



Cerved Group S.p.A

Registered office at Via dell'Unione Europea n. 6A/6B – San Donato Milanese (MI)
Share Capital Euro 50,521,142.00 fully paid in
Milan Companies Register, Taxpayer Identification Number and VAT Registration Number:
08587760961
Administrative Business Register (REA) No. 2035639
Institutional website: <http://company.cerved.com>

Explanatory Report of the Board of Directors of Cerved Group S.p.A.
on the **fifth item** on the agenda of the ordinary part of the Ordinary and Extraordinary
Shareholders' Meeting convened for 16 April 2019, on a single call

ITEM NO. 5 ON THE AGENDA OF THE ORDINARY PART

AUTHORISATION FOR PURCHASE AND SALE OF TREASURY SHARES, AFTER REVOCATION OF THE PREVIOUS AUTHORISATION GRANTED BY THE SHAREHOLDERS' MEETING ON 9 APRIL 2018; RELATED AND CONSEQUENT RESOLUTIONS.

Shareholders,

the Board of Directors submits for your approval the request to authorise the purchase and sale of treasury shares, pursuant to Article 2357 of the Italian Civil Code, Article 132 of Legislative Decree 58 of 24 February 1998 as amended, (the “**Consolidated Law on Finance**”) and Article 144-bis of the regulation concerning issuers adopted by Consob with resolution no. 11971 of 14 May 1999, as amended (the “**Issuers Regulation**”) – on the basis of the reasons, terms and conditions illustrated as follows, inter alia through specialised intermediaries.

With a resolution passed on 9 April 2018, the Shareholders' Meeting of Cerved Group S.p.A., (the “**Company**” or “**Cerved**”) authorised the purchase and sale of shares of the Company itself. The purchase authorisation had a term of 18 months from the date of that resolution and, therefore, will expire in 2019, while the sale authorisation was granted without any time limit.

It appears advisable for the Company to be granted power to purchase treasury shares even after the aforementioned term, since the premises and reasons for which the authorisation to purchase ordinary shares of the Company was requested by the Board of Directors and granted by the Shareholders' Meeting on 9 April 2018 still exist.

Therefore, it is proposed that the Shareholders resolve to grant a new authorisation for the purchase and sale of treasury shares at the terms illustrated in this report, after revocation of the resolution approved on 9 April 2018.

A. Reasons why authorisation was requested

The premises for the request and the principal objectives which the Company Board of Directors intends to pursue through the transactions for which authorisation is being requested from the Shareholders' Meeting, in accordance with Italian and European laws and regulations and in compliance with allowed market practices as applicable from time to time, are as follows:

- acquire an “inventory of treasury shares”, in compliance with the provisions of Regulation (EU) No. 596 of 16 April 2014 on market abuse, the Commission Delegated Regulation (EU) No. 1052 of 8 March 2016, on the conditions applicable to the buy-back of treasury shares and stabilisation measures, and allowed market practices as applicable from time to time, including, for example, allowed practice no. 2 pursuant to Consob Resolution no. 16839 of 19 March 2009 notified to ESMA, which, among other things, is subject to indication, as indicated in more detail in the Consultation Document published by Consob on 21 September 2018, whereby it could dispose of them for possible use as consideration in non-recurring transactions, inter alia for the exchange of equity stakes, with other parties in transactions in the issuer's own interest, and offer the shareholders an additional tool to monetise their own investment, possibly by supplementing and/or substituting the dividend distribution policy;
- fulfil the obligations deriving from stock option plans or other assignments of shares to employees or the members of the management bodies of the Company or its subsidiaries or associates;
- fulfil the obligations stemming from debt instruments convertible into equity instruments.

Specifically in regard to this request for authorisation to purchase treasury shares, it is pointed out that this request is not preconceived to service any reduction in share capital.

B. Maximum number and category of shares referred to by the authorisation

In particular, the proposal envisages granting authorisation to the Board of Directors to purchase ordinary shares of the Company in one or more tranches, up to a maximum of 9,763,749 ordinary shares, corresponding to 5% of the share capital, considering the directly owned treasury shares and those that might be owned by subsidiaries. It should be noted, as necessary, that, as of today, the Company owns 3,971,881 shares, equal to around 2.034% of the share

capital, and that any additional treasury shares that may be purchase in the event of the granting of the requested authorisation, added to the treasury shares currently held by the Company, will not exceed, in any case, one tenth of the share capital.

In any event, the purchases will be made – in compliance with the provisions of Article 2357, paragraph 1, Italian Civil Code – within the limits of the distributable profits and available reserves reported on the last regularly approved financial statements of the Company.

The Company intends to conduct the purchase using one of the procedures permitted by the applicable legislative and regulatory provisions in force at any time in Italy and the European Union, thus availing itself of the *Safe Harbour* envisaged in Regulation (EC) No 596/2014, as well as the market practices permitted by Consob through resolution no. 16839 of 19 March 2009 and in effect.

When it makes purchases and sales of treasury shares, the Company shall make all appropriate accounting entries in compliance with applicable legislation and accounting principles.

If it sells treasury shares, it may – in compliance with Italian and European Union laws and regulations, and in accordance with currently allowed market practices – make additional purchases until expiry of the Shareholders' Meeting authorisation, without prejudice to the legal quantitative limits, including those applying to the number of treasury shares that may be held at any time by the Company or its subsidiaries, and the conditions imposed by the Shareholders' Meeting.

C. Useful information for assessing compliance with Article 2357(3) Italian Civil Code

The subscribed and paid-in share capital of the Company at the date of this report is represented by 195,274,979 shares without par value, for a total value of Euro 50,521,142.00. As of today, the Company owns 3,971,881 treasury shares.

The purchase authorisation complies with the limit imposed by Article 2357(3) Italian Civil Code, since it covers a number of shares that may not exceed one fifth of the share capital.

The amount of available reserves and distributable profits totals Euro 470,354,035.30 and Euro 58,311,740.42 respectively, as shown in the draft annual financial statements as at 31 December 2018 approved by the Board of Directors on 5 March 2019, and verification of the information used to assess compliance with the maximum purchase limit to which the authorisation refers, shall be checked at the time each transaction is executed.

D. Term of the authorisation

The Board of Directors proposes that the authorisation to purchase treasury shares be granted for a period of 18 months from the date when the Shareholders' Meeting passes the corresponding resolution. The Board of Directors may execute the authorised transactions one or more times and at any time, in the amount and at the times freely determined in compliance with applicable laws and regulations, with gradual implementation as deemed to be in the Company's interest.

The aforementioned 18-month term does not apply to any sales of treasury shares that might be purchased in consequence of the Shareholders' Meeting authorisation.

E. Minimum and maximum price

The share purchase price will be determined from time to time, according to the way chosen to execute the transaction and in compliance with statutory and regulatory requirements or the operating conditions established for allowed market practices that are in effect at any one time and as applicable and, in particular, (i) at a price for each share whose minimum cannot be less than and whose maximum cannot be greater than 10% of the reference price posted by Company stock on the stock market during the trading day preceding every single purchase transaction and, regardless, (ii) at a price no higher than the highest price between the price of the last independent transaction and the price of the current, arm's length bid existing on the stock exchange where the purchase is made.

Treasury shares may be sold at a price no more than 10% less than the average of official prices quoted on the screen-based trading system during the five days before the sale. This price limit may be waived when treasury shares

are exchanged or sold in the course of carrying out business and/or commercial projects and/or other projects of interest to the Company, if shares are sold in execution of incentive programs and, in any event, of plans pursuant to Article 114-bis of the Consolidated Law on Finance, in discharge of obligations resulting from debt instruments convertible into equity instruments and upon modification and/or substitution of the dividend distribution policy.

F. Transaction procedures

Considering the different purposes that can be pursued through trading in treasury shares, the Board of Directors proposes that authorisation be granted for making purchases of treasury shares according to any of the procedures allowed by applicable Italian and European Union statutory and regulatory provisions, and by the allowed market practices in force at any one time, as decided from time to time by the Board of Directors.

The treasury share purchases may also be executed through specialised intermediaries and repeatedly according to each procedure.

Moreover, pursuant to Article 132(3) Consolidated Law on Finance, the operating procedures indicated hereinabove do not apply to the purchases of treasury shares owned by employees of the Company or its subsidiaries and assigned or subscribed pursuant to Articles 2349 and 2441(8) Italian Civil Code, or resulting from compensation plans approved pursuant to Article 114-bis Consolidated Law on Finance.

The maximum number of treasury shares that can be purchased daily must not exceed 25% of the average daily volume of Company shares traded on the market.

With reference to the deeds of transfer of treasury shares, it is proposed that the Shareholders' Meeting authorise the Company Board of Directors to sell and/or transfer, and in any event in compliance with applicable Italian and European Union statutory and regulatory provisions, and the allowed market practices in effect at any time, the treasury shares in the portfolio of the Company at any given time (including, therefore, all those already purchased on today's date and those yet to be purchased), at a price no more than 10% (ten per cent) less than the average of official prices posted on the screen-based trading system during the five days before the sale. It is also proposed that this price limit may be waived when treasury shares are exchanged or sold in the course of carrying out business and/or commercial projects and/or other projects of interest to the Company, and if shares are sold in execution of incentive programs and, in any event, of plans pursuant to Article 114-bis of the Consolidated Law on Finance, in discharge of obligations resulting from debt instruments convertible into equity instruments and upon modification and/or substitution of the dividend distribution policy. Moreover, the Board of Directors proposes that the treasury shares may be sold, even before the purchases have been completed, in whole or in part, on regulated and/or unregulated markets, or over the counter, inter alia through offers to the public and/or shareholders, institutional sales, sales of vouchers and/or warrants, or as the consideration for purchases or public offers of exchange, including through specialised intermediaries.

Adequate notification will be provided for treasury share purchases and sales, in compliance with applicable disclosure obligations.

Therefore, the Board of Directors submits the following **motion for resolution** to be approved by you:

“The Shareholders' Meeting of Cerved Group S.p.A., assembled in an ordinary meeting, having examined the explanatory report of the Board of Directors and the proposals contained therein, having seen the financial statements at 31 December 2018, having confirmed the advantages of granting authorisation to purchases and sales of treasury shares, for the purposes and aims and in the ways illustrated hereinabove,

resolves

- 1) *to revoke the resolution authorising the purchase and sale of treasury shares passed by the Shareholders' Meeting on 9 April 2018, beginning from the date of this resolution;*
- 2) *to authorise the Company Board of Directors to purchase treasury shares up to a maximum no. of 9,763,749 ordinary shares, corresponding to 5% of the share capital, by establishing that:*
 - *the purchase may be made within 18 months after the date of this resolution, one or more times, in any of the ways allowed by applicable Italian and European Union statutory and regulatory provisions, and the allowed*

market practices in effect at any time, to be decided from time to time at the discretion of the Board of Directors, including through specialised intermediaries;

- *adequate notification will be provided for treasury share purchases, in compliance with applicable disclosure obligations;*
 - *the minimum and maximum purchase price of each share may not be more than 10% (ten per cent) less than or greater than, respectively, the market reference price quoted for Company stock on the trading day preceding each individual purchase, and in any event at a price that does not exceed the highest price between the price of the last arm's length transaction and the highest current arm's length bid price quoted on the exchange where the purchase is made;*
 - *the treasury share purchases have to be made by using the distributable earnings and available reserves reported on the last, regularly approved financial statements when the transaction is executed, by making the necessary account entries in the ways and within the limits allowed by law.*
- 3) *to authorise the Company Board of Directors to sell and/or transfer, and in any event in compliance with applicable Italian and European Union statutory and regulatory provisions, and the allowed market practices in effect at any time, to be determined from time to time at the discretion of the Board of Directors without any time limits, inter alia through specialised intermediaries, the treasury shares in the portfolio of the Company at any given time (including, therefore, all those already purchased on today's date and those yet to be purchased in accordance with the resolution envisaged in point 2 hereinabove), by establishing that all or part of them may be sold, even before the purchases have been completed, on regulated and/or unregulated markets, or over the counter, inter alia through offers to the public and/or shareholders, institutional sales, sales of vouchers and/or warrants, or as the consideration for purchases or public offers of exchange, at a price no more than 10% (ten per cent) less than the average of official prices posted on the screen-based trading system during the five days before the sale. This price limit may be waived when treasury shares are exchanged or sold in the course of carrying out business and/or commercial projects and/or other projects of interest to the Company, if shares are sold in execution of incentive programs and, in any event, of plans pursuant to Article 114-bis of the Consolidated Law on Finance, in discharge of obligations resulting from debt instruments convertible into equity instruments and upon modification and/or substitution of the dividend distribution policy; adequate notification will be provided for treasury share purchases, in compliance with applicable disclosure obligations;*
- 4) *to make all account entries as necessary and/or appropriate in relation to the treasury share transactions, in compliance with current laws and applicable accounting principles;*
- 5) *to grant the Board of Directors – and on its behalf, the Chairman and the Chief Executive Officer, severally and separately – all full powers as necessary to make purchases and sales of treasury shares, inter alia in successive transactions and, regardless, to implement the aforementioned resolutions, inter alia through nominees or specialised intermediaries, while complying with any requests by the competent authorities, with the specific power, for example, to delegate to authorised intermediaries the power to execute purchases and sales of treasury shares on the basis of this resolution.”*

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San Donato Milanese, 5 March 2019

On behalf of the Board of Directors
The Chairman
(Fabio Cerchiai)