequently amended).



3.1 Company Profile

The Company has a traditional system of management and control founded on the centrality of the Board of Directors. The financial audit is performed by external auditors, in accordance with the law.

The Company's Corporate Governance model is based on: (i) the guiding role of the Board of Directors in matters of corporate strategy, as a whole and through specifically appointed committees; (ii) the transparency of business decisions within the Company and vis-à-vis the market; (iii) the definition of a remuneration policy for the directors and the managers with strategic responsibilities which complies with the Code iv) the efficiency and efficacy of the internal control and risk management system; (v) the strict governance of potential conflicts of interest; and (vi) clear

procedures for transactions with related parties and for the treatment of corporate information

The Company's mission is to create value for all its stakeholders: shareholders, employees, clients and suppliers through sustainable growth.

In 2016 the Company approved the Corporate Sustainability Report which describes the characteristics of the IGD Group, its recent growth, the objectives for future development and the main results achieved in 2015 relating to economic, environmental and social sustainability.

Every year the Company makes the Corporate Sustainability Report, approved by IGD SIIQ Spa's Board of Directors, available to the public on its website at <http://eng.gruppoigd.it/Sustainability/Sustainability-Report-and-Documents>.

3.2 Information on Ownership Structure

(pursuant to Art. 123-bis, par. 1, TUF)

a) Share capital structure

(pursuant Art. 123-bis, par. 1, lett. a), TUF)

The share capital approved at the date of this Report totals €604,736,305.52, €599,760,278.16 of which is fully paid-in and subscribed, divided in 813,045,631 ordinary shares without a stated par value (Tab. 1).

b) Share transfer restrictions

(pursuant to art. 123-bis, par. 1, lett. b), TUF)

There are no restrictions and all shares are freely transferable.

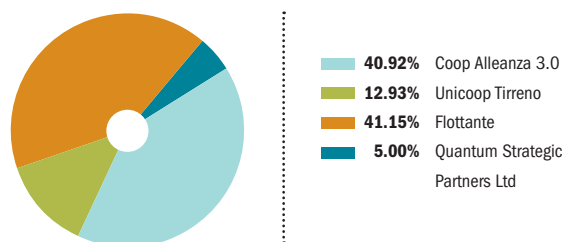
c) Significant interests in share capital

(pursuant to Art. 123-bis, par. 1, lett. c), TUF)

The company qualifies as a "SME" as defined in Art. 1, paragraph 1, lett. W-1) of TUF, introduced in Legislative Decree n. 91 of 24 June 2014 and converted, with amendments, into Law n. 116 on 11 August 2014. The minimum holding in the Company, therefore, subject to disclosure under Art 120 of TUF is 5%.

Based on the declarations received under artt. 120 and 122 of TUF, the shareholders with voting rights holding more than 5% of the company's ordinary share capital are those indicated in Table 1 "Significant interests in share capital" attached to this report. (see Chart 1)

IGD'S SHAREHOLDERS



Coop Alleanza 3.0 soc. coop. is the company formed following the merger of Coop Adriatica s.c.a.r.l., Coop Consumatori Nordest soc.coop and Coop Estense s.c. effective 1 January 2016.

d) Shares granting special rights

(pursuant to Art. 123-bis, para. 1, lett. d), TUF)

The shares issued all have the same rights.

e) Employee share ownership: exercise of voting rights

(pursuant to Art. 123-bis, par. 1, letter e), TUF)

There are no specific mechanisms which provide for employee share ownership.

f) Restrictions on voting rights

(pursuant to Art. 123-bis, par. 1, lett. f), TUF)

There are no restrictions on voting rights.

g) Shareholder Agreements

(pursuant to Art. 123-bis, par. 1, lett. g), TUF)

At 3 March 2016 the Company is not party to any shareholder agreements deemed relevant pursuant to Art. 122 of TUF.

Please note that the shareholders' agreement stipulated on 9 March 2015 by Coop Adriatica S.c.a.r.l. ("Coop Adriatica") and Unicoop Tirreno Company Cooperativa ("Unicoop Tirreno"), which established a voting block comprised of shares of Immobiliare Grande Distribuzione SIIQ S.p.A., pursuant to Art. 122 paragraphs 1 and 5 A) and B), of Legislative Decree n. 58/1998, structured to facilitate the Company's strategic decisions and their management, expired on 31 December 2015.

Notice of dissolution of the Agreement, along with the essential information called for under Art. 130 of the Regulations for Issuers, is available to the public on Consob's website, in accordance with the law and on the Company's website <http://eng.gruppoigd.it/Investor-Relations/IGD-Stock/Codes-indexes-and-shareholders>.

h) Provisions relating to change of control clauses

(pursuant to Art. 123-bis, par. 1, lett. h), TUF) and takeover bids (pursuant to Art. 104, par. 1-ter, and 104-bis, par. 1)

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 company contracting party should change.

Without prejudice to the above, the Company:

- (i) on 7 May 2013, issued senior fixed rate notes "€144,900,000 4.335 per cent, notes due 7 May 2017", the regulations for which call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change;
- (ii) on 26 November 2013, stipulated an agreement for a mortgage of €135 million with the Italian branch of BNP Paribas which calls for advance repayment of the loan in the event control of the Company should change;
- (iii) on 7 May 2014, completed a €150 million private placement of unsecured senior notes, due January 2019, the

regulations for which call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change;

- (iv) on 21 April 2015 an offer was made to exchange outstanding bonds “€144,900,000 4.335 per cent. Notes due 7 May 2017” and “€150,000,000 3.875 per cent. Notes due 7 January 2019” with new senior notes “€162,000,000 2.65 per cent. Notes due 21 April 2022”. The regulations for the new notes “162,000,000 2.65 per cent. Notes due 21 April 2022” call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change.

With regard to the provisions found in the company by-laws relating to takeover bids, there are no clauses which provide for exceptions to the passivity rule nor application of the breakthrough rule.

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

The Board of Directors, pursuant to Art. 2443 of the Italian Civil Code has the right to, by 19 April 2017, increase share capital against payment, in one or more instalments, by up to 10% of the current share capital, to be subscribed by parties selected by the Board of Directors including qualified investors and/or business partners and/or financial partners in Italy and abroad or shareholders of the Company – excluding pre-emption rights pursuant to Art. 2441, paragraph 4 (2), as long as the issue price corresponds to the shares' market price which must be confirmed in a report issued by the external auditors.

In execution of the powers granted, on 2 December 2015, the Board of Directors approved a divisible capital increase for an aggregate maximum nominal amount of €54,976,027 (plus share premium, if any) or not more than 10% of the Company's existing share capital, to be completed on or before 31 July 2016 through the issue of a maximum of 75,635,000 new ordinary shares without a stated par value, with voting rights and without pre-emptive rights pursuant to Article 2441, fourth paragraph, second sentence of the Italian Civil Code to be offered exclusively to qualified investors as part of a private placement through accelerated bookbuilding.

The accelerated bookbuilding transaction was completed on 3 December 2015 with the private placement of 56,689,342 newly issued ordinary IGD shares at a price of €0.882 for a total of €49,999,999.64. The transaction was settled by delivery of shares and payment of the amounts due on 7 December 2015.

On 15 April 2015 the Ordinary Annual General Meeting granted the Board of Directors the authorization to buy and

sell treasury shares in accordance with Art. 2357, second paragraph, of the Italian Civil Code. For additional information on the authorization granted in the resolution please refer to the report presented during the Ordinary Annual General Meeting held on 15 April 2015 and available on the Company's website at [http://www.gruppoigd.it/Governance/Assemblea-degli-Azionisti/\(year\)/2015](http://www.gruppoigd.it/Governance/Assemblea-degli-Azionisti/(year)/2015).

On 3 March 2016 the Company's Board of Directors, which approved this report, resolved to propose that the shareholders convened in ordinary session on 14 and 15 April 2016, respectively in first and second call, revoke the expiring authorization granted by the shareholders 15 April 2015 and grant a new 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.

At 31 December 2015, the Company does not hold any treasury shares. As of the date on which this Report was approved, there has not been any change with respect to 31 December 2015.

l) Management and coordination (pursuant to Art. 2497 et seq. Italian Civil Code)

The Company is subject to the management and coordination of shareholder Coop Alleanza 3.0 soc.coop., the company formed as a result of the merger of the three cooperatives, Coop Adriatica, Coop Estense and Coop Consumatori Nordest, effective 1 January 2016, which controls 40.92% of the Company's share capital, pursuant to and in accordance with Art. 2497 of the Italian Civil Code.

→ Other information

Indemnity of Directors (pursuant to Art. 123-bis, par. 1, lett. i), TUF)

With regard to information relative to any agreements between the Company and the Directors in the event of resignation, dismissal or termination following a takeover bid, please refer to the information found in the Remuneration Report published pursuant to Art. 123-ter of TUF and available on the Company's website: <http://eng.gruppoigd.it/Governance/Compensation>.

Norms applicable to the appointment and replacement of directors, amendments to the corporate by-laws (pursuant to Art. 123-bis, par. 1, lett. l), TUF)

The appointment and replacement of the directors, as well as amendments to the corporate by-laws, are conducted and governed in accordance with Title V of the bylaws (Board of Directors) made available on the company's website (www.gruppoigd.it). Please refer to the section “Board of Directors” of this report for further information.

3.3 Compliance

(pursuant to Art. 123-*bis*, par. 2, lett. a), T.U.F)

Since its IPO, on 11 February 2005, the Company has adopted the Corporate Governance Code 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 (<http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporat-egovernance/codice2015.pdf>).

In line with the best international practices relating to corporate governance and in light of the recommendations found in the Corporate Governance Code approved by Borsa Italiana's Corporate Governance Committee in July 2014, during the Board of Directors' meeting held on 18 November 2014, the Company resolved to update the Company's Rules for Corporate Governance which, along with the other documents (corporate by-laws, code of ethics, Decree 231/01 Model for organization, management and control, Regulations for Shareholders' Meetings, Procedures for related party transactions, Procedures for the disclosure and treatment of confidential information, the Internal dealing code) – comprise the group of self-governance instruments used by the Company.

The Company will strive to make the changes called for in the latest edition of the Code, approved by Borsa Italiana's Corporate Governance Committee in July 2015, by the end of 2016 and inform the market in the report on corporate governance that will be published next year.

In accordance with the law, the Report contains a general description of the corporate governance system adopted by the Company, along with information on the shareholder structure and application of the Corporate Governance Code, as per the “comply or explain” standard set out in the “Guidelines and transitional phase” section found in the Code.

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

The Company's subsidiaries include two Romanian compa-

nies, WinMagazin S.A. and WinMarkt Management S.r.l., which, however, do not have any impact on the current structure of IGD's governance.

→ 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. Financial audits are carried out by 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.

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 financial audit assignment was granted to the registered audit firm appointed during the Annual General Meeting based on the motivated proposal submitted by the Board of Statutory Auditors.

3.4 Board of Directors

3.4.1 Appointment and Replacement (pursuant to Art. 123-*bis*, par. 1, lett. I), TUF)

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

During the Annual General Meeting held on 15 April 2015, shareholders decided that the Board of Directors will be comprised of 13, rather than the previous 15, directors to serve for the three-year period ending on the date of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2017.

The directors pursue the corporate purpose, acting independently and resolving with sound judgement, seeking out all available information, in order to achieve the priority goal of creating medium/long term value for the shareholders. Pursuant to Articles 16.2 and 16.3 of the bylaws, the directors are elected on the basis of preference lists which comply with the current laws relating to gender equality. In accordance with Art. 16.3 of the bylaws, lists may be submitted by shareholders who, alone or together with others, hold the interest determined in accordance with CONSOB regulations (for 2016 equal to 2.5% of the Company's share capital). The lists must be filed at the head office at least twenty-five days in advance of the first-call date of the meeting which will be mentioned in the notice of call. Pursuant to Art. 147-*ter*, paragraph 1-*bis*, TUF, Shareholders must submit the certification attesting to possession of the shares needed to file voting lists, determined on the basis of the shareholders of record on the day the lists were filed with the company, issued by an intermediary authorized in accordance with the law at least 21 days prior to the Annual General Meeting is to be held.

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.

The lists which include three or more candidates must include candidates of both genders, as indicated in the notice of call for the Annual General Meeting, in order to ensure that the composition of the Board of Directors complies with current laws relating to gender equality.

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 provisions of Art. 147-*ter*, paragraph 3 of the TUF, 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. Pursuant to art. 16.7-*bis* of the bylaws – as introduced by the amendments approved by the shareholders meeting in ordinary session on 18 April 2013 – if the law relating to gender equality fails to be complied with as a result of the votes cast, the candidates belonging to the more represented gender with the least amount of votes on the list that receives the most votes will be replaced by the number of candidates on the same list needed to ensure compliance with the laws governing gender equality without prejudice to the minimum number of independent directors required under the law. In the event that not enough candidates of the least represented gender appear on the list that receives the greatest number of votes, the shareholders will appoint the directors of the least represented gender with the majority of votes required by law.

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*, par. 3 of the TUF, as well as in accordance with the laws governing gender equality.

→ Succession plan

As of the date on which this report was approved, the Board of Directors decided not to proceed with the adoption of a specific succession plan for the executive directors as it was deemed unnecessary in light of the shareholders and the current powers granted to the Board. In the light of the shareholders, the Company has the possibility to promptly activate the Board of Directors in order to adopt the appropriate resolutions.

3.4.2 Composition (pursuant to Art. 123-bis, par. 2, lett. d) TUF)

The Board of Directors currently in office was appointed during the Shareholders' Meeting held on 15 April 2015.

More in detail, the Board of Directors in office from 1 January 2015 through 15 April 2015 consisted of 15 directors; namely, Gilberto Coffari (Chairman), Sergio Costalli (Vice Chairman), Claudio Albertini (Chief Executive Officer), Roberto Zamboni, Aristide Canosani, Leonardo Caporioni, Fernando Pellegrini, Fabio Carpanelli, Elisabetta Gualandri, Tamara Magalotti, Livia Salvini, Andrea Parenti, Riccardo Sabadini, Giorgio Boldreghini and Massimo Franzoni.

The Board of Directors currently in office is comprised of 13 directors and was appointed during the Shareholders' Meeting held on 15 April 2015 for a period of three years, through the Annual General Meeting called to approve the financial statements for the year ending 31 December 2017. During the Shareholders' Meeting held on 15 April 2015 two lists were presented, one by Coop Adriatica and Unicoop Tirreno ("List n. 1") and by Quantum Strategic Partners Ltd. ("List n. 2"). The lists were submitted with all the documentation relating to the personal and professional characteristics of the candidates along with the statements relating to the qualifications of some as independent and irrevocable acceptance of the appointment in the time period provided for under the law.

List n. 1 received 438,696,515 favorable votes, equal to approximately 76.83% of the participants; List n. 2 received 131,187,051 favorable votes, equal to approximately 22.98% of the participants.

As resolved by shareholders on 15 April 2015, the Board of Directors currently comprises the following members: from List n. 1 submitted by Coop Adriatica and Unicoop Tirreno, Gilberto Coffari (Chairman), Claudio Albertini (Chief Executive Officer), Aristide Canosani, Elio Gasperoni, Fernando Pellegrini (Vice Chairman), Leonardo Caporioni, Elisabetta Gualandri, Milva Carletti, Rossella Saoncella, Andrea Parenti and Livia Salvini; from List n. 2, submitted by the shareholder Quantum Strategic Partners Ltd, John William Vojticek and Matthew D. Lenz.

More in detail, List n. 1 was submitted by Coop Adriatica and Unicoop Tirreno in accordance with the shareholders' agreement they stipulated on 9 March 2015 which expired on 31 December 2015 (see Section 3.2, lett. g), of the Report). Based on this agreement the IGD's Board of Directors should be comprised of 13 members, comply with the current law relating to gender equality, and the parties should submit and vote on one list with 13 names, comprised of 7 directors designated by Coop Adriatica (of which 3 independent as defined in the Corporate Governance Code and one in possession of the requisites referred to in Art. 148, paragraph 3, of TUF), 5 directors designated by Unicoop Tirreno (of which 2 independent as defined in the Corporate Governance Code and at least one in possession of the requisites referred to in Art. 148, paragraph 3, of TUF) and one director designated jointly by Coop Adriatica and Unicoop Tirreno (independent as defined in the Corporate Governance Code).

As disclosed to the market, on 17 November 2015 the independent director John William Vojticek tendered his resignation as director, effective immediately. During the meeting held on 3 March 2016, the Board of Directors, based on the proposal of the Nominations and Compensation Committee, resolved to substitute the independent director, pursuant to

Art. 2386 of the Italian Civil Code, by co-opting Luca Dondi dall'Orologio to act as an independent non-executive director who will remain in office through the next Shareholders' Meeting convened on 14 and 15 April in first and second call, respectively.

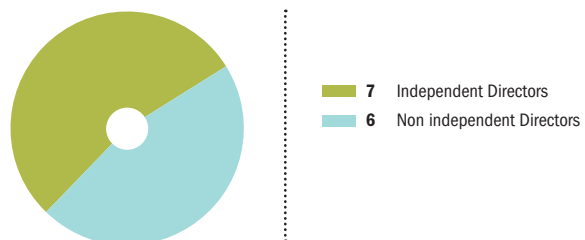
The members of the Board of Directors at the date of the Shareholders' Meeting held on 15 April 2015, along with their status as executive or non-executive and/or independent members as per the Corporate Governance Code and the committees formed at the same date, can be found in Table 2 "Structure of the Board of Directors and Committees at 15 April 2015" attached.

The members of the Board of Directors at 31 December 2015, 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 bis "Structure of the Board of Directors and Committees" attached.

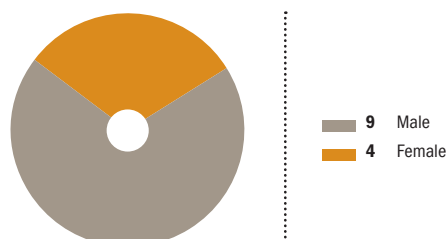
The current Board of Directors is composed of members with different professional and personal characteristics, such as university professors, professionals, businessmen, as well as company executives. The majority of the directors appointed is in possession of the independence requirement under the provisions of the Code of Conduct and the TUF.

The composition of the Board of Directors also complies with the current law relating to gender equality. Toward that end, when the term of the Company's Board of Directors and control body expired on 31 December 2015, Coop Adriatica and Unicoop Tirreno presented their lists for the renewal of the Company's Board of Directors and control body which included candidates of the least represented gender as a result of voluntary and early compliance with the laws introduced in Law 120/2011.

DIRECTORS



GENDER QUOTAS IN THE BOD



The personal characteristics and professional experience of the single members of the Board of Directors currently in charge, are provided below.

GILBERTO COFFARI

Chairman of the Board of Directors

Gilberto Coffari, born in 1946, has been Chairman of IGD's Board of Directors since its formation in 2000. From 2006 through 2011 he was Chairman of Coop Adriatica. Currently he is Director of Federazione delle Cooperative di Ravenna. Mr. Coffari has acted as a Director and Chairman of the Board for a number of cooperatives, a world he has been part of for more than 40 years. He also holds the offices listed in Table 4.

CLAUDIO ALBERTINI

CEO since May 2009 (Director since 2006)

He was born in 1958 and has been at the helm of IGD since May 2009, after having served as a member of the Company's Board for three years. For more than twenty years Mr. Albertini was part of the Gruppo Unipol where he ultimately acted as General Manager of Unipol Merchant. Mr. Albertini is a certified financial auditor registered in Bologna. He also holds the offices listed in Table 4.

FERNANDO PELLEGRINI

Vice Chairman

Born in 1964, Head of Finance, Asset Management and Financial Reporting for Unicoop Tirreno, Mr. Pellegrini has held various positions in the Unicoop Tirreno Group where he began his professional career in 1995 as part of administration, finance and control; he is currently Vice Chairman of the Board of Directors and Chairman of the Executive Committee of Simgest S.p.A.

ARISTIDE CANOSANI

Director

Born in 1935. Chairman of CreditRas Assicurazioni, until May 2014 and CreditRas Vita until May 2013, Mr. Canosani was in charge of UniCredit Banca for eight years after having worked in Rolo Banca 1473, Carimonte Banca and Banca del Monte di Bologna and Ravenna. Certified financial auditor, he makes a priceless contribution to IGD's BoD thanks to both his vast experience and expertise in finance. He also holds the offices listed in Table 4.

ELIO GASPERONI

Director

Born in 1953, Mr. Gasperini received a degree in philosophy from the University of Florence's History of Political Doctrine department in 1978. He has several offices and positions including as part of the public administration and local institutions. He is a member of Coop Adriatica's Board of Directors. His presence in IGD enhances and strengthens the dialogue with the local authorities. He also holds the offices indicated in Table 4.

LEONARDO CAPORIONI

Director

A Chartered Public Accountant and Financial Auditor, Mr. Caporioni, born in 1964, is head of Administration and Financial Reporting at Unicoop Tirreno, a group where he has worked since 1991 holding positions of increasing responsibility. He has matured important experiences as a director and statutory auditor for a number of national and regional (Tuscany) cooperatives. He also holds the offices listed in Table 4.

ELISABETTA GUALANDRI

Independent Director

Born in 1955, Ms. Gualandri has a degree in Business Economics from the University of Modena and a masters degree in Financial Economics from University College of North Wales (UK). A lecturer in financial intermediation at the University of Modena and Reggio Emilia, she also collaborates with CEFIN and Softech-ICT centers. Statutory auditor at the Bank of Italy from 2007 through 2012, she is a member of BPER's BoD since 2012 and has been acting as an advisor for the European Commission's program Horizon 2020, Access to Finance Group since 2014. She is also a member of the CTS and the Knowbel Incubator. The topics about which she has written numerous publications, participating also in national and international seminars, include banking regulation, the financial crisis, financing innovative SMEs and startups. She also holds the offices listed in Table 4.

MILVA CARLETTI

Independent Director

Born in 1963, Ms. Carletti has a degree in Political Science, with a specialization in economics, from the University of Bologna. Since January 2014 she has been acting as CFO of Manutencoop Facility Management SpA, Italy's main operator in Integrated Facility Management. In the past she acted as head of the Business Unit Service of Centostazioni SpA, a company that manages more than 100 service properties in Italy. She is currently an Independent Director of UnipolSai SpA. She also holds the offices listed in Table 4.

ROSSELLA SAONCELLA

Independent Director

Born in 1954, Ms. Saoncella received a degree in Physics from the University of Bologna and in 1978 completed a masters in Business Administration at IFOA. She was General Manager of the Granarolo Group through 2011 and, prior to 1993, an executive of the CONAD Group. Over the past few years she has held administrative offices for municipalities in Emilia Romagna. She also holds the offices listed in Table 4.

ANDREA PARENTI

Independent Director

Born in Rome in 1957, Mr. Parenti holds a degree in Business Economics, University of Florence, he is a certified financial auditor registered in Prato. He acts as a court consultant. In 2006 he formed and founded a corporate tax consulting firm after leaving the international audit firm Ernst & Young where he began first as a manager to then become partner of the tax advisory firm for which he ran the Florence

office for more than fifteen years. During his professional career, begun in 1983, he matured experience as an auditor and in corporate structuring, with a focus on corporate earnings and extraordinary transactions. He worked as an appraiser of business divisions for the Monte dei Paschi di Siena Banking Group and for other important companies. As a director, he has worked on Boards of companies involved in the manufacture of defense systems, television broadcasting, distribution of audiovisual products, including with mandates relating to administrative and financial matters. He also holds the offices listed in Table 4.

LIVIA SALVINI
Independent Director

She was born in 1957. Professor of Tax Law at LUISS - Guido Carli University in Rome and Avvocato Cassazionista (the highest order of attorneys) as well as a PhD in Tax Law, Ms. Salvini boasts a twenty year academic career and has been part of numerous ministerial and government commissions and studies. Ms. Salvini is the author of two monographs on VAT and the relative procedures, assessment and application, as well as numerous studies on tax matters. She also holds the offices listed in Table 4.

MATTHEW DAVID LENTZ
Independent Director

Born in 1972, Mr. Lenz has a degree in History and has been acting as a strategist for Soros Fund Management since 2013. Prior to Soros, he was Chief Investment Officer of Simon Property Group, Managing Director at DuquesneCapital/Point State Capital and a real estate analyst at Fidelity Investments. He also holds the offices listed in Table 4.

LUCA DONDI DALL'OROLOGIO
Independent Director

Born in 1972, Mr. Dall'Orologio is an economist with experience in the valuation of investment projects relating, in particular, to the real estate sector and infrastructure. An expert in socio-economic and regional analysis, assessment of demand and application of applied economics, he is currently the Managing Director of Nomisma S.p.A., where he previously acted as Head of "Real Estate Systems and Urban Strategies" and Head of the unit "Real Estate Analyses and Valuations", as a result of which he coordinated the activities relating to assessment, monitoring and measuring of real estate investment risk. He is also a member of Nomisma Energia S.r.l.'s BoD and the special valuation unit at Jean Monnet LUM University

In compliance with the Corporate Governance Code, the directors take office only when they believe that they will be able to dedicate the time needed to carry out their duties diligently, including in light of their roles in any Board committees, as well as the workload connected to their professional activities, the number of and time dedicated to other offices held as director or statutory auditor in other companies as per the limits on multiple assignments described below, ensuring that this condition remains throughout their term of office. The Directors, aware of the responsibilities inherent in the office held, must be constantly updated on the newest leg-

islative and regulatory developments affecting the Company and its business.

The directors must comply with the Ethical Code, the Code of Internal Dealing and any other provisions with which the Company regulates 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, and updated on 26 February 2015 as per the opinion of the Nominations and Compensation Committee, in order to comply with the Applicative Criterion 1 par.3 of the Corporate Governance Code. The regulations are available to the public on the Company's website: <http://www.gruppoigd.it/Governance/Consiglio-di-amministrazione>.

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/independent director or member of the Board of Statutory Auditors as well as because of the possible membership in one or more Committees – different from the Chairman's committee – constituted within the Board of Directors. 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.

On 3rd March 2016, the Board of Directors was found to be fully compliant with the regulations governing "Limits to the maximum number of appointments allowed in other companies"¹.

The principle offices held by directors in companies other than those of the IGD Group can be found in Table 4 attached.

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

→ Induction Programme

In 2015 the Company did not deem it necessary to organize any specific “induction” meetings as the training and preparation of the members of the corporate bodies is held to be fully adequate with respect to the duties and functions of the offices held. The Company also took into account

the fact that many of the current members of the Board of Directors and Board of Statutory Auditors held the same role during the prior term, during which several induction meetings were held in order to further explore topics linked to the global market environment in which the Company operates and analyze the unique characteristics of the Company’s core business and any strategic opportunities.

3.4.3 Role and functions of the Board of Directors

(pursuant to Art. 123-*bis*, par. 2, lett. d) TUF)

The Company is administered by a Board of Directors which meets on a regular basis and which is organized in such a way as to guarantee that its duties are carried out efficiently.

The Board of Directors primary responsibility is to determine and pursue the strategic objectives of the Company and the entire Group.

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 2016:

- 3 March 2016: Board of Directors’ meeting to examine the separate and consolidated financial statements at 31 December 2015;
- 10 May 2016: Board of Directors’ meeting to examine the Interim Management Statement at 31 March 2016;
- 5 August 2016: Board of Directors’ meeting to examine the Half-year Financial Report at 30 June 2016;
- 8 November 2016: Board of Directors’ meeting to examine the Interim Management Statement at 30 September 2016.

If the company deems it opportune it may convene, in accordance with the bylaws, other board of director meetings in 2016.

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. He must ensure that the Board of Directors constantly pursues its primary responsibility, namely achieving the strategic goals of the Company and the entire Group.

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.

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.

The Chairman of the Board of Directors works to ensure that the directors and statutory auditors receive the documentation relating to the items on the Agenda in a timely manner and prior to the date on which the meeting is to be held².

The documentation relative to the Board meeting agendas was regularly made available to each director on the Company’s website; directors may access it on an exclusive basis using a password created by a personalized token. The publication of the documentation is preceded by a notice sent by e-mail from a specific function identified inside the Company. During 2015 the adequate notice period on average was equal to 2 (two) days.

During the meetings, the Chairman of the Board of Directors assured an extensive discussion of the items on the agenda allowing a constructive debate, also thanks to the regular participation of the Company’s top management. 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 announce-

² Corporate Governance Code: Art 1.C.5

ment 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.

Typically the Issuer's managers attend the Board of Directors' meetings in order to provide additional information regarding the items on the Agenda. The Chairman of the Board of Directors, including if requested by one or more directors, may request that the Chief Executive Officer invite executives of the Company or Group companies to attend the Board meetings to provide in depth information about the items on the Agenda.

During the year ended 31 December 2015, the Board of Directors held 8 meetings, on 26 February, 8 April (in both ordinary and extraordinary session), 17 April, 7 May, 6 August, 10 November, 2 December (in both ordinary and extraordinary session), and 14 December 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 2.30 hours (two hours and thirty minutes).

Some meetings of the Board of Directors were attended by Company executives and/or external parties, 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:

- a) examines and approves the strategic, business and financial plans of the company, the company's corporate governance system, as well as that of the strategically important subsidiaries, periodically monitoring implementation; defines the Company's corporate governance system and Group structure;
- b) defines the nature and level of risk deemed compatible with the Company's strategic objectives³;
- c) judges the adequacy of the organizational, administrative, and accounting structure of the Company and its strategic subsidiaries with particular reference to the internal control system and the management of conflicts of interest;
- d) 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;
- e) establishes the frequency with which the delegated bodies must report to the Board of Directors on the progress made during the year relating to their assignments and the most significant operations carried out in the period, which will, at any rate, not be more than once a quarter;
- f) evaluates general business performance, taking account of the information received from the chief executive officer, and periodically comparing actual results with forecasts;
- g) resolves on the operations carried out by the Company

and its subsidiaries where such transactions are strategically, economically or financially significant for the Company; toward this end, determines the general criteria to be used to define material transactions and ensures that the strategically significant subsidiaries submit any transactions that could have a significant impact on the Company to the Board of Directors for approval;

- h) evaluates, at least once a year, the size, composition and proper functioning of the Board of Directors and its committees, also taking into account professional qualifications, experience, including as a manager, along with the nature of its members and their seniority;
- i) in light of the results of the assessment referred to in letter h) above, expressed to the shareholders, prior to the appointment of the new Board of Directors, any opinions about the type of professional that should be part of the Board;
- l) provides information in the report on corporate governance: (i) on the composition of the Board, indicating the qualifications (executive, non executive, independent), offices held within the Board (for example, Chairman or Chief Executive Officer), the main professional characteristics, as well as how long the office has been held; (ii) on how the duties assigned are fulfilled and, more specifically on the number and the average duration of the Board meetings held during the year and the attendance record of each Board member; (iii) on the ways the assessment in letter h) above was carried out (iv) on the timeliness and completeness of the information provided before the Board, providing indications if the information was provided in a timely enough manner – and, at any rate, in accordance with the Company's bylaws;
- m) after the appointment of an independent director and, subsequently when circumstances materialize which could impact the latter's independent status and, at any rate 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 members⁴: 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). In these documents the Board of Directors: (i) indicates if parameters other than those indicated in the Corporate Governance Code were used, including with regard to a single director; and (ii) describes the quantitative and/or qualitative criteria used to assess the significance of the relationships being evaluated⁵.
- n) each year, based on the information received from the Directors, records notes in the Report on Corporate Governance, the assignments held by Directors in other companies as directors or statutory auditors in financial, banking, insurance or large companies, listed on regulated markets (in Italy or abroad);

3 Corporate Governance Code Art. 1.C.1 lett b) (July 2014 edition)

4 Corporate Governance Code Art. 3.P2

5 Corporate Governance Code Art.3.C.4.

- o) expresses an opinion with regard to the criteria to be used to determine the maximum permitted number of directorships or statutory auditorships in other companies deemed to be compatible with holding the office of Company director, taking into account the position held in any Board committees⁶. Toward this end, on the basis of a specific procedure⁷, looks at the workload connected with each directorship (executive director, non executive or independent), including in relation to the type and size of the company in which the offices are held, as well as whether the latter are part of the Group;
- p) determines, based on the opinion of the Nominations and Remuneration Committee, who is to be appointed to act as a Company executive, as well as a member of the Board of Directors, Board of Statutory Auditors, Chief Executive Officers and General Manager of the strategically relevant subsidiaries; based on the opinion of the Nominations and Remuneration Committee, determines compensation;
- q) promotes initiatives designed to facilitate active and informed shareholder participation, as well as the exercise of shareholder rights, guaranteeing that they are provided with timely and complete information;
- r) ensures that the Decree 231/2001 Organizational, Management and Control Model is updated and complied with, while completing a risk map of the potential criminal violations with the support of the Supervisory Board;
- s) appoints, subject to the opinion of the Board of Statutory Auditors, a Financial Reporting Officer in accordance with Law 262/2005;
- t) may call upon an independent Director to act as lead independent director, a point of reference and coordinator for all positions and activities of the non executive, and in particular, independent directors⁸;
- u) in the event the shareholders, in light of organizational needs, authorize that an exception be made to the non compete clauses referred to in Art. 2390 of the Italian Civil Code, evaluates on the merits of each situation and reports its findings to the first Shareholders' Meeting. Toward this end, upon appointment each Director will inform the Board of any activities carried out which compete with those of the Issuer and any relevant changes;
- v) in order to ensure the correct handling of corporate information, updates, based on the proposal of the Chief Executive Officer of the Chairman of the Board of Directors, the Procedures for the management, handling and disclosure of confidential information and documents, with regard particularly to price sensitive information⁹;
- z) evaluates whether a succession plan for the executive directors should be adopted or not, subject to the opinion of the Nominations and Remuneration Committee¹⁰.

As part of the Company's internal control and risk management, the Board of Directors, subject to the opinion of the Control and Risk Committee:

- defines the guidelines for the internal control and risk management system so that the principal risks that the Company and its subsidiaries face are correctly identified, as well as adequately assessed, managed and monitored, while also determining the extent to which the risks are compatible with the strategic goals identified;
- evaluates, at least once a year, the adequacy and efficacy of the internal control and risk management system

with respect to the business and the inherent risk profile;

- approves, at least once a year, the work plan prepared by the Head of Internal Audit, after having consulted with the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System;
- describes the main features of the internal control and risk management system in the report on corporate governance and expresses an opinion as to its adequacy;
- evaluates, after having consulted with the Board of Statutory Auditors, the opinion issued by the external auditors upon completion of the financial audit;
- appoints and replaces, based on the proposal of the Director in charge of the Internal Control and Risk Management System, as well as after having consulted with the Board of Statutory Auditors, the Head of Internal Audit.

The functions of the Board of Directors, as described above, comply with the applicable recommendations found in the Corporate Governance Code.

Pursuant to the Corporate Governance Code, the Board of Directors, during the meeting held on 3 March 2016, used the reports provided by the Director in charge of Internal Control System, the Control and Risk Committee (formerly Internal Control Committee), the Supervisory Board, and the Internal Audit, as well as the Report prepared by the Financial Reporting Officer regarding the preparation of the accounting ledgers, 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 and the management of any conflicts of interest¹¹. In this regard, it should be noted that the strategically relevant subsidiaries are all the subsidiaries (see 2.1 of Financial Statement at 31 December 2015) in which the management of Group's business sectors is located.

The Board of Directors, in accordance with the bylaws and the current norms and regulations and based on the information provided by the Chief Executive Officer and the Board of Statutory Auditors, evaluated the company's performance, its outlook and the transactions most relevant in terms of size or characteristics carried out by the Company or its subsidiaries at least quarterly.

In 2015, the Board of Directors, also met specifically to: (i) examine and grant advance approval of any transactions undertaken by the Company and its subsidiaries of significant strategic, economic, capital or financial transactions. The significant strategic, economic, capital or financial transactions are those falling within the category of operations empowered to the Board under the bylaws, with particular attention for those in which one or more directors held

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

7 Toward this end the Company has established limits for multiple assignments approved by the Board of Directors on 13 December 2010.

8 Corporate Governance Code Art. 2.C.3.

9 Comment on Art. 1 Corporate Governance Code.

10 Corporate Governance Code Art. 5.C.2.

11 Corporate Governance Code Art. 1.C.4.

an interest directly or on behalf of third parties; (ii) assess and express an opinion (in this instance positive) about the size, composition and proper functioning of the Board of Directors and its committees.

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. The outcome is described below.

As in the past, for the year ended on 31 December 2015, IGD hired the consulting company Egon Zehnder International to help with this self-assessment process, with specific modalities in reference to the first year of the mandate of the Board.

Please note that the consulting company Egon Zehnder does not carry out any other activities for IGD or its subsidiaries.

This year the Board Review, as specifically requested by the Company was conducted in the months of January and February 2016, in a manner deemed appropriate to a renewed Board. More in detail, the review focused on:

- the functioning and efficiency of the renewed Board;
- any elements that could prevent or improve the functioning and efficiency of the renewed Board.

The process was carried out on the basis of:

- discussions with each Director, after having completed a questionnaire prepared for this purpose;
- 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 were presented during the Board of Directors' meeting held on 3 March 2016.

More in detail, the Board pointed out several important and clear strong points. Overall the Board:

- is adequate in size and composition, and reflects a valid

- combination of different and well structured expertise;
- appreciates the important contribution made by the independent directors and knows how to manage potential conflicts of interest;
- reiterates the satisfaction with the number of meetings held, the duration, the interaction between the Chairman and the Chief Executive Officer when preparing agendas, the positive and constructive environment within the Board, the effective discussions held between independent and non independent directors and the in depth analysis carried out before making any decisions;
- is satisfied with the way in which questions relating to strategy, risk and control are addressed;
- confirms satisfaction with the Company's management team, its participation in meetings, as well as with the content and way in which work was carried out;
- is generally satisfied with the work done by the committees and is in almost unanimous agreement that no more committees are needed;
- appreciates the work done by the Board of Statutory Auditors, and recognizes the extra impact that it had on the Board's work, as a whole;
- notes effective operations overall, with a positive, productive work environment;
- finds an induction program would be useful, appreciated and important in order to, above all, facilitate the work of the new directors;
- finds that informal meetings between directors, including between one director and another, as well as seminars, offsite and similar, organized by the Chairman, as well as meetings of just the independent directors, as suggested in the Corporate Governance Code, can be useful;
- acknowledges and confirms, by a vast majority, the need to adopt and systematically implement a succession plan for the key executives during the current term.

Lastly, please note that at the date of this Report, the Company's shareholders had not authorized general or preventive exceptions to the non-compete clauses provided for in Art. 2390 of the Italian Civil Code¹².

3.4.4 Executive Directors

→ Chief Executive Officer

The bylaws¹³ 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 an executive committee comprised of some of its members and/or one or more members given the title of chief executive officer or executive directors.

On 17 April 2015, 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 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 compli-

¹² Corporate Governance Code Art. 1.C.4.

¹³ Art. 23 of the bylaws

ance 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 and in compliance with current laws;
- 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.
- to define, together with the Chairman, the optimal size of the administrative bodies and select the Directors and Statutory Auditors, as well as the Chairman, Vice Chairman and/or Chief Executive Officer of subsidiaries and affiliates so that the Chairman may submit them to the Nominations and Remuneration Committee;
- to oversee the appointment of the main managerial positions within the Group;
- to define, together with the Chairman, the proposals for the compensation of the Company's and Group's top management to be submitted to the Nominations and Remuneration Committee;
- to ensure that the Company's organizational, administrative and accounting functions are adequate in light of the size of the business.

Pursuant to the Corporate Governance Code, the Company's Chief Executive Officer is primarily responsible for the business operations. In this regard, please note that the Chief Executive Officer does not act as a director for another Issuer that is not part of the same Group of which a director of the Company is Chief Executive Officer (*interlocking directorate*).

→ Chairman and Vice Chairman of the Board of Directors

In compliance with the bylaws¹⁴ the Board of Directors appoints from among its members a Chairman, if the shareholders have 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 as its Legal Representative¹⁵ 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 oth-

erwise resolved, legal representation is also held by each Executive Director appointed in accordance with the bylaws. During the meeting held on 17 April 2015, 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;
- to interface with the shareholder cooperatives regarding any update of the respective investment plans in the Shopping Centers segment;
- to act as the director in charge of Internal Control and Risk Management; in this role, working with, to the extent necessary, the Chief Executive Officer, he: (i) works to identify the main business risks of the Company and its subsidiaries and submits them periodically to the Board of Directors for examination; (ii) executes the guidelines defined by the Board of Directors, monitoring the planning, implementation and management of the internal control and risk management system, while constantly verifying the overall adequacy, efficacy and efficiency; (iii) reports periodically to the Board of Directors, as requested by the Board, on the status of risk identification, the overall management of the control system, its functioning and implementation of proposed measures; (iv) adapts this system to any change in operating conditions, the law or regulations; (v) may ask internal audit to carry out verifications relating to specific operations and the compliance with rules and internal procedures, informing the Chairmen of the Control and Risk Committee and the Board of Statutory Auditors of the results; (vi) inform the Board of any problems encountered while carrying out the activities referred to so that the Board of Directors may adopt the necessary measures; (vii) submits proposals to the Board of Directors as to who to appoint Head of Internal Audit, any terminations, and compensation and provides the Board of Directors with proposals as to how to ensure that the Head of Internal Audit has access to the resources needed to fulfill his duties.

During the meeting held on 17 April 2015, the Board of Directors, with a view to adopting a system more in line with best practices of listed companies which allow for the management of control functions to be separated from operations and in line with what was done in 2012 during the prior term, called upon the Chairman, Gilberto Coffari, to act as the Director in Charge of Control and Risk Management who, following this assignment, is considered the executive director. At the same time the relative powers originally granted to the Chief Executive Officer were revoked. During the meeting held on 17 April 2015, the Board of Directors appointed Fernando Pellegrini Vice Chairman, granting him the powers assigned to the Chairman to be exercised if the latter is absent or unavailable.

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14 Art. 17 of the bylaws

15 Art. 24.1 of the bylaws

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. The report is provided at the time of the Board's approval of the periodic financial reports (Financial Statement, Half-year Financial Report, Interim Management Statements). 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).

3.4.5 Other executive directors¹⁶

The Board of Directors appointed the Chief Executive Officer Claudio Albertini to act as Executive Director. Furthermore, in the meeting held on 17 April 2015 the Board of Directors, and in line with what was done in 2012 during the prior term, appointed the Chairman to act as the Director in

Charge of the Internal Control and Risk Management System. While not assigned any other mandates, the latter is now considered an Executive Director in light of the powers granted as a result of this assignment alone as per Art. 7 of the Corporate Governance Code.

3.4.6 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 on annual basis to appointment of the directors. The outcome of this evaluation was disclosed to the market.

After having examined the information provided and statements made by the directors, during the meeting held on 3 March 2016 the Board of Directors confirmed that the independent directors Elisabetta Gualandri, Milva Carletti, Rossella Saoncella, Andrea Parenti, Livia Salvini and Matthew D. Lenz, still qualified as such¹⁷ pursuant to and in accordance with Legislative Decree 58/98, Consob Market Regulations and the Corporate Governance Code.

On 3 March 2016 the Board of Directors also confirmed that Luca Dondi Dall'Orologio, co-opted on the same day, quali-

fied as independent.

In accordance with the Corporate Governance Code, on 29 February 2016 the Statutory Auditors verified that the criteria and procedures for assessing the independence of its directors were correctly applied by the Board¹⁸.

As the current Board of Directors is comprised of 13 members, the independent directors represent 53% (7 out of 13) of the total number of directors and 63.6% (7 out of 11) of the total number of non-executive directors.

In 2015 the independent directors did not hold any meetings without the other directors. More in detail, given the composition of the Board Committees, the independent directors found that the topics in need of further examination were addressed adequately during both the committee and Board meetings and that specific meetings were not necessary.

3.4.7 Lead Independent Director

In February 2007, in order to further enhance the role of independent directors, the Board deemed it opportune to appoint a Lead Independent Director also because, at that time, the Chairman of the Board of Directors was also the Chairman of the Board of Directors of the Company's majority shareholder. Following the recent renewal of the Board of Directors, as none of the circumstances existed which call for the appointment of a Lead Independent Director under the Corporate Governance Code, the Company did not appoint anyone to act as the Lead Independent Director

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

17 Corporate Governance Code: Art. 3.C.4.

18 Corporate Governance Code: Art. 3.C.5.

3.5 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, updated on 28 February 2013 in order to comply with changes made in the regulations governing the treatment of corporate information.

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 data¹⁹.

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 Registry of Insiders is kept and updated in accordance with the specific regulations adopted by the Board of Directors on 21 June 2006, as subsequently amended, most recently last 12 November 2014.

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 TUF and with the implementation provisions found in Arts. 152-sexies et seq. of 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 procedure adopted was subsequently updated by the Company on 28 February 2013 in order to comply with the latest changes made in this regard to the Regulations for Issuers. The code of conduct is available at <http://eng.gruppoigd.it/Governance/Internal-Dealing>.

¹⁹ Corporate Governance Code: Comment on Art.1.

3.6 Board Committees

(pursuant to Art. 123-*bis*, par. 2, lett. d), TUF)

In 2008 the Board of Directors, in compliance with Code recommendations, formed the Chairman's Committee, the Control and Risk Committee (formerly the Internal Control Committee), the Nominations and Compensation Committee (the committee formed by combining the Compensation Committee with the Nominations Committee) and the Committee for Related Party Transactions.

As the Company is subject to the management and coordination of Coop Alleanza 3.0 s.c.a r.l., who holds 40.92% of the Company's share capital, pursuant to Art. 2497 of the Italian Civil Code, it is subject to Art. 37, paragraph 1 (d) of the Consob Market Regulations, based on which the committees formed pursuant to the Corporate Governance Code

must comprise only independent directors as defined in the mentioned provisions.

In 2012, the Board of Directors resolved to combine the Compensation and the Nominations Committees into a single "Nominations and Compensation Committee" in accordance with the recommendations found in the comments on Article 4 of the Code and having met the organizational requirements referred to. The members of the previously mentioned committees were recently elected when the Board of Directors was renewed in April 2015 (with regard to the Committee for Related Party Transactions, please refer to paragraph 12 "Directors' interests and related party transactions").

3.7 Nominations and Compensation Committee

The Compensation and the Nominations Committees were combined into a single “Nominations and Compensation Committee” for organizational purposes within the Board as well as because of the strong correlation between the competencies of the former Company’s Compensation Committee and those of the Nominations Committee pursuant to the Corporate Governance Code. The Company verified also that the members of the Compensation Committee possess the same requirements relative to independence, professionalism and experience as the members of the Nominations Committee.

→ Composition and role of the Nominations and Compensation Committee (pursuant to Art. 123-bis, par. 2, lett. d) TUF)

NOMINATIONS AND COMPESATION COMMITTEE

ANDREA PARENTI	CHAIRMAN
MILVA CARLETTI	(INDEPENDENT)
ELISABETTA GUALANDRI	(INDEPENDENT)

The Board of Directors, after having seen the *curricula* of the Nominations and Compensation Committee members verified that director Andrea Parenti possesses adequate knowledge and experience in finance and with remuneration policies.

The meetings of the Nominations and Compensation Committee may be attended by the Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer.

No director may attend a meeting of the Nominations and Compensation Committee during which his/her compensation is being discussed.

The current Nominations and Compensation Committee was appointed by the Board of Directors on 17 April 2015, following the shareholders’ renewal of the corporate bodies on 15 April 2015.

More in detail, the Nominations and Compensation Committee in office between 1 January 2015 and 15 April 2015 was comprised of the independent directors Andrea Parenti (Chairman), Fabio Carpanelli and Tamara Magalotti. In 2015, the Nominations and Compensation Committee in office through 15 April 2015 met 4 (four) times on 21 January, 10 February, 26 February, 7 April; Chairman Andrea Parenti and Independent Director attended 100% of the meetings and Independent Director Tamara Magalotti attended 50% of the meetings. The Chairman of the Board of Statutory Auditors Romano Conti, in office through the shareholders’ meeting held on 15 April 2015, attended 3 (three) out of 4 (four) Committee meetings.

As of 17 April 2015, the Nominations and Compensation Committee is comprised of independent directors Andrea Parenti (Chairman), Milva Carletti and Elisabetta Gualandri.

As of 17 April 2015 and through 31 December 2015, the Committee met 4 (four) times, on 27 May, 21 July, 9 November and 14 December and all members attended as did the Chairman of the Board of Statutory Auditors, in office as of the shareholders’ meeting held on 15 April 2015. Each meeting in 2015 lasted approximately 40 minutes. All meetings were properly minuted.

→ Functions of the Nominations and Compensation Committee

The Nominations and Compensation Committee: (i) 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; (ii) provides recommendations relating to remuneration in order to ensure that the compensation of the Company’s directors, the Managers with Strategic Responsibilities and directors of subsidiaries are determined in such a way as to retain and motivate the individuals with the professional characteristics needed to successfully manage the Company and its subsidiaries. The Committee also proposes candidates to the Board in the event it’s necessary to substitute the independent directors.

The Nominations and Compensation Committee may also be called upon to provide the Board of Directors with an opinion about the periodic self-assessment, the optimal size and composition of the Board and to express opinions regarding the members of the Board and the characteristics of the professionals that could improve the functioning of the Board, as well as the maximum number of assignments as director and statutory auditor in other companies, as well as any allowable exceptions to the non compete clauses.

The Nominations and Compensation Committee will periodically assess the adequacy, the coherence and the implementation of the compensation policy availing itself, with regard to the Managers with Strategic Responsibilities, of the information provided by the Chief Executive Officer.

The Committee may also be called upon to express an opinion about the type of administrative body to be formed (single party or board), the number of members and the candidates to be presented for director, statutory auditor, chairman, vice chairman and general manager (and/or chief executive officer) of the subsidiaries or affiliates.

The Company will provide the Nominations and Compensation Committee with the financial resources needed to fulfil its duties.

Detailed information about the functions of the “Nominations and Compensation Committee” can be found in the Remuneration Report, published pursuant to Art. 123-ter of TUF, available on the website <http://eng.gruppoigd.it/Governance/Compensation>.

3.8 Directors' Remuneration

This information can be found in the Remuneration Report, to which you are invited to refer, published in accordance with art. 123-ter of TUF, available on the Company's website <http://eng.gruppoigd.it/Governance/Compensation>.

3.9 Chairman's Committee

CHAIRMAN'S COMMITTEE

GILBERTO COFFARI	CHAIRMAN
FERNANDO PELLEGRINI	VICE-CHAIRMAN
CLAUDIO ALBERTINI	CHIEF EXECUTIVE OFFICER
ELIO GASPERONI	DIRECTOR

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 transac-

tions 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 current Chairman's Committee was appointed by the Board of Directors on 17 April 2015, following the shareholders' renewal of the corporate bodies on 15 April 2015. The Chairman's Committee in office from 1 January 2015 through 15 April 2015 was comprised of Gilberto Coffari (Chairman), Sergio Costalli, Claudio Albertini and Roberto Zamboni. As of 17 April 2015, the Chairman's Committee is comprised of Gilberto Coffari (Chairman), Fernando Pellegrini, Claudio Albertini and Elio Gasperoni.

The Chairman's Committee met 6 (six) times in 2015. Each meeting lasted approximately two hours.

3.10 Control and Risk Committee

The Control and Risk Committee was formed by the Board of Directors in accordance with the Corporate Governance Code²⁰.

→ Composition and role of the Control and Risk Committee (pursuant to art. 123-bis, par. 2, lett. d), TUF)

CONTROL AND RISK COMMITTEE

ELISABETTA GUALANDRI	CHAIRMAN (INDEPENDENT)
LIVIA SALVINI	(INDEPENDENT)
ROSSELLA SAONCELLA	(INDEPENDENT)

As the Company is subject to the management and coordination of Coop Alleanza 3.0 s.c.a r.l., who holds 40.92% of the Company's share capital, pursuant to Art. 2497 of the Italian Civil Code, it is subject to Art. 37, paragraph 1 d) of the Consob Market Regulations, based on which the Risk and Control Committee must comprise only independent directors as defined in the Corporate Governance Code and in the same art. 37, paragraph 1 d) of the Consob Market Regulations. The Board of Directors, after having seen the *curricula* of the Committee members verified that director Andrea Parenti possesses adequate knowledge and experience in finance and with compensation policies.

Upon appointment, the Board of Directors examined the *curricula* of the independent director candidates verifying that they met at least one of the requirements in terms of experience in accounting and finance having worked at least three years as: (i) managers in administration, finance and control departments of joint stock companies, or (ii) professional activities or as confirmed university professors in law, economics or finance, or (iii) managers of public bodies or public administrations active in the banking, financial and insurance sectors.

The Chairman of the Board of Directors attends the meetings of the Control and Risk Committee in his quality as Director in Charge of the Internal Control and Risk Management System, as does the Chairman of the Board of Statutory Auditors or another statutory auditor appointed by him, though the other statutory auditors may attend. The Vice Chairman of the Board of Directors and the Chief Executive Officer are also invited to attend Committee meetings.

The current Control and Risk Committee was appointed by the Board of Directors on 17 April 2015, following the shareholders' renewal of the corporate bodies on 15 April 2015. The Control and Risk Committee in office through 15 April 2015 was comprised of independent directors Elisabetta Gualandri (Chairman), Livia Salvini and Massimo Franzoni. The Control and Risk Committee in office through 15 April 2015 met 3 (three) times, on 23 January, 23 February, 9 April and all members attended.

As of 17 April 2015, Control and Risk Committee is comprised of independent directors Elisabetta Gualandri

(Chairman), Livia Salvini and Rossella Saoncella. Between 17 April 2015 and 31 December 2015, the Committee met 4 (four) times on 7 May, 19 May, 21 July and 10 November; Chairman Elisabetta Gualandri and independent director Livia Salvini attended 100% of the meetings and independent director Rossella Saoncella 75% of the meetings.

The Chairman of the Board of Statutory Auditors Romano Conti, in office through the shareholders' meeting held on 15 April 2015, attended 75% of the meetings and the Chairman of the Board of Statutory Auditors Anna Maria Allievi, in office as of the shareholders' meeting held on 15 April 2015, attended 100% of the Committee meetings. Each meeting lasted approximately 1.5 hours. All meetings were properly minuted.

→ Functions of the Control and Risk Committee

The Control and Risk Committee provides the Board of Directors with a preliminary opinion regarding the execution of the following:

- definition of the guidelines for the Company's internal control and risk management system so that the risks faced by the Company and its subsidiaries are correctly identified, assessed, managed and monitored, while also determining the extent to which these risks are compatible with the correct management of the business and the strategic objectives identified;
- yearly evaluation as to the adequacy of the internal control and risk management system with respect to the type of business and risk profile, as well its efficacy;
- approval, at least yearly, of the work plan prepared by the Head of Internal Audit, after having consulted with the Board of Statutory Auditors and the director, Head of the Internal Control and Risk Management System;
- description of the main characteristics of the internal control and risk management system, providing its own evaluation as to the adequacy of the former;
- evaluation, after having consulted with the Board of Statutory Auditors, of the findings of the external auditors in the letter of recommendations and the report on the main issues that emerged during the financial audit;
- appointment and suspension, as proposed by the Director in Charge of Control and Risk Management System and after having consulted with the Board of Statutory Auditors, of the Head of Internal Audit.

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

- a) assesses, along with the Financial Reporting Officer and after having consulted with the external auditors and

²⁰ Corporate Governance Code: Art 7.C.2

the Board of Statutory Auditors, the appropriateness of the accounting standards adopted and, if Groups are involved, their uniformity with a view to the preparation of the consolidated financial statements;

- b)** expresses opinions on specific aspects concerning the identification of business risks;
- c)** examines the periodic reports in which the internal control and risk management system is evaluated, along with any particularly relevant reports prepared by internal audit.
- d)** monitors the independence, adequacy, efficacy and efficiency of the internal audit function;
- e)** may ask internal audit to carry out controls of specific operating units, while, at the same time, advising the Chairman of the Board of Statutory Auditors;
- f)** 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 and risk management system.

The functions attributed to the Control and Risk Committee are not exhaustive and may be increased.

The Board of Directors ensures that the Control and Risk Committee receives adequate support in carrying out its duties.

During the meetings held in 2015 the Committee was

involved primarily in the following activities:

- a.** 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;
- b.** examination of the controls conducted by Internal Audit based on the audit plan agreed, as well as on specific areas required by the Committee, such as, for example: asset fair value appraisal (Italy and Romania), suppliers selection, finance and treasury, investments, active and passive cycle, accounts receivable (Italy and Romania), market communication and internal dealing;
- c.** issue of a positive opinion with regard to the appointment of the Head of Internal Audit;
- d.** examination of the progress of the Enterprise Risk Management project carried out in 2015;
- e.** release of favourable opinion to the Board of Directors on the approval of the audit plan for 2016, prepared by the Head of Internal Audit and based on the risk prioritization process that is part of risk management.

The Company guarantees that the Control and Risk Committee will have the financial resources needed to fulfil its duties.

3.11 Internal Control and Risk Management System

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 with a view to creating medium/long term value for shareholders. This internal control system helps ensure the safeguarding of the company's assets, the efficiency and efficacy of the company's operations, compliance with laws, regulations, bylaws and internal procedures, as well as the reliability of financial information. As the objective of the internal control system is, therefore, to guarantee the reliability, accuracy, dependability and the timeliness of the financial information, the system is considered an integral part of and not separate from the general risk management system adopted by the Company.

This system is part of the Company's overall organizational and corporate governance structure and reflects the reference models, as well as national and international best practices, also in light of the changing rules.

More in detail, the planning, implementation and monitoring of the internal control and risk management system defined by IGD are modeled after the CoSo Framework; with a view to continuous improvement, the Company develops and updates the system components constantly.

When planning the internal control and risk management system, the level of risk deemed compatible with the Company's strategic goals is considered, including with a view to the sustainability of the Company's operations over the long-term.

The components of the system are summarized below:

a) Control environment

The control environment refers to the organizational context in which the strategies and objectives are defined, the ways in which business activities are structured and the ways in which risks are identified and managed. This includes many elements, including the Company's ethics, expertise and development of personnel, the style with which operations are managed and the methods used to grant special mandates, powers and responsibilities. In line with the framework standards, the control environment includes the following sub-elements:

i) Commitment to integrity and ethical values

The Company has defined and shared its Code of Ethics with employees and staff members. This Code is an official document that contains all the standards underlying the Company's activity. The top management and the supervisory and control bodies which, as described in more detail below, make up the internal control and risk management system, help to ensure compliance with the conduct set out in the Code. The Company is committed to preserving economic, environmental and

social sustainability for its stakeholders and has issued a corporate sustainability report every year since 2010.

ii) Exercise of the supervisory responsibilities

The group of individuals which comprise the Company's internal control and risk management system guarantee that the supervisory activities will be carried out in compliance with the law and regulations. More in detail, the different duties (which will be explained more in detail below) are assigned to the Board of Directors, the Director in Charge of the Internal Control and Risk Management System, the Risk and Control Committee, the Board of Statutory Auditors, the Supervisory Board, the Financial Reporting Officer and the Head of Internal Audit.

iii) Definition of the internal control and risk management system's structures, reporting lines and responsibilities.

In 2014, as mentioned above, the Company approved the update of its "Corporate Governance Regulations" in order to implement the changes to the 2014 July Code of Conduct, which strive, among other things, to identify the roles and the responsibilities that should be part of the risk management and internal control system and the main reporting information provided for the coordination of their work.

The internal control and risk management system involves, to the extent of their expertise:

- i) the Board of Directors;
- ii) the Director charged with creating and managing an effective internal control and risk management system;
- iii) the Control and Risk Committee, as the voice of the Board of Directors, formed in accordance with the Corporate Governance Code which must support, after having received adequate information, the evaluations and decisions made by the Board of Directors relating to the internal control and risk management system, as well as the decisions relating to the approval of the periodic financial reports;
- iv) the Head of Internal Audit, charged with verifying that the internal control and risk management system is functional and adequate and with coordinating the Enterprise Risk Management (ERM) process;
- v) the Financial Reporting Officer who, by law, is charged with establishing adequate administrative and accounting procedures for the preparation of financial documents and reports;
- vi) the Board of Statutory Auditors which monitors the efficacy of the internal control and risk management system;
- vii) other roles and company divisions assigned specific duties relating to internal control and risk management based on the size, complexity and profile of the business risks (including, for example, the Supervisory Board created pursuant to Legislative Decree 231/2001).

The Board of Directors ensures that the assessments and decisions made relating to the Issuer's risk exposure, the internal control system, the approval of the annual and half-year reports, as well as the relations between the Company and the external auditors are supported by an adequate exchange of information.

The Board of Directors, as part of its strategic supervision, defines the guidelines for the control systems in line with the Company's business risk previously determined by the Board²¹.

The Board, by law, must also periodically verify the adequacy of the control systems. Unforeseen events, however, may require further investigation in order to verify the efficacy of the controls in relation to particular situations²² and the Board, therefore, is also responsible for the adoption of an adequate system in light of the business's characteristics.

Toward this end an efficient organization of the workflow is key to ensuring that any questions relating to internal control, in general, and risk management, in particular, are discussed with the Board after having been adequately briefed by the Control and Risk Committee.

iv) Commitment to attract, develop and retain competent resources

The Company promotes research and development activities in order to enhance the talent and professional expertise of its resources. The human resources management systems adopted foster the enhancement of professional know-how and incentivize the achievement of goals through specific bonus schemes and the development of employee training programs.

v) Promotion of dependability

The Company promotes and enhances dependability on all levels and in the broadest sense of the term which encompasses all aspects of organizational conduct, procedural management, IT, as well as internal and external communications.

b) Risk assessment

Risk assessment is viewed as an integral part of the system. Toward this end, 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. As per these standards, risk assessment is carried out in line with a) above and is based on four sub-elements:

vi) Definition of appropriate objectives

The Company verifies that the planning, implementation and monitoring of the internal control and risk management system are in line with the Company's strategic, financial, operational and compliance goals.

vii) Identification and assessment of 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:

- analysis of the risks identified, the organization of the risk management personnel and the risk control measures used, assessment of the risk identified by the management of Group companies;
- identification of the "risk indicators", which make it possible to identify and assess the impact that the risks under examination could have on the company's performance;
- assessment of the level of risk coverage based on the control mechanisms used;
- prioritization of the risks and the steps to be taken, as well as risk tolerance analysis in accordance with the instructions received from the Group's top management and through an evaluation of the overall exposure and the potential risks impact on the strategic goals.

The Enterprise Risk Management procedures are updated based on the findings of specific risk assessments made by other control bodies (internal audit, system used to control accounting-administrative procedures pursuant to Law 262/05).

viii) Identification and assessment of fraud risk

The Company pays particular attention to potential areas of exposure to the risk of fraud when planning, implementing and monitoring the internal control and risk management system. The ERM model identifies and assesses in the Risk Map an area of risk referred to as "Fraud committed by Company personnel or its stakeholders that could impact its assets and its reputation". The controls defined relating, in particular, to administrative and accounting operations, financial and treasury management, as well as property and retail management, also take into account aspects relating to fraud risk.

The assessments of this sort of risk take into account not only the results of the controls made by system personnel, but also the recommendations and action plans emerged as a result of internal audits and any observations made by the external auditors shared with the Company. With a view to continuously improving the system, the Company will continue to work on preventing fraud risk and the instruments used in this regard.

ix) Identification and analysis of significant changes

As part of the internal control and risk management system, the risks analyzed and assessed are periodically verified and updated in light of strategies, the organizational model and the business operations. The Company, therefore, periodically updates the tools used to identify and assess risk (ERM system, Decree 231/01 Model for organization, management and control, system used to control accounting-administrative procedures pursuant to Law 262/05) to ensure that they fit the Company's organizational and business characteristics, as well as the corporate strategy.

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21 Comment - Art. 7 Corporate Governance Code

22 Comment - Art. 7 Corporate Governance Code

c) Control activities

Control activities are defined in accordance with regulations, policies, guidelines and procedures that ensure that the risk management strategies adopted are executed correctly. In line with the framework standards and pursuant to the observations made in b) above, the control activities include the following three sub-elements:

x) Selection and development of control activities

The control activities defined by IGD are based on the definition and deployment of a series of controls designed to mitigate risks of various types, including organizational, procedural, operational or relating to third party interests. The selection of the control activities is rooted in the risk identification and mapping carried out in accordance with the ERM model, the Decree 231/01 Model for organization, management and control and the administrative-accounting control system. As part of these assessment activities, the Company assesses the adequacy of the existing controls with respect to the level of risk identified and determines the steps that need to be taken to strengthen controls, in line with the control objectives defined and shared with top management. Implementation is periodically monitored by the system personnel based on his/her duties and responsibilities.

xi) Selection and development of general activities over technology

Based on the Company's organizational model, a few support services are outsourced relating, for example, to the management of IT and infrastructures. More in detail, IGD stipulated a contract for services with Coop Alleanza 3.0 S.c.a.r.l. based on which the latter manages the IT systems. The Financial Reporting Officer, in particular, outsourced several analyses relating to information systems before certifying the separate and consolidated financial statements for 2015. The purpose of these analyses was to assess "IT General Controls" in order to identify any lack of alignment with respect to the current Internal Control System and the Internal Control objectives outlined in the COSO and CobiT reports and define the steps to be taken in order to improve the situation.

xii) Deployment of controls through policies and procedures

IGD, in line with the control objectives defined, as well as the best market practices and the methods adopted, defined a series of policies and procedures that govern conduct, as well as organizational and management practices (internal regulations and procedures). They form an integral part of internal regulations and procedures, along with the market procedures, administrative-accounting controls, the model for organization, management and control, as well as the procedures called for under the law.

d) Information and communication

Information is needed at all corporate levels in order to identify, assess and carry out the risk management solutions decided upon, as well as the control activities called for with respect to the pre-determined objectives. In line with the framework standards and pursuant to the observations made in c) above, the information and communication activities are defined based on the following three sub-elements:

xiii) Use of relevant information

In order to provide the control activities with concrete support, the Company gathers and assesses relevant information. While the system is being monitored, information is gathered through interviews of management and based on self-assessment initiatives. The Company has also defined a set of Key Risk Indicators that are updated periodically in order to understand elements that could prove useful to understanding potential risks. Similarly, reporting lines and ways to manage information flows are determined by the Legislative Decree 231/01 Supervisory Board, Internal Audit and the Financial Reporting Officer. The management, control bodies and the Board of Directors are provided periodically with reports on the progress of the work being done and updates about any changes relative to the levels of the risks identified.

xiv) External communications

The Company promotes transparent and thorough external communications policies. Toward this end the internal control and risk management system, as well as the corporate events of potential interest to all stakeholders, are made public through the institutional channels adopted by the Company, namely periodic financial reporting, the Report on Corporate Governance and Ownership Structure, the corporate website www.gruppoigd.it and all the disclosures made available to the public by the Investor Relations department.

xv) Internal communications

Internal communications must ensure that all appropriate company staff members are aware of the control and governance rules and that management is updated constantly including with regard to any new provisions relating to the control and risk management system, as well as changes to internal rules. The internal communications system includes the training programs developed in order to provide management with an understanding of the procedures and controls defined by the Company. Information channels are in place through which top management and the control bodies are provided with useful information in order to improve the system or report any lack of compliance with the controls.

e) Monitoring

Information is needed at all corporate levels in order to identify, assess and carry out the decisions made relative to the treatment of risk, as well as deploy the control activities defined in order to reach the goals defined. In line with the framework standards and pursuant to the observations made in d) above, the risk assessment activities include the following two sub-elements:

xvi) Continuous and periodic evaluations

In line with the procedures used to identify, assess, manage and monitor the risks defined by the system adopted, each system player is called upon periodically to report on the functioning of the system and its ability to contain risk within the defined limits as per the guidelines defined by the relative control bodies.

xvii) Evaluations and communication of any deficiencies

The periodic evaluation of the internal control and risk

management system makes it possible to single out the areas in need of improvement in order to align the system with the relative control bodies' expectations and the level of risk that the Company can tolerate. The players and the bodies that are part of the internal control and risk management system are involved in the evaluation process and the communication of any deficiencies.

→ 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 guidelines issued by ANDAF.

a) Internal Control System implemented in relation to IGD's financial reporting process

As part of the 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 in greater detail below.

Identification of risks associated with financial reporting

During this phase the scope of the analysis is determined relative to the Group companies, the processes of the single companies, as well as the administrative-accounting risks and controls to be investigated further.

The Company constantly evaluates the scope of the analysis and makes the necessary changes and additions, including with regard to the companies operating in Romania. Risks are, therefore, identified for each individual administrative-accounting process.

Assessment of the risks associated with financial reporting

This activity calls for the assessment of financial reporting risk for both entities and processes, as well as for single transactions. Existing controls and the ability to effectively mitigate the risks inherent to administrative-accounting processes are checked.

Based on the approach used, both the risks relating to non-intentional errors and fraud are taken into account and controls are put into place to ensure that these risks are monitored, including as part of control protocols implemented in the context of other components of the overall

internal control system.

The approach used also takes into account the manual and IT systems controls supporting the administrative-accounting procedures, namely the automatic IT controls for applications, general controls covering systems access, control of systems development and changes and, lastly, the adequacy of the IT structures. The control system, both on entity and general IT structural levels, is subject to analysis in order to understand how to deploy initiatives to strengthen it.

The analysis of procedures, risks and controls established based on the Financial Reporting Officer's work plan includes the updating of the model used to control accounting and administrative risk with constant risk assessment review pursuant to Law 262/05 and the introductions of new procedures as a result of the scoping reviews. The Financial Reporting Officer constantly monitors the adequacy of the controls identified, and carrying out, when necessary, corrective measures.

Identification of the controls to be used with respect to the risks found

Based on the work carried out to identify procedures, risks and controls, the Company plans the improvements needed to introduce and/or change controls, both general and for single processes. The administrative-accounting procedures are then updated accordingly. IGD's administrative-accounting procedures are defined and deployed in accordance with the organizational structure and corporate processes in place, both in Italy and in Romania. A specific analysis was done of the control system and the accounting IT systems in order to assess the adequacy of the controls with respect to the standards included in the Company's framework.

The Company evaluates the need for and plans updates in order to ensure that the administrative-accounting procedures are in line with the Group's organization and functioning.

Evaluation of the controls used to monitor the risks found

The administrative-accounting procedures are monitored constantly; toward this end, specific testing activities are planned and carried out in order to ensure that the controls called for in the administrative-accounting procedures, as well as any corrective measures, are carried out correctly by the corporate divisions. These evaluations are carried out with respect to both the Italian and Romanian companies. Furthermore, in accordance with Consob Recommendation n. DIE/0061944 dated 18/7/2013 relating to the fair value of real estate assets held by listed real estate companies, IGD's Board of Directors approved a specific corporate procedure: "Fair Value Measurement of Real Estate Assets".

b) Roles and corporate bodies involved

The internal control and risk management system is based on the clear definition of the roles involved in the different phases of the planning, deployment, monitoring and updating of the system over time. These include the Board of Directors, the Risk and Control Committee, the Board of Statutory Auditors, Director charged with creating and managing an effective internal control and risk management system, the Supervisory Board, the Financial Reporting Officer, Internal Audit, and Company management.

Based on the current internal control and risk management system, the Financial Reporting Officer must report to the Board Directors and participate in the coordination of the control activities.

* * *

During the year, based on the evaluation of the Control and Risk Committee and the Director in Charge of Internal Control and Risk Management, the work done by the Financial Reporting Officer and the Internal Audit report, the Board evaluated the adequacy, efficacy and functioning of the internal control and risk management system.

3.11.01 Director in charge of the Internal Control and Risk Management System

The company called upon the Chairman of the Board of Directors to act as the Director in Charge of the Internal Control and Risk Management System who, following this assignment, is considered an executive director. Previously, the executive director in charge of the internal control system had been the Chief Executive Officer.

In particular the director in charge of internal control and risk management has the following duties:

- a) identification – working with the Chief Executive Officer to the extent necessary - of the main business risks of the Company and its subsidiaries, and periodically submitting same to the Board of Directors for examination;
- b) execution of the guidelines defined by the Board of Directors, monitoring the planning, implementation and management of the internal control and risk management system, while constantly verifying their overall adequacy, efficacy and efficiency;
- c) report periodically to the Board of Directors, as requested by the Board, on the status of risk identification, the overall management of the control system, its functioning and implementation of proposed measures;
- d) adapt this system to any change in operating conditions, the law or regulations;
- e) may ask internal audit to carry out verifications relating to specific operations and the compliance with rules and internal procedures in the execution of corporate transactions, informing the Chairmen of the Control and Risk Committee and the Board of Statutory Auditors of the results;
- f) inform the Board of any problems encountered while carrying out the activities referred to so that the Board of Directors may adopt the necessary measures.
- g) submits proposals to the Board of Directors as to who to appoint Head of Internal Audit, any terminations, and compensation and provides the Board of Directors with proposals as to how to ensure that the Head of Internal Audit has access to the resources needed to fulfill his duties.

3.11.02 Head of Internal Audit

In 2012 the Board of Directors, based on the proposal of the Director in Charge of the Internal Control and Risk Management System subject to the favourable opinion of the Board of Statutory Auditors, resolved to appoint the company Unilab to act as Head of Internal Audit in outsourcing. The Company confirmed that Unilab will carry out the assignment for both 2014 and 2015 and determined the compensation.

More in detail, the Head of Internal Audit:

- a) verifies, continuously, as well as when specific needs arise and in accordance with international standards, the functioning and adequacy of the internal control and risk management system, based on an audit plan, prepared by the Head of Internal Audit and approved by the Board of Directors based on a structured analysis and prioritization of the main risks;
- b) is not responsible for any operational areas and reports directly to the Board of Directors;
- c) has direct access to all the information needed to carry out the assignment;
- d) prepares periodic reports containing adequate information regarding the activities, how risk management is carried out, as well as the status of the plans defined. The periodic reports contain an evaluation as to the adequacy of the internal control and risk management system;
- e) prepares reports about important events in a timely manner;
- f) provides the above reports to the Chairman of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as the Director in Charge of the Internal Control and Risk Management System (i.e. the Chairman of the Board of Directors);
- g) verifies, as part of the audit plan, the reliability of the IT accounting systems.

The Head of Internal Audit coordinates the ERM process, ensuring that the Chief Executive Officer, the Control and Risk Committee and, when requested, the Board of Directors, are provided with progress reports.

3.11.03 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. In 2015 the Company, as new crimes were added to those for which the Company could be found liable, mapped the core business activities at risk and, consequently, updated the Model and provided employees and management with training in this regard, incorporating the changes introduced by the legislation on anti-recycling.

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:

- a. mapping of the activities at risk based on the information gathered regarding IGD's activities and organizational structure;
- b. the Ethical Code, which formulates the general principles (diligence, honesty and fairness) inspiring the conduct of business;
- c. internal control mechanisms monitoring areas at risk;
- d. the disciplinary system which enforces the Model's rules;
- e. 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 the company Unilab, provides the support necessary for the management and analysis of the information generated pursuant to Art. 6, par. 2, lett. d) of Legislative Decree 231/01, as well as for the execution of specific audits deemed necessary based on the information gathered.

The Supervisory Board in office through 15 April 2015, was comprised of independent directors Fabio Carpanelli (Chairman), Aristide Canosani and Livia Salvini. The Supervisory Board met one (1) time 10 February. Chairman Fabio Carpanelli and independent director Aristide Canosani attended the meeting.

As of 17 April, when new members were appointed, the Supervisory Board is comprised of Fabio Carpanelli (Chairman), Riccardo Sabadini and Alessandra De Martino, none of which are from inside the Company and who have the specific expertise needed to fulfill the duties assigned. Between 17 April 2015 through 31 December 2015, the Supervisory Board met 4 (four) times on 12 May, 21 July, 28 October and 30 November and all members attended. Each meeting lasted approximately 1 hour. All meetings were properly minuted.

The Model is also available on the company's website <http://eng.gruppoigd.it/Governance/The-Organizational-Model/>.

3.11.04 External auditors

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

On 18 April 2013 the shareholders, on the basis of a detailed analysis of the motivated opinion submitted by the Board of Statutory Auditors, granted the company

PricewaterhouseCoopers S.p.A. the financial audit assignment for the period 2013-2021.

The fees paid the external auditors for the financial audit of IGD's separate and consolidated financial statements at 31 December 2015 can be found in the notes to the separate and consolidated financial statements.

3.11.05 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, 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 opera-

tional 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, along with the executive officer (s) must provide a report on the separate and consolidated (if prepared) yearly financial statements and on the half year report attesting that the administrative and accounting procedures used to prepare the separate and financial statements are adequate in light of the characteristics of the Company's business.

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 of the European Parliament and the European Council of 19 July 2002;
- 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.

3.11.06 Coordination of the Internal Control and Risk Management System Personnel

In order to facilitate coordination of the control activities, the Company deemed it useful and opportune to outline the methods of operation as described below.

The Chairman of the Board of Statutory Auditors will call a meeting with the Chairman of the Control and Risk Committee with the frequency agreed upon and at least once a year to discuss the results of their respective control activities, to evaluate planning and the possible coordination of their respective activities. Toward this end, the Chairman of the Board of Statutory Auditors will not only coordinate the work of the statutory auditors, but will also act as the link with the other corporate entities involved in the supervision of the control systems.

Other parties may be invited to attend the meetings which, in addition to periodically, may be called anytime there is a specific need and may include, in addition to the respective committees and bodies, including not as a group, the Director in Charge of the Internal Control and Risk Management System, the Head of Internal Audit, the Financial Reporting Officer, and the Chairman of the Supervisory Board.

In 2015 one meeting was held on 23 February 2015 and was attended by the entire Control and Risk Committee, the Chairman of the Board of Statutory Auditors, the Internal Audit, the Lead Independent Director, the entire Supervisory Board, a partner of the external audit firm, the Director

in charge of the Internal Control and Risk Management System, the Chief Executive Officer and the Financial Reporting Officer.

The Chairman of the Control and Risk Committee and the Director in Charge of the Internal Control and Risk Management System meet with the Head of Internal Audit :

- (i)** to examine the yearly work plan in advance and suggest any changes that might need to be made with regard to the control activities scheduled by the Committee;
- (ii)** to receive and discuss the results of the activities carried out by the Head of Internal Audit, suggesting any other initiatives that might be called for.

The Chairman of the Supervisory Board meets periodically, at least once every six months, with the Head of Internal Audit: *(i)* to examine the yearly work plan in advance and suggest any changes that might need to be made with regard to the control activities scheduled by the Supervisory Board; *(ii)* to receive and discuss the results of the activities carried out by the Head of Internal Audit, suggesting any other initiatives that might be called for.

Other meetings may be held in addition to the meetings referred to above with the parties listed in this report who are involved in control functions and may be called by the respective Chairmen of the bodies referred to, including together.

3.12 Directors' interests and Transactions with Related Parties

With regard to the transactions with related parties, as of 1 January 2011 the Company applied the "Procedure for Related Party Transactions" approved on 11 November 2010 by the Board of Directors as subsequently amended on 7 November 2013, 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 Consob's Regulations for Related Party Transactions. On 6 August 2015, IGD's Board of Directors, after having received a favorable opinion from the Committee for Related Party Transactions, voted to voluntarily expand the scope of the procedures for related party transactions to include material transactions entered into with companies of the Unipol Group.

The Company's Board of Statutory Auditors also verified that the procedure approved by the Board of Directors complied with the Consob Regulations for Related Party Transaction.

The purpose of the "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, par. 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 distinguish 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 Procedures 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 Company formed the Committee for Related Party Transactions in accordance with Art. 2391-bis of the Italian Civil Code and Art. 4, paragraphs 1 and 3, of Consob's Regulations for Related Party Transactions.

→ Composition and functions of the Committee for Related Party Transactions

COMMITTEE FOR RELATED PARTY TRANSACTION

ROSSELLA SAONCELLA	CHAIRMAN (INDEPENDENT)
ANDREA PARENTI	(INDEPENDENT)
MATTHEW DAVID LENTZ	(INDEPENDENT)

The Committee for Related Party Transactions is comprised of three independent directors appointed by the Board of Directors on 17 April 2015 following the shareholders' renewal of the Board of Directors on 15 April 2015. The

Committee's functions are governed by the Procedures for Related Party Transactions approved by the Board of Directors on 11 November 2010, as subsequently amended, and summarized below.

The Committee for Related Party Transactions in office through 15 April 2015 was comprised of independent directors Riccardo Sabadini (Chairman), Andrea Parenti and Giorgio Boldreghini. The Committee in office through 15 April 2015 met 2 (two) times on 26 March and 8 April. Chairman Presidente Riccardo Sabadini and director Andrea Parenti attended 100% of the meetings and director Giorgio Boldreghini 50%.

As of 17 April 2015, when the Committee for Related Party Transactions was appointed following the renewal of the Board of Directors on 15 April 2015, the Committee is now comprised of independent directors Rossella Saoncella (Chairman), Andrea Parenti and Matthew David Lentz. Between 17 April 2015 and 31 December 2015, the Committee met 5 (five) times on 27 May, 25 June, 9 November, 20 November and 1 December. The Chairman Rossella Saoncella and director Andrea Parenti attended 100% of the meetings and director Matthew David Lentz 80%. Minutes of the meetings were regularly taken. The current Chairman of the Board of Statutory Auditors attended all of the meetings called after 17 April 2015.

Each meeting lasted approximately 1h (one hour). Minutes of the meetings were regularly taken.

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.

In accordance with Consob's recommendation (Bulletin n. DEM/10078683 of 24 September 2010) that the procedure for related party transactions be renewed every three years, during the Board meeting held on 7 November 2013 the Company, taking into account the experience matured by the Company in the three year period 2010 - 2013 in the application of this type of procedure, as well as the opinion of the Committee for Related Party Transactions, resolved in favour of the Procedure for Related Party Transactions adopted by the Company on 11 November 2010 deeming it effective in ensuring the substantive and procedural fairness of the transactions with related parties. The procedure described above can be found on the Company's website <http://eng.gruppoigd.it/Governance/Committees/Committee-for-related-party-transactions>.

3.13 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. The lists may be submitted by the shareholders or groups of shareholders holding the interest specified in Consob regulations (for 2016 equal to 2.5% of the Company's share capital).

The appointment and substitution of the standing and alternate auditors pursuant to Art. 26.9 must be done in such a way as to guarantee that the composition of the Board of Statutory Auditors complies with the current law relating to gender equality.

Toward this end, please note that the provisions relating to the composition of the administrative and control bodies, contained in the above mentioned Law 120/2011, include a specific temporary norm calling for the gradual application of the law and that for the first mandate after one year from the date of entry in force of the said Law (i.e. after 12 August 2012) at least one fifth of the directors and statutory auditors should be of the least represented gender.

According to Art. 26 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 the composition of the Board of Statutory Auditors fails to comply with the law relating to gender equality as a result of the votes cast, the candidates belonging to the more represented gender with the least amount of votes on the list that receives the most votes will be replaced by the number of candidates on the same list needed to ensure compliance with the laws governing gender equality. In the event that not enough candidates of the least represented gender appear on the list that receives the greatest number of votes, the shareholders will appoint the missing standing and alternate statutory auditors of the least represented gender with the majority of votes required by law.

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 in such a way, however, as to ensure that the composition of the Board of Statutory

Auditors complies with the current law relating to equal gender opportunities.

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, par. 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.

Please note that the ordinary Annual General Meeting held on 15 April 2015, called to approve the financial statements for 2014, also appointed the Board of Statutory Auditors that will be in charge for the next three years until the Annual General Meeting of 2017.

Roberto Chiusoli, Pasquina Corsi and Anna Maria Allievi were appointed standing auditors and Pierluigi Brandolini, Isabella Landi and Andrea Bonechi were appointed alternate auditors. The Chairman of the Board of Statutory Auditors is Anna Maria Allievi.

The standing auditors Roberto Chiusoli and Pasquina Corsi

and the alternate auditors Pierluigi Brandolini and Isabella Landi were on the list presented by Coop Adriatica and Unicoop Tirreno; the Chairman of the Board of Statutory Auditors Anna Maria Allievi and the alternate auditor Andrea Bonechi were on the list submitted jointly by Ersel Asset Management SGR S.p.A. manager of Fondersel PMI; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI Italia; Eurizon Capital SA manager of the funds: EasyFund – Equity Italy and Eurizon

EasyFund – Equity Italy LTE; Mediolanum Gestione Fondi SgrpA manager of the funds: Mediolanum Flessibile Italia, Mediolanum Flessibile Sviluppo Italia and Mediolanum Flessibile Strategico; Mediolanum International Funds Limited – Challenge Funds; Pioneer Asset Management S.A. manager of the fund Pioneer Fund Italian Equity and Pioneer Investment Management SGRpA manager of Fondo Pioneer Italia Azionariato Crescita. Italia.

3.14 Composition and role of the Board of Statutory Auditors (pursuant to Art. 123-bis, par. 2, lett. d) TUF)

The current Board of Statutory Auditors was appointed during the Annual General Meeting held on 15 April 2015 when the corporate bodies were renewed.

The Board of Statutory Auditors in office from 1 January 2015 to 15 April 2015 was comprised of Romano Conti (Chairman), Roberto Chiusoli (standing auditor), Pasquina Corsi (standing auditor), Isabella Landi (alternate auditor), and Monica Manzini (alternate auditor).

The current Board of Statutory Auditors was appointed during the Annual General Meeting held on 15 April 2015 and is comprised of three standing and three alternate auditors: Anna Maria Allievi (Chairman), Roberto Chiusoli (standing auditor), Pasquina Corsi (standing auditor), Pierluigi Brandolini (alternate auditor), Isabella Landi (alternate auditor) taken from the list submitted by the majority shareholders and Andrea Bonechi (alternate auditor) taken from the list submitted by the minority shareholders. List n.1, submitted by Coop Adriatica S.c.a.r.l. and Unicoop Tirreno Soc. Coop., received approximately 76.81% of the votes cast.

List n. 2, list submitted jointly by Ersel Asset Management SGR S.p.A. manager of Fondersel PMI; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI Italia; Eurizon Capital SA manager of the funds: EasyFund – Equity Italy and Eurizon EasyFund – Equity Italy LTE; Mediolanum Gestione Fondi SgrpA manager of the funds: Mediolanum Flessibile Italia, Mediolanum Flessibile Sviluppo Italia and Mediolanum Flessibile Strategico; Mediolanum International Funds Limited – Challenge Funds; Pioneer Asset Management S.A. manager of the fund Pioneer Fund Italian Equity and Pioneer Investment Management SGRpA manager of Fondo Pioneer Italia Azionariato Crescita. Italia, received approximately 16.30% of the votes cast.

The personal characteristics and professional experience of the single members of the Board of Statutory Auditors currently in charge are provided below:

ANNA MARIA ALLIEVI

Chairman of the Board of Statutory Auditors

Born in 1965, Ms. Allievi has a degree in Business Economics from Milan's Cattolica University and is registered with Milan's Role of Chartered Public Accountants since 1996 and is a registered Accounting Expert since 1999. She has been part of the Role of Chartered Public Accountants' commissions and working groups since 2006 and, beginning in 2014, has written several articles for the magazine "Il Revisore legale". She is a standing auditor for CIR S.p.A. and other premier companies like Cap Holding S.p.A., AMGA Legnano S.p.A., public entities and hospitals. She has acted as counsel for several studies after having matured significant experience as a Senior Manager in Deloitte & Touche S.p.A. where she developed specific expertise in Advisory and Quality Control and ultimately assisted clients' BoDs in implementing strategic improvements. She also holds the assignments listed in Table 5.

ROBERTO CHIUSOLI

Standing auditor

Born in 1964, Mr. Chiusoli received a degree in business economics from the University of Bologna. He is a Chartered Public Accountant, registered with Bologna's Role of Chartered Public Accountants and Accounting Experts since 1992, and a Certified Auditor. From 1989 through 1991, he worked in the tax division of a firm that provided legal and tax advisory services. From 1991 to 1996, he worked with Uniaudit S.p.a. auditing and certifying financial statements and ultimately was the head of tax audit. In the same sector, he worked with the financial audit firm Reconta Ernst & Young on the audit and certification of financial statements. As of 16 September 1996 Mr. Chiusoli is part of Legacoop Bologna where he is head of the tax assistance bureau. He is the coordinator of the fiscal services for Legacoop Emilia - Romagna. He is a member of the control bodies of several joint stock companies. He also holds the assignments listed in Table 5.

PASQUINA CORSI

Standing auditor

Born in 1957. Ms. Corsi received a diploma from the Piombino Commercial Technical Institute in 1976. She then worked to become an accredited bookkeeper and accountant in 1995. She is registered with the Role of Chartered Public Accountants and Accounting Experts in the province of Livorno and is active professionally in Campiglia Marittima (LI). She is also a registered financial auditor. Ms. Corsi has been a member of the Audit Board of some municipalities. Ms. Corsi is Chairman of the Board of Statutory Auditors of Ipercoop Tirreno Spa and a standing auditor of I.S.C. S.p.A. She also holds the assignments listed in Table 5.

The statutory auditors were appointed on the basis of a list system for three years, through the date on which the Annual General Meeting is called to approve the financial statements for the year ending on 31 December 2017.

The Board of Statutory Auditors in charge until 15 April 2015, met 3 (three) times on 23 January, 23 February and 23 March with attendance reaching 100% for all members.

Starting from 15 April 2015 until 31 December 2015, the Board met 4 (four) times on 17 April, 7 May, 29 July and 28 October with attendance reaching 100% for all members.

Each meeting lasted an average of 2 hours.

A few meetings were also held with, in particular, Company management, representatives of the external audit company, as well as the Control and Risk Committee.

The Board of Statutory Auditors verified that its members still qualify as independent as defined in the Corporate

Governance Code and in TUF during the meeting held on 11 February 2016, and notified the Board of Directors of the outcome. With regard to auditor Roberto Chiusoli, the Board of Statutory Auditors found that the experience matured over the more than nine years of service strengthened, and did not weaken, his independence. The Board of Statutory Auditors, therefore, found that there were no situations that could compromise or impede this independence or the ability to autonomously judge management's operations. The Board of Statutory Auditors concluded that the fact that Chiusoli has been acting as a statutory auditor for more than nine years does not compromise his independence. The Board of Statutory Auditors supervises the work of the external auditors.

Furthermore, shareholders grant the assignment to the external auditors on the basis of the motivated opinion submitted by the Board of Statutory Auditors.

Pursuant to Art. 19 of Legislative Decree n. 39/2010, the Board of Statutory Auditors also acts as the Committee for Internal Control and Financial Audit.

The statutory auditors, including individually, may carry out inspections and controls, as well as request that the Directors provide them with information about subsidiaries, about the status of corporate transactions or specific issues, or refer these requests directly to the subsidiaries' administrative and control bodies. The statutory auditors may ask the Head of Internal Audit to carry out audits of specific operating divisions or corporate transactions.

The Board of Statutory Auditors reports on its supervisory activities and any findings to the Annual General Meeting called to

approved the full year financial statements in accordance with Art. 2364, paragraph 2, of the Italian Civil Code.

The statutory auditors may also submit proposals to the Annual General Meeting relating to the full year financial statements and their approval, as well as to other matters that they are responsible for.

The Board of Statutory Auditors (at least two statutory auditors), after having notified the Chairman of the Board of Directors, can call the Shareholders' Meetings, meetings of the Board of Directors and, if instituted, the Executive Committee.

The Board of Statutory Auditors, the external auditors, the Control and Risk Committee, as well as all the other entities involved in the supervision of the control systems, will exchange information about the execution of their assignments in a timely manner.

The Board of Statutory Auditors is, at any rate, invited to be proactive and not only reactive in its supervision. The Statutory Auditors should advise the Board of Directors as to the results of its controls so that the latter might implement any corrective measures needed.

The Chairman of the Board of Statutory Auditors will not only coordinate the work of the statutory auditors, but will also act as the link with the other corporate entities involved in the supervision of the control systems.

The names of the statutory auditors in office until 15 April 2015 are shown in Tables 3, while Table 3-bis shows the names of the statutory auditors in office at 31 December 2015.

3.15 Relations with Shareholders

The Board of Directors appointed an Investor Relations Manager, Claudia Contarini, and set up a dedicated corporate unit: the IR Manager is part of the Planning, Control and IR Division (of which Raffaele Nardi is in charge), which reports directly to the Chief Executive Officer. There is a specific section on the Company's website (<http://eng.gruppoigd.it/Investor-Relations>) which contains updated information about the Company's stock (performance, dividend, ownership structure, etc.), annual and periodic financial reports, press releases, presentations made by management to the financial community, the financial calendar and the corporate events calendar. Other information of potential interest to shareholders, including information relating to Shareholders' Meetings and the Company's governance system, can be found in the Governance section of the Company's website (<http://www.gruppoigd.it/Governance>).

All the relevant information is published and updated in real time in two languages (Italian and English) on the Company's website. The Company also uses other means

to provide timely and easy access to information. Thanks to the use of a mailing list system, interested parties may register on the website <http://www.gruppoigd.it/Iscrizione-Email-Alert>, and receive press releases, newsletters and financial reports immediately after they have been released to the market. In collaboration with the brokers that cover the Company's stock, road shows, meetings and conference calls (scheduled just after the annual and periodic financial results are published or with the business plan is presented) are organized which provide an opportunity for institutional investors to meet with top management. The presentations made to the financial community are published on the Company's website.

In order to guarantee that the Shareholders' Meetings are conducted in an orderly fashion, during the Shareholders' Meeting held on 26 March 2003, shareholders approved the current Regulations for Shareholder Meetings, subsequently updated, which are available on the corporate website at <http://eng.gruppoigd.it/Governance/Shareholders-Meetings>.

3.16 Shareholders' Meetings

(pursuant to Art. 123-*bis*, par. 2, lett. c) TUF)

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 at first 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, and subsequently updated with Legislative Decree n. 91 of 18 June 2012, n. 91. Total 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, as well as by subsequent resolution of the Extraordinary Shareholders' Meeting held on 20 April 2011.

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.

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 made by submitting a request with an electronic signature as per art. 21, paragraph 2, of Legislative Decree n. 82 dated 7 March 2005, n. 82, as well as by accessing a specific section on the Company's website and via certified e-mail submitted in accordance with the procedures indicated in the notice of call.

Shareholders may submit questions relating to the items on the agenda prior to the Shareholders' Meeting. The questions received prior to the Shareholders' Meeting will be answered, at the latest, during the meeting itself. The deadline for submitting questions to the Company prior to the Shareholders' Meeting is indicated in the notice of call. This deadline cannot be less than three days prior to the date of the Shareholders' Meeting or five days if it is indicated in the notice of call that the Company will answer the questions received prior to the Shareholders' Meeting. In this case the answer will be provided at least two days prior to the Shareholders' Meeting including via a specific section of the Company's website. No answer is required when the information requested is available in a specific Q&A section of the Company's website.

The current Regulations for Shareholder Meetings 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.

3.17 Additional Corporate Governance practices

(pursuant to Art. 123-*bis*, par. 2, lett. a) TUF)

The Company adopted the Decree 231 Organizational Model as described in more detail in paragraph 3.11.03, to which you should refer.

3.18 Subsequent changes

No changes took place in the corporate governance structure following the end of the year.

Attachments

Table 1: Information on the ownership structure

Table 2: Structure of the Board of Directors and Committees as at 15 April 2015

Table 2-*bis*: Structure of the Board of Directors and Committees as at 31 December 2015

Table 3: Structure of the Board of Statutory Auditors as at 15 April 2015

Table 3-*bis*: Structure of the Board of Statutory Auditors as at 31 December 2015

Table 4: Offices held by the directors as at 31 December 2015

Table 5: Offices held by the statutory auditors as at 31 December 2015

Table 1: Information on the ownership structure

SHARE CAPITAL STRUCTURE	N. OF SHARES	% OF SHARE CAPITAL	LISTED (INDICATE WHICH MARKETS) / NOT LISTED	RIGHTS AND PBLIGATIONS
ORDINARY SHARES	813,045,631	100%	Liste don the electronic stock market (MTA) organized and managed by Borsa Italiana S.p.A. – STAR segment	-

SIGNIFICANT INTEREST IN SHARE CAPITAL BASED ON COMMUNICATIONS EX ART. 120 AND 122 T.U.F.

DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY CAPITAL	% OF VOTING CAPITAL
COOP ALLEANZA 3.0	COOP ALLEANZA 3.0	40.92	40.92
UNICOOP TIRRENO	UNICOOP TIRRENO	12.93	12.93
SOROS FUND MANAGEMENT LLC	QUANTUM STRATEGIC PARTNERS LTD*	5.00	5.00

Table 2: Structure of the Board of Directors and Committees as at 15 April 2015

BOARD OF DIRECTORS													CONTROL AND RISK COMMITTEE		NOMINATIONS AND COMPENSATION COMMITTEE		POSSIBLE EXECUTIVE COMMITTEE	
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Exec.	Non exec.	Indep. as per the code	Indep. under TUF	N. of other appointments ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	● Coffari Gilberto	1946	6/11/2000	19/4/2012	Approval of financial statements 31/12/'14	M	x					2/2						
Vice-Chairman	Costalli Sergio	1952	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M		x				0/2						
Chief Executive Officer	◇ Albertini Claudio	1958	28/4/2006	19/4/2012	Approval of financial statements 31/12/'14	M	x					2/2						
Director	Zamboni Roberto	1950	20/9/1999	19/4/2012	Approval of financial statements 31/12/'14	M		x				1/2						
Director	Caporioni Leonardo	1964	28/4/2006	19/4/2012	Approval of financial statements 31/12/'14	M		x				1/2						
Director	Pellegrini Fernando	1964	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M		x				1/2						
Director	Canosani Aristide	1935	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M		x				2/2						
Director	Carpanelli Fabio	1938	16/9/2004	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2			4/4		M	
Director	Franzoni Massimo	1956	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		1/2	3/3		M			
Director	Gualandri Elisabetta	1955	19/4/2012	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		1/2	3/3		P			
Director	Parenti Andrea	1957	23/4/2009	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2			4/4		P	
Director	○ Sabadini Riccardo	1957	16/9/2004	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2						
Director	Boldregghini Giorgio	1944	23/4/2009	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2						
Director	Magalotti Tamara	1948	19/4/2012	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2			2/4		M	
Director	Salvini Livia	1957	19/4/2012	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		0/2	3/3		M			

OUTGOING DIRECTORS DURING THE YEAR UNDER REVIEW

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N. of meetings held during the year under review (2015 - until 15 April): 2

Control and Risk Committee: 3

Nominations and compensation Committee: 4

Executive Committee:

Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 147-ter TUF): 2.5% of the share capital

NOTES:

Symbols listed below must be entered in the "Office" column:

● This symbol indicates the administrator in charge of the internal control and risk management system.

◇ This symbol indicates the main responsible of the Issuer management (Chief Executive Officer or CEO)

○ This symbol indicates the Lead Independent Director (LID)

* By date of first appointment of each director we refer to the date in which the director has been appointed for the first time (ever) on the Issuer' BoD

** This column indicates whether the director was elected from a Majority list "M"; a minority list "m"; and list presented by the BoD

*** This column reports the number of appointments held by the person concerned as director or statutory auditor in other companies listed on regulated markets, in Italy or abroad, or in financial, banking, insurance or other large companies.

In the corporate governance report the offices are extensively indicated.

(*) This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.)

(**) This column reports the office of the Director within the Committee: "C": Chairman; "M": Member

Table 2-bis: Structure of the Board of Directors and Committees as at 31 December 2015

BOARD OF DIRECTORS													CONTROL AND RISK COMMITTEE			NOMINATIONS AND COMPENSATION COMMITTEE		POSSIBLE EXECUTIVE COMMITTEE	
Office	Members	Year of birth	Date of first appointment*	In office since	In office until	List **	Exec.	Non exec.	Indep. As per the code	Indep. under TUF	N. of other appointments ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	
Chairman ●	Coffari Gilberto	1946	6/11/2000	15/4/2015	Approval of financial statements at 31/12/'17	M	x					6/6							
Vice-Chairman	Pellegrini Fernando	1964	26/3/2003	15/4/2015	Approval of financial statements at 31/12/'17	M		x			1	5/6							
Chief Executive Officer ◇	Albertini Claudio	1958	28/4/2006	15/4/2015	Approval of financial statements at 31/12/'17	M	x				1	6/6							
Director	Gasperoni Elio	1953	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	M		x			3	5/6							
Director	Canosani Aristide	1935	26/3/2003	15/4/2015	Approval of financial statements at 31/12/'17	M		x			1	6/6							
Director	Caporioni Leonardo	1964	28/4/2006	15/4/2015	Approval of financial statements at 31/12/'17	M		x			2	4/6							
Director	Gualandri Elisabetta	1955	19/4/2012	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	4/6	4/4	P	4/4	M			
Director	Carletti Milva	1963	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	5/6			4/4	M			
Director	Saoncella Rossella	1954	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	5/6	3/4	M						
Director	Lentz Matthew David	1974	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	m			x	x	4/6								
Director	Parenti Andrea	1957	23/4/2009	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	6/6			4/4	P			
Director	Salvini Livia	1957	19/4/2012	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	6/6	4/4	M					
OUTGOING DIRECTORS DURING THE YEAR UNDER REVIEW																			
Director	Vojticek John William	1973	15/4/2015	15/4/2015	Resigned on 17/11/2015	m			x	x	2/4								

N. of meetings held during the year under review (2015 - from 15 April): 6 **Control and Risk Committee: 4** **Nominations and compensation Committee: 4** **Executive Committee: 4**

Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 147-ter TUF): 2.5% of the share capital

NOTES:

Symbols listed below must be entered in the "Office" column:

● This symbol indicates the administrator in charge of the internal control and risk management system.

◇ This symbol indicates the main responsible of the Issuer management (Chief Executive Officer or CEO)

○ This symbol indicates the Lead Independent Director (LID)

* By date of first appointment of each director we refer to the date in which the director has been appointed for the first time (ever) on the Issuer' BoD

** This column indicates whether the director was elected from a Majority list "M"; a minority list "m"; and list presented by the BoD

*** This column reports the number of appointments held by the person concerned as director or statutory auditor in other companies listed on regulated markets, in Italy or abroad, or in financial, banking, insurance or other large companies.

In the corporate governance report the offices are extensively indicated

(*) This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.)

(**) This column reports the office of the Director within the Committee: "C": Chairman; "M": Member

Table 3: Structure of the Board of Statutory Auditors as at 15 April 2015

BOARD OF STATUTORY AUDITORS

Office	Member	Year of birth	Date of first appointment *	In office since	In office until	List **	Independent as per the code	Attendance to the Board of Statutory Auditors' meetings ***	N. of other appointments ****
Chairman	Conti Romano	1948	26 March 2003	19/4/2012	Approval of financial statements at 31/12/2014	M		3/3	
Standing Auditor	Chiusoli Roberto	1964	28 April 2006	19/4/2012	Approval of financial statements at 31/12/2014	M		3/3	
Standing Auditor	Corsi Pa-squina	1657	19 April 2012	19/4/2012	Approval of financial statements at 31/12/2014	M	X	3/3	
Alternate Auditor	Landi Isabella	1964	28 April 2006	19/4/2012	Approval of financial statements at 31/12/2014	M			
Alternate Auditor	Manzini Monica	1964	23 April 2009	19/4/2012	Approval of financial statements at 31/12/2014	M			

OUTGOING AUDITORS DURING THE YEAR UNDER REVIEW

N. of meetings held during the year under review (until 15 April 2015): 3

Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 148 TUF): 2.5% of the share capital

NOTES:

- * By date of first appointment of each auditor we refer to the date in which the auditor has been appointed for the first time (ever) on the Issuer' Board of Statutory Auditors.
- * This column indicates whether the auditor was elected from a Majority list "M"; a minority list "m".
- *** This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.).
- **** This column reports the number of appointments held by the person concerned as director or statutory auditor pursuant to art. 148 bis of TUF and its implementing provisions contained in the Consob Issuer Regulations. The full list of offices is published by CONSOB on its website pursuant to Art. 144-quinquiesdecies of the Consob Issuer Regulations.

Table 3-bis: Structure of the Board of Statutory Auditors as at 31 December 2015

BOARD OF STATUTORY AUDITORS

Office	Member	Year of birth	Date of first appointment *	In office since	In office until	List **	Independent as per the code	Attendance to the Board of Statutory Auditors' meetings ***	N. of other appointments ****
Chairman	Allievi Anna Maria	1965	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	m	X	4/4	9
Standing Auditor	Chiusoli Roberto	1964	28 April 2006	15 April 2015	Approval of financial statements at 31/12/2017	M	X	4/4	10
Standing Auditor	Corsi Pasquina	1957	19 April 2012	15 April 2015	Approval of financial statements at 31/12/2017	M	X	4/4	4
Alternate Auditor	Brandolini Pierluigi	1970	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	M			
Alternate Auditor	Landi Isabella	1964	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	M			
Alternate Auditor	Bonechi Andrea	1968	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	m			

OUTGOING AUDITORS DURING THE YEAR UNDER REVIEW

N. of meetings held during the year under review (since 15 April): 4

Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 148 TUF): 2.5% of the share capital

NOTES:

- * By date of first appointment of each auditor we refer to the date in which the auditor has been appointed for the first time (ever) on the Issuer' Board of Statutory Auditors.
- * This column indicates whether the auditor was elected from a Majority list "M"; a minority list "m".
- *** This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.).
- **** This column reports the number of appointments held by the person concerned as director or statutory auditor pursuant to art. 148 bis of TUF and its implementing provisions contained in the Consob Issuer Regulations. The full list of offices is published by CONSOB on its website pursuant to Art. 144-quinquiesdecies of the Consob Issuer Regulations.

Table 4: Offices held by the directors as at 31 December 2015

DIRECTOR	OFFICES HELD IN OTHER COMPANIES
COFFARI GILBERTO Chairman	Chairman of the BoD IGD PROPERTY SIIQ S.P.A. Director FEDERAZIONE COOPERATIVE PROVINCIA DI RAVENNA S.C.P.A.
ALBERTINI CLAUDIO Chief Executive Officer	Vice-Chairman of the BoD and Chief Executive Officer IGD PROPERTY SIIQ S.P.A. Vice-Chairman of the BoD UNIPOLSAI INVESTIMENTI SGR S.P.A.
PELLEGRINI FERNANDO Vice-Chairman	Vice-Chairman of the BoD IPERCOOP TIRRENO S.P.A. Vice-Chairman of the BoD and Chairman of the Executive Committee SIMGEST S.P.A.
GASPERONI ELIO Director	Director FEDERAZIONE COOPERATIVE PROVINCIA DI RAVENNA S.C.P.A. Vice-Chairman of the BoD COOP ALLEANZA 3.0 SOC. COOP. Chairman of the BoD COOPCICONTO S.R.L. Vice-Chairman of the BoD UNIPOL BANCA S.P.A. Director SEDICOOP S.R.L. CON UNICO SOCIO Director CENTRALE ADRIATICA SOC. COOP. Director GIGA S.R.L. Director LIBRERIE.COOP S.P.A. Director PARFINCO S.P.A. Chairman of the BoD PHARMACOOOP S.P.A. Director ROBINTUR S.P.A. Vice-Chairman of the BoD INRES S.C. Director ENERCOOP ADRIATICA S.P.A. Director EATALYWORLD S.R.L. Chairman of the BoD EMILIANA S.R.L.
CAPORIONI LEONARDO Director	Vice-Chairman of the BoD IMMOBILIARE SVILUPPO DELLA COOPERAZIONE S.P.A. Director COOPERATIVA LAVORATORI DELLE COSTRUZIONI SOC. COOP. Director AXIS S.R.L. Chairman of the Board of Statutory Auditors COMPAGNIA FINANZIARIA ED IMMOBILIARE TOSCANA S.P.A. IN LIQUIDAZIONE Director IPERCOOP TIRRENO S.P.A. Director FACTORCOOP S.P.A. Director FONDO PENSIONE DIRIGENTI COOPERATIVE DI CONSUMO Director CASSA DI ASSISTENZA DIRIGENTI COOPERATIVE DI CONSUMATORI Director IL PADULETTO S.R.L. Supervisory Director with duties of coordinator of the Internal Control Committee L'AVVENIRE 1921 SOC. COOP. Standing Auditor DISTRIBUZIONE ROMA S.R.L.
CANOSANI ARISTIDE Director	Director COOP ALLEANZA 3.0 SOC. COOP
CARLETTI MILVA Director	Director UNIPOLSAI ASSICURAZIONI S.P.A.
SAONCELLA ROSSELLA Director	
GUALANDRI ELISABETTA Director	Director DATARIVER S.R.L. Director BANCA POPOLARE DELL'EMILIA ROMAGNA SOC. COOP

continue

Continue Table 4: Offices held by the directors as at 31 December 2015

DIRECTOR	OFFICES HELD IN OTHER COMPANIES
PARENTI ANDREA Director	Standing Auditor COMMERCIALE ORTOINVEST S.R.L.
	Statutory Auditor CONSORZIO MACROLOTTO IND. N. 2 DI PRATO
	Chairman of the Board of Statutory Auditors F.LLI CIAMPOLINI & C. S.P.A.
	Chairman of the Board of Statutory Auditors FRAMAFRUIT S.P.A.
	Chairman of the Board of Statutory Auditors FRUTTITAL FIRENZE S.P.A.
	Chairman of the Board of Statutory Auditors GALANDI & C. S.P.A.
	Standing Auditor G.F.F. S.R.L.
	Chairman of the Board of Statutory Auditors IMMOBILIARE SUD-EST S.P.A.
	Chairman of the Board of Statutory Auditors FONDAZIONE MAXXI
	Chairman of the Board of Statutory Auditors IMMOBILIARE MINERVA S.P.A.
	Chairman of the Board of Statutory Auditors PENTAFIN S.P.A.
	Chairman of the Board of Statutory Auditors PI.DA S.P.A.
	Chairman of the Board of Statutory Auditors SDI SOCIETA' DISTRIBUZIONE IMBALLAGGI S.R.L.
	Chairman of the Board of Statutory Auditors TIRRENO IMMOBILIARE S.R.L.
Statutory Auditor EGAN IMMOBILIARE S.R.L.	
Chairman of the Board of Statutory Auditors ALDO GALANDI S.P.A.	
LENTZ MATTHEW DAVID Director	
SALVINI LIVIA Director	Standing Auditor ATLANTIA S.P.A.
	Chairman of the Board of Statutory Auditors COOPFOND S.P.A.

Table 5: Offices held by the statutory auditors as at 31 December 2015

STATUTORY AUDITOR	OFFICE HELD IN OTHER COMPANIES	COMPANY
ANNA MARIA ALLIEVI Chairman of the Board of Statutory Auditors	Standing Auditor	A.M.G.A. LEGNANO S.P.A.
	Standing Auditor	ATINOM S.P.A.
	Chairman of the Board of Statutory Auditors	CERNUSCO VERDE S.R.L.
	Chairman of the Board of Statutory Auditors	A.S.M. S.R.L.
	Standing Auditor	CAP HOLDING S.P.A.
	Standing Auditor	CIR S.P.A.
	Standing Auditor	FONDO PEGASO
	Chairman of the Board of Directors	COOPERATIVA LE SFERE S.A.R.L.
	Alternate Auditor	SOGEFI S.P.A.
ROBERTO CHIUSOLI Standing Auditor	Chairman of the Board of Statutory Auditors	ATAHOTEL S.P.A.
	Chairman of the Board of Statutory Auditors	CASA DI CURA VILLA DONATELLO S.P.A.
	Standing Auditor	DE' TOSCHI S.P.A.
	Chairman of the Board of Statutory Auditors	GRANAROLO S.P.A.
	Standing Auditor	LINEAR LIFE S.P.A.
	Standing Auditor	LINEAR S.P.A.
	Supervisory Director	MANUTENCOOP FACILITY MANAGEMENT S.P.A.
	Chairman of the Board of Statutory Auditors	UNIPOL BANCA S.P.A.
	Standing Auditor	UNIPOL FINANCE S.R.L.
Chairman of the Board of Statutory Auditors	UNIPOL GRUPPO FINANZIARIO S.P.A.	
PASQUINA CORSI Standing Auditor	Statutory Auditor with legal audit assignment	COOP L'ORMEGGIO SOC. COOP
	Statutory Auditor with legal audit assignment	S.G.F. S.R.L.
	Standing Auditor	IPERCOOP TIRRENO S.P.A.
	Statutory Auditor with legal audit assignment	IMMOBILIARE SVILUPPO DELLA COOPERAZIONE S.P.A.



TIBURTINO SHOPPING CENTER

Guidonia Montecelio (Roma)

Opening 2009

Mall GLA sq.m 32,988

Food anchor GLA sq.m 9,633



5,512,238 visitors in 2015

UNI EN ISO 14001

environmental certification



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