

## NOTICE ON TRANSACTION BETWEEN RELATED PARTIES

**Rio de Janeiro, September 6<sup>th</sup>, 2016 - ALIANSCCE SHOPPING CENTERS S.A.**, a publicly-held company headquartered at Rua Dias Ferreira No. 190, 3<sup>rd</sup> floor, in the city and state of Rio de Janeiro, enrolled with the corporate roll of taxpayers (CNPJ/MF) under No. 06.082.980/0001-03 ("Company" or "Alianscce"), in accordance with Article 30, item XXXIII of the Rule issued by the Brazilian Securities Commission ("CVM") under nº 480 on December 7<sup>th</sup>, 2009, as amended, within the scope of the acquisition of a 25.1% equity interest in Shopping Leblon, by a subsidiary of the Company, approved on August 26<sup>th</sup>, 2016 at a Meeting of the Board of Directors, and also subject to approval by shareholders at the General Meeting to be held on September 13<sup>th</sup>, 2016 (the "Acquisition"), hereby publicly informs the following:

### I - Description of the transaction:

#### a) the parties and their relation with the issuer:

Seller:

- (a) Fundo de Investimento em Participações Bali, an investment fund, constituted pursuant to CVM Rule nº 391, dated July 16, 2003, as amended, with an address at Praia de Botafogo 501, bl. 1, room 501, Botafogo, City of Rio de Janeiro, State of Rio de Janeiro, enrolled as a taxpayer under CNPJ nº 18.178.637/0001-38 ("FIP BALI"); and
- (b) RLB Empreendimentos e Participações Ltda., a limited liability company, with headquarters at Rua Dias Ferreira, nº 190, 3<sup>rd</sup> floor, room 301 (part), Leblon, in the City of Rio de Janeiro, State of Rio de Janeiro, enrolled as a taxpayer under CNPJ/MF nº 14.608.041/0001-91 ("RLB" and, together with FIP BALI, the "Sellers").

Buyer:

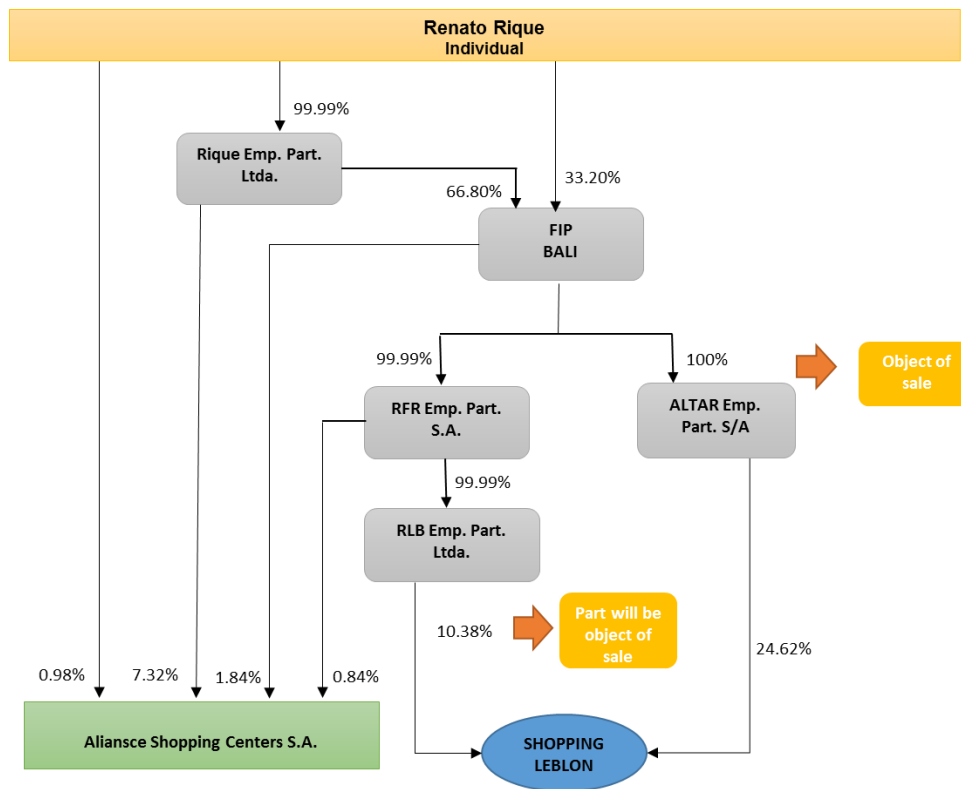
- (a) Vivaldi Empreendimentos e Participações S.A., a corporation with headquarters at Rua Dias Ferreira, nº 190, 3<sup>rd</sup> floor, room 301 (part), Leblon, in the City of Rio de Janeiro, State of Rio de Janeiro, enrolled as a taxpayer under CNPJ/MF nº 18.965.441/0001-93 ("Vivaldi" or "Buyer").

Relationship between the parties:

Seller FIP BALI integrates the controlling group of the Company, and a subsidiary of the Company, Vivaldi, is a buyer party in the Acquisition.

Furthermore, Sellers are indirectly controlled by Renato Feitosa Rique ("Renato"), who is the Chief Executive Officer (CEO), member of the Board of Directors and part of the controlling block of the Company.

Reproduced below is an organization chart showing the equity interest held by Renato in the Company and his relation with the Acquisition:



**b) subject matter and main terms and conditions:**

Acquisition by Vivaldi, subsidiary of the Company, of: (i) shares, owned by FIP BALI, representing 100% of the aggregate capital stock of Altar Empreendimentos e Participações S.A. ("Altar"), owner of 24.62% of Shopping Leblon; and (ii) and ideal fraction of 0.48% of Shopping Leblon, owned by RLB, pursuant to the *Instrumento de Compromisso de Compra e Venda* entered into on August 26, 2016 by and between FIP BALI and RLB, both indirectly controlled by Renato, as sellers; Vivaldi, as buyer; and the Company, Altar and Renato, as intervening-consenting parties (the "Purchase and Sale Agreement"), the closing of which is expected to occur after verification of the conditions precedent listed below, including approval of the Acquisition by the General Meeting of the Company.

Shopping Leblon is located in the City of Rio de Janeiro, State of Rio de Janeiro, at Avenida Afrânio de Melo Franco nº 290, with an additional number at Avenida Borges de Medeiros nº 633.

The Acquisition price is of R\$ 309,926,889.00, of which R\$ 304,000,000.00 refer to the acquisition of Altar and R\$ 5,926,889.00 refer to the acquisition of 0.48% of Shopping Leblon. The acquisition price shall be deducted by the balance of the Altar's debt resulting from a transaction of issuance of Real Estate Receivables Certificates, in the estimated amount of R\$ 122,415,110.00 as of the closing date ("CRI"); therefore, the amount to be paid on demand, subject to adjustment, is estimated in R\$ 187,511,779.00, of which R\$ 181,584,890.00 is the estimated price referring to the acquisition of Altar and R\$ 5,926,889.00 is the price referring to the acquisition of 0.48% of Shopping Leblon.

In addition, between the date of execution of the Purchase and Sale Agreement and the closing date, the acquisition price shall be adjusted by reference to (i) Altar's indebtedness; (ii) Altar's cash, (iii) the disbursement of Sellers between the date of execution and the date of closing, if any, of amounts relating to the expansion of Shopping Leblon, which is in the process of

approval by the competent authorities. Other adjustments to the price shall be applied subsequent to the closing, related to (i) the offset of tax losses, IPTU and Income Tax credits; and (ii) realization of accounts receivable and payable prior to closing.

It was agreed that payment shall be made on demand on the closing date, by means of bank transfer of immediately available funds.

Listed below are the conditions precedent and subsequent to which the transaction is subject:

- a. Conditions precedent applicable to Sellers and Buyer:
  - (i) None government authority shall have enacted or issued any law of order prohibiting any party from consummating the transactions provided for in the Purchase and Sale Agreement;
  - (ii) Obtaining certain consents from holders of the CRIs and from the fiduciary agent for carrying out the Acquisition and for replacing the collateral;
  - (iii) Approval of the shareholders of the Company by the General Meeting of Shareholders of the Company;
  - (iv) Approval by the Brazilian anti-trust authority (CADE).
  
- b. Conditions Precedent applicable to Sellers (which may only be waived by Buyer):
  - (i) Representations and warranties made by Sellers in the Purchase and Sale Agreement shall remain valid as of the closing date;
  - (ii) Sellers shall not be in default as of the closing date as to their obligations under the Purchase and Sale Agreement;
  - (iii) Altar's shares and equity interest in Shopping Leblon should be free and clear from any lien, other than those resulting from the CRI transaction;
  - (iv) FIP BALI shall confirm to have complied with all of its and Altar's obligations related to the issuance of the CRIs; and
  - (v) The Board of Directors of the Company shall have approved a capital increase of the Company, upon the issuance of new shares in an aggregate amount of up to R\$ 600,000,000.00 and, an amount at least equal to the acquisition price deducted by the amount of the debt shall have been subscribed for and paid-in.
  
- c. Conditions Precedent applicable to Buyer (which may only be waived by Sellers):
  - (i) The representations and warranties made by Buyer in the Purchase and Sale Agreement shall remain valid as of the closing date; and
  - (ii) Buyer shall not be in default as of the closing date as to their obligations under the Purchase and Sale Agreement.

In the event that all conditions precedent shall have been verified, but any party to the Purchase and Sale Agreement shall willfully gives cause to termination of such agreement, such party shall pay a compensatory fine of ten per cent (10%) of the purchase price referred to above. Such fine shall not be applied in case of termination by virtue of noncompliance with the conditions precedent applicable to Sellers and Buyer, including non-approval of the Acquisition by the General Meeting of Shareholders.

Sellers shall indemnify Buyer for any damages arising out of: (i) any act, fact or omission involving Altar, Rique Leblon Empreendimentos e Participações S.A. (a company of the Rique Group and the former holder of the equity interest in Shopping Leblon), Shopping Leblon and the parking lot of Shopping Leblon, occurred as of or prior to the closing date; (ii) any false, incomplete or untrue representation made by Sellers; (iii) noncompliance with any obligation under the Purchase and Sale Agreement; (iv) any acts, facts or omissions related to the corporate restructuring involving Altar; (v) IPTU (property tax) contingencies occurred as of or prior to the date of closing; and (vi) use of IPTU and Income Tax credits or offset of tax losses. Sellers shall indemnify Buyer for day-to-day operations of Shopping Leblon and for certain suits related to the Shopping Mall not involving IPTU, listed in the Purchase and Sale Agreement. The amount of indemnification to be paid by Sellers is limited to the acquisition price. Sellers shall grant, as collateral to their obligations to indemnify, a fiduciary sale of the 2.75% ideal fraction of Shopping Leblon held by seller RLB, and such collateral may be reinforced, if necessary.

**II - If, when, how and to what extent the counterparty to the transaction, its partners or managers participate in the process:**

**a) of issuer's decision-making on the transaction, describing such participation:**

Considering that Renato is a related party, as defined in the accounting rules, as he is an indirect controlling entity of the Sellers and also integrates the controlling block of the Company, being also the CEO and member of the Board of Directors, he (i) refrained from voting at the Meeting of the Board of Directors approving the execution of the Purchase and Sale Agreement, as well as the private capital increase for purposes of funding the Acquisition, and (ii) informed the Company that he and all vehicles directly or indirectly controlled by him will refrain from voting at the General Meeting of the Company that will resolve on the Acquisition.

**b) of negotiation of the transaction as representatives of the issuer, describing such participation:**

On July 19, 2016, aiming at a greater transparency, the Board of Directors appointed a Special Committee composed by individuals that are not related parties of Renato (the "Special Committee"), for the following purposes:

(a) to evaluate the arm's length nature of the rights and obligations provided for in the Purchase and Sale Agreement referring to the Acquisition; and

(b) to recommend, if applicable, the Acquisition to the Board of Directors of the Company so that the Agreement be approved.

On August 26, 2016, the Special Committee submitted to the Board of Directors a recommendation in favor of the execution of the Agreement.

Furthermore, the Acquisition is being submitted to approval by the General Meeting of the Company to be held on September 13, 2016, as provided for in article 256, I of the Brazilian Corporations Law, and because it involves a party related to the Company and, therefore, the Company decided to submit the matter to resolution by its shareholders, aiming at the best corporate governance practices.

Finally, we highlight that Renato did not negotiate the Acquisition on behalf of the Company and/or the Buyer. Such negotiation was led by the Special Committee, with the support of Aliansce and legal counsel. The Special Committee was composed by Corey Albert, Marcela Drigo (designated by Aliansce's controlling shareholder - Canada Pension Plan Investment Board) and Rafael Sales (independent director of Aliansce). The Special Committee had access to all draft documents related to the Acquisition, as well as to audit reports of Shopping Leblon prepared by independent advisers and to the Appraisal report (as defined below). The Special Committee met in person and participated in several conference calls to discuss the Acquisition documents, the audit reports and the Appraisal Report, with the presence of Aliansce's management, with the exception of Renato, and of independent advisers. The Special Committee recognized the arm's length nature of the terms and conditions of the Acquisition and formally recommended approval of the Purchase and Sale Agreement to the board of directors on August 26<sup>th</sup>, 2016.

**III - Detailed justification of the reasons for which the issuer's management considers that the transaction observed arm's length conditions or provided for proper compensatory payment, informing:**

**a) whether the issuer solicited proposals, conducted any kind of solicitation of prices, or otherwise attempted to carry out the transaction with third parties, explaining, if negative, the reasons for which it did not do so or, if affirmative, the procedures carried out and their results;**

To determine the value of Altar, the owner of 24.62% of Shopping Leblon, from which the Buyer will purchase 100% of the capital stock, Apsis Consultoria Empresarial Ltda. was designated by the Company by means of a competitive bidding process, through which the qualification, independence and price, among other criteria, were examined. Considering that Altar does not have shares listed in a stock exchange or in an organized over-the-counter market, appraisal of the net worth at market value was conducted ("Appraisal Report"), which determined that the final price of the Acquisition corresponds to approximately 1.08 times the net worth at market value of the equity interest acquired in Shopping Leblon.

Furthermore, a Special Committee was established to evaluate the Acquisition and to verify the arm's length nature of the rights and obligations under the Purchase and Sale Agreement referring to the Acquisition, considering the Appraisal Report and, if applicable, recommending its execution to the Board of Directors of the Company.

Finally, there were no proposals or solicitation of prices from third parties, in view of the opportunity and convenience of the proposed transaction, and also taking into account that the asset in question is of an excellent quality and the acquisition price results in an attractive rate of return. We also emphasize that Shopping Leblon is a strategic asset, in view of its location and mix of distinguished stores, having potential for expansion of its leasable area. In addition, acquisition of the asset in question reinforces the Company's strategy to hold interests in shopping malls to which it already provides administration and commercialization services, as demonstrated in item "b" below.

**b) reasons leading the issuer to carry on the transaction with the related party and not with third parties:**

We believe that, upon acquiring an equity interest in Shopping Leblon, we implemented the Company's strategy of buying assets in which it already is already in charge of administration and commercialization. We also believe that since we already provide such services to the current owners of Shopping Leblon, we have a distinguished knowledge of the asset and of its

growth potential, and that it is convenient and advantageous for the Company to acquire an equity interest in such shopping mall.

Acquisition of an equity interest in Shopping Leblon can add network negotiation power and bring benefits to other shopping malls of the Company's portfolio. In addition, the Acquisition would result in increase of the operational margin and improvement of the main indicators of the Company. Notwithstanding the increase of own gross leasable area, we estimate that general and administrative expenses would be diluted.

Accordingly, when the unparalleled opportunity to acquire an equity interest in Shopping Leblon emerged, long envisaged by the Company, as proposed by Sellers, the Company understood it would be convenient and advantageous to acquire an equity interest in such shopping mall, also considering the terms and conditions of the Purchase and Sale Agreement.

**c) a detailed description of the steps taken and procedures adopted to assure the arm's length nature of the transaction:**

As described in the foregoing items, on account of Sellers being parties related to the Company, aiming at the greatest possible transparency in the Acquisition process and at the best corporate governance practices, the following steps were taken:

- Creation of a Special Committee composed by individuals designated by members of the Board of Directors that are not related parties to evaluate the Acquisition;
- Abstention from voting by the related party at the Meeting of the Board of Directors resolving on the Acquisition and on the consequent capital increase to fund the Acquisition;
- Call of the General Meeting of Shareholders to resolve on the Acquisition; and
- Abstention from voting by the related party at the General Meeting of Shareholders that shall resolve on the Acquisition.

The Company reaffirms its commitment to keep the shareholders and the market in general informed about any developments of this matter, as well as any other matters that are relevant to the market. For more information, please contact the Investor Relations department, as described below.

**INVESTOR RELATIONS**

Phone: +55 (21) 2176-7272

[ri@aliansce.com.br](mailto:ri@aliansce.com.br)

[ir.aliansce.com.br](http://ir.aliansce.com.br)

**About Aliansce S.A.**

**Aliansce Shopping Centers S.A.** (Bovespa: ALSC3) is one of the leading shopping center developers and manages the second largest number of shopping centers in Brazil among the four publicly held companies in the sector. The Company's core business includes investments in shopping centers and provision of the following services: (i) management of shopping centers; (ii) lease of commercial spaces in shopping centers; and (iii) planning and development of shopping centers. Aliansce is a full service company operating in all development stages of a shopping center, from planning and preparation of the feasibility study, development of the project, commercialization and management of the shopping center.