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

ORDINARY ANNUAL GENERAL MEETING OF IGD SIIQ S.P.A.
12 - 13 APRIL 2017

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

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1. Separate financial statements at 31.12.2016; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2016; Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions;
2. Report on compensation in accordance with Art. 123-*ter*, paragraph 6, of Legislative Decree n. 58/98; related and consequent resolutions;
3. Authorization to purchase and dispose of treasury shares; related and consequent resolutions;

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Item 1 of the Agenda of the Ordinary General Meeting - Separate financial statements at 31.12.2016; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2016;

Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions.

Dear Shareholders,

The separate financial statements for the year ended on 31 December 2016 which are being submitted to you for your approval show a net profit of € 42,228,687.00**.** Total revenues amounted to €76.8 million, recording an increase with respect to the prior year of €1.8 million, equal to 2.47%. Operating cost, including G&A expenses, are in line with the previous year but their impact on revenues has improved going from 29.5% to 29%.

This result reflects the full-year effect of the opening of Clodì Retail Park in Chioggia in May 2015, in addition to the opening of Maremà shopping mall, which took place in October 2016.

EBIT equal to €62.6 million, net of the change in fair value and write-downs of assets under construction, shows a slight decline with respect to 2015 when it was €63.2 million, primarly due to fair value decrease.

During the year it was also recorded and collected the dividend, distributed by the subsidiary Igd Property SIINQ S.p.A., equal to Euro 8.738.581,00, entirely derived from the exempt management.

Financial management at 31 December 2016 stands at €29 million, showing an increase of €2.7 million with respect to the prior year mainly due to higher financial charges related to the bond issued on 31 May 2016 and costs related to rating, partially offset by lower financial charges resulting from the early settlement of some loans.

The IGD Group’s total operating revenue at 31 December 2016 amounted to €138.8 million, an increase of 8% with respect to the 2015 (Total operating revenue at 31 December 2015 amounted to €128.5 million). This increase was mainly due to the positive impact of the change in the portfolio, resulting from the opening of Maremà shopping mall in Grosseto, which took place in October 2016, from the full-year contribution of the Clodì Retail Park and Punta di Ferro shopping mall, together with like-for-like growth in both Italy and Romania which offset lower revenues due to the disposal of Rizzoli city center in Bologna.

Core business revenue reached €136.8 million, increasing compared to €126.2 million recorded in 2015. More in detail, rental income at 31 December 2016 recorded a 8.4% change with respect to 2015, due to what is reported above.

Direct costs, pertaining to the core business and including personnel expenses, amounted to €31.1 million at 31 December 2016, an increase of 1.7% with respect to the prior year. This increase is primarily attributable to portfolio extension, but their impact on core business revenues, equal to

22.7%, is decreasing compared to 24.2% of the previous year.

General expenses for the core business, including payroll costs at headquarters, amounted to €10.9 million, increasing compared to €10.6 million posted at 31 December 2015 and with a percentage of revenue at 8% on the core business' revenue which has improved with respect to the same period of last year.

The Gross Operating Margin (EBITDA) in 2016 amounted to €94.0 million, an increase of 11.4% compared to €84.4 million posted in the prior year. IGD Group's core business EBITDA at 31 December 2016 amounted to €94.9 million, with an increase of 11.6% with respect to the €85 million recorded at 31 December 2015.

The EBITDA Margin for the core business amounted to 69.3%, up by 2 percentage points with respect to the same period of previous year, when it was equal to 67.3%. IGD Group's EBIT at 31 December 2016 amounted to €112.3 million, an increase of 33.3% with respect to the €84.2 million recorded at 31 December 2015, mainly due to positive increase in fair value. The pre-tax income at 31 December 2016 amounted to €69.9 million, an increase of 55.8%, with respect to €44.9 million of 2014.

The Group's portion of net profit at 31 December 2016 amounted to €68.3 million, an increase of 49.7%, compared to €45.6 million posted in 2015. Core business Funds from Operations (FFO) amounted to €53.9 million, with an increase of 18.9% compared to previous year.

Financial management amounted to €42.2 million, an increase of 6.6% due to the increase in net debt caused by acquisitions and investments and the bond issue carried out in May which has replaced short-term credit lines

IGD Group's net financial debt at 31 December 2016 amounted to €1,055.4 million, an increase compared to 31 December 2015, when it was equal to €984.8 million, due to investments and acquisitions made during the year. Gearing ratio (0.97x) and Loan to Value (48.3%) are in line with Business Plan forecast.

The Real Estate Portfolio at 31 December 2016

Based on CBRE Valuation S.p.A., REAG S.p.A., Cushman & Wakefield and Jones Lang Lasalle's independent appraisals, the market value at 31 December 2016 of IGD Group's real estate portfolio reached €2,177.8 million, increasing compared to €2,082 million recorded at 31 December 2015.

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

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

- *having seen the Board of Directors' report;*
- *having seen the Board of Statutory Auditors' report;*
- *having examined the Company's financial statements for the year ended 31 December 2016;*
- *having acknowledged the report prepared by the external auditors PricewaterhouseCooper S.p.A.;*
- *as the total maximum number of ordinary shares with dividend rights at the proposed ex-div date amounts to 813,045,631;*

resolve

1. *to approve the financial statements of IGD SIIQ S.p.A. for the year ended at 31 December 2016 with a Net Profit of €42,228,687.00 and the Board of Directors' report;*
2. *to allocate the stated profit of € 20,372,124 to the fair value reserve, related to the evaluation of real estate assets at fair value. Consequently, the fair value reserve related to the evaluation of real estate assets at fair value would increase from €232,522,451 to €252,894,575;*
3. *to allocate the stated profit of €270.35 to the retained earnings reserve completely attributable to exempt operations;*
4. *to pay a dividend of €0.045 per ordinary shares outstanding when the shares go ex-div.*

   The total dividend payout, calculated based on the number of shares outstanding at 28 February 2017 (813,045,631), amounts to €36,587,053.40 to be taken from:

   - ✓ *for €21,856,292.65, from stated profit which became available for distribution (it is equal to 0.026882 per share), specifying that it is entirely derived from exempt operations;*
   - ✓ *for €14,730,760.75 partially using the bond issue reserve as capital reserve, which is equal to 0.018118 per share.*

Altogether, each outstanding share is proposed to allocate a dividend of €0.045 for a total amount of €36,587,053.40, calculated on the number of existing shares to date and entitled to receive the dividend.

The dividend will be payable, with detachment of coupon n. 17 as of 22 May 2017, with shares going ex-div on 24 May 2017; the entitlement to the dividend payment will be set with reference to records of the intermediary's accounts pursuant to Art. 83-quater, par. 3 of Legislative Decree n.58 of 24 February 1998, at the end of the accounting date of 23 May 2017 (i.e. record *date), in accordance with Art. 83-terdecies of the same Legislative Decree n.58 of 24 February 1998.*

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

* * *

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

Dear Shareholders,

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

This report was approved by the Board of Directors on 28 February 2017, subject to approval by the Nominations and Compensation Committee, and made available to the public at the Company's registered office, on the Company's website http://eng.gruppoigd.it/Governance/Shareholders-Meetings and on the authorized storage system eMarket STORAGE www.emarketstorage.com in accordance with the law.

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

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

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

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

- *having examined and discussed the section of the Remuneration Report called for under art. 123-ter, paragraph 3, of Legislative Decree n. 58 dated 24 February 1998, prepared by the Board of Directors based on the recommendations of the Remuneration and Nominations*

Committee, which describes the Company's policy relating to remuneration of members of the Board of Directors, general managers and executives with strategic responsibilities, as well as the procedures used to adopt and implement said policy, and made available to the public in accordance with the law;

resolves

to approve the first section of the Remuneration Report adopted by the Board of Directors on 28 February 2017 pursuant to art. 123-ter of Legislative Decree n. 58 dated 24 February 1998."

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

Dear Shareholders,

We remind you that on 14 April 2016 the Annual General Meeting granted the Board of Directors the authorization to buy and sell treasury shares pursuant to Art. 2357, second paragraph, of the Italian Civil Code. The authorization to purchase treasury shares was effective for 18 (eighteen) months as from the date of the shareholder's resolution, while the authorization to dispose of treasury shares was without a time limit. The authorization to purchase treasury shares, therefore, will expire on 14 October 2017.

In consideration of the opportunity to renew for a further period this authorization to the Board, it is proposed to the Shareholders to revoke the authorization due to expire, granting a new authorization for a period of 18 (eighteen) months. The authorization we propose to grant to the Board will be in line with the one granted on 14 April 2016.

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

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

i) trading and hedging transactions;

ii) to invest liquidity;

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

Maximum number of shares subject to authorization

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

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

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

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

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

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

Duration of the authorization

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

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

Maximum and minimum prices

The purchases may be made at prices which comply with Art. 5, paragraph 1, of European Commission Regulation n. 569/2014 of 16 April 2014 and Art. 3, of Commission Delegated Regulation n. 1052/2016 or with other provisions applying to time of transactions. More in detail, based on this article the issuer may not acquire shares at a price that is higher than the highest price between the last independent trade and current higher last independent offer made on the stock exchange organized and managed by *Borsa Italiana S.p.A.*

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

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

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

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

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

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

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

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

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

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

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

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

"*The Ordinary Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., having acknowledged the proposal submitted by the Board of Directors,*

resolve

1. *to revoke the authorization granted by the Ordinary General Meeting on 14 April 2016 to buy and sell treasury shares;*
2. *to authorize the purchase, including through the trading of options and IGD SIIQ S.p.A ordinary stock derivatives on one or more occasions up to the maximum permitted by law,*

for a period of 18 (eighteen) months as from the date of the this resolution.

The purchases must be made in accordance with Art. 144-bis, par. (b) and (c) of the Regulations for Issuers at prices which comply with Art. 5, par. 1, of EC Regulation n. 596/2014 of 16 April 2014 and Art. 3, par. 2 of EC Delegated Regulations n. 1052/2016 of 8 March 2016 or with other provisions applying to time of transactions.

The purchase of treasury shares must be done in accordance with Art. 2357 et seq., Art. 132 of Legislative Decree n. 58/98, Art. 144-bis of the Regulations for Issuers and any other applicable regulation, as well as the market practices recognized by Consob.

3. *to authorize the disposal of treasury shares, on one or more occasion, without a time limit, as deemed in the interest of the Company and in accordance with the law as follows:*

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

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

   The disposals may be made even prior to having completed the purchases authorized in this resolution;

4. *to grant the Board of Directors and on its behalf the Chairman and the Chief Executive Officer, severally, the broadest powers to take all other action necessary or useful to implementing the above resolutions and to make the necessary market disclosures in accordance with the law*."

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Bologna, 28 February 2017

On behalf of the Board of Directors

The Chairman

Gilberto Coffari