



Cerved

Report on corporate governance
and ownership structure



COMPANY DATA

▶ PARENT COMPANY'S REGISTERED OFFICE

Cerved Group S.p.A.
*Via dell'Unione Europea, 6A, 6B
San Donato Milanese (MI)*

▶ PARENT COMPANY'S STATUTORY DATA

*Subscribed and paid-in share capital of 50,521,142.00 euros
Milan Company Register No. 08587760961
Milan R.E.A. No. 2035639
Tax I.D. and VAT No. 08587760961*

Corporate website: company.cerved.com



Report on corporate governance and ownership structure

Pursuant to Article 123-bis of Legislative Decree 58 of 24 February 1998
(traditional management and control model)

Cerved Group S.p.A.
Financial Year 2019
Approved by the Board of Directors
on 24 March 2020



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Introduction

Cerved Group S.p.A. (“**Cerved**” or the “**Issuer**” or the “**Company**”) has been listed on the Italian Equities Market organised and managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”) since 24 June 2014.

This report (the “**Report**”) has been prepared pursuant to Article 123-bis of Legislative Decree 58 of 24 February 1998 and approved by the Company’s Board of Directors on 24 March 2020 for the financial year that ended 31 December 2019.

Specifically, as required by the applicable legislation and regulations and in line with Borsa Italiana’s guidelines and recommendations – including those set out in the “Format for the Report on Corporate Governance and Ownership Structure” published in January 2019 – and those of the main trade associations (Confindustria and Andaf), the Report provides a general and systematic overview of the Issuer’s corporate governance system and ownership structure.

It also provides information about the implementation of the recommendations of the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria (version of July 2018)¹.

The information included in this Report is updated at the date of approval of said Report by the Company’s Board of Directors.

This Report is published on the Company’s website <https://company.cerved.com> in the governance/documents and procedures/generic procedures section and is sent to Consob and Borsa Italiana in the manner and within the terms provided for by the applicable regulations.

** The recommendations of the new Corporate Governance Code published on 30 January 2020 will be applicable from 2021, informing the market in the Corporate Governance Report to be published in 2022.*



Glossary

2019-2021 Plan: the incentive and loyalty plan called the “Performance Share Plan 2019-2021” approved by the shareholders in their ordinary meeting on 14 December 2015 and aimed at the management and directors of the Cerved Group.

2022-2024 Plan: the incentive and loyalty plan called the “Performance Share Plan 2022-2024” approved by the shareholders in their ordinary meeting on 16 April 2019 and aimed at the management and directors of the Cerved Group.

231 Model: the organisational, management and control model introduced by Legislative Decree 231/2001, adopted by the Board of Directors in its meeting on 29 October 2018.

Articles of Association: the Cerved articles of association in force, available on the Company’s website <https://company.cerved.com>, in the governance/documents and procedures/documents section.

Board of Directors: Cerved’s board of directors.

Board of Statutory Auditors: Cerved’s board of statutory auditors.

Borsa Italiana: Borsa Italiana S.p.A..

Cerved or **Issuer** or **Company:** Cerved Group S.p.A. (formerly Cerved Information Solutions S.p.A.).

Cerved Group or **Group:** together, Cerved, Cerved Group and the direct and indirect subsidiaries of the latter or associated thereto.

Chief Executive Officer: the chief executive officer of Cerved.

Civil Code: the Italian Civil Code.

Code or **Corporate Governance Code:** the corporate governance code for listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, available to the public on Borsa Italiana’s website (www.borsaitaliana.it) (July 2018).

Consob: the “Commissione Nazionale per le Società e la Borsa” (Italian Securities and Exchange Commission).

Consolidated Law on Finance: Legislative Decree 58 of 24 February 1998, implementing the consolidated law on finance, as subsequently supplemented and amended.

Corporate Governance Committee: the Corporate Governance Committee promoted by ABI, ANIA, Assogestioni, Assonime, Confindustria and Borsa Italiana.

Decree 162/2000: the Ministry of Justice decree no. 162 of 30 March 2000, issued pursuant to article 148 of the Consolidated Law on Finance and implementing the regulation setting the professionalism and good reputation requirements for the members of boards of statutory auditors of listed companies, as subsequently supplemented and amended.

ERM process: the process to identify, assess, manage and monitor the Company’s business risks (enterprise risk management).

Flotation Date: 24 June 2014, the date the Company’s shares were admitted to trading on the Mercato Telematico Azionario.

Guidelines: the Guidelines on “Managing inside information” and “Investment recommendations” issued by Consob on 13 October 2017.

Inside Information: the inside information as defined in article 7 of the MAR.

Inside Information Procedure: the procedure governing the internal management and external disclosure of Inside Information adopted by the Board of Di-



rectors' resolution dated 19 December 2018, in line with application criterion 1.C.1, letter j) of the Code.

Internal Audit Manager: the manager in charge of Cerved's Internal Audit department, appointed pursuant to application criterion 7.C.5 of the Corporate Governance Code.

Internal Dealing Procedure: the procedure adopted by the Company's Board of Directors with resolution dated 19 December 2018, pursuant to article 19 of the MAR and the associated implementation regulations, and article 114.7 of the Consolidated Law on Finance.

Issuers' Regulation: the regulation issued by Consob with resolution no. 11971 of 14 May 1999 (as subsequently supplemented and amended).

Legislative Decree 231/2001: Legislative Decree 231 of 8 June 2001, implementing rules on the administrative liability of legal persons, companies and associations, including with no legal status, as subsequently supplemented and amended.

Manager in charge of Financial Reporting: the manager in charge of financial reporting appointed by the Board of Directors in accordance with article 154-bis of the Consolidated Law on Finance and article 19 of the Articles of Association.

MAR: Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

Meeting or Shareholders' Meeting: the Issuer's shareholders' meeting.

Mercato Telematico Azionario or MTA: the Italian electronic equities market organised and managed by Borsa Italiana.

Related Party Committee: the committee for related party transactions set up in accordance with the Related Party Regulations.

Related Party Committee for Keplero Project: the committee set up by the Board of Directors in its meeting of 29 October 2019.

Related Party Procedure: the procedure governing related party transactions applied by the Company as subsequently amended on 21 December 2017, in implementation of article 2391-bis of the Italian Civil Code and the Related Party Regulation.

Related Party Regulation: the regulation governing related party transactions issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently supplemented and amended).

Remuneration and Nomination Committee: the remuneration and nomination committee set up within the Board of Directors in accordance with principles 6.P.3 and 5.P.1, and criteria 6.C.5 e 5.C.1 of the Corporate Governance Code.

Remuneration Report: the report prepared and published pursuant to article 123-ter of the Consolidated Law on Finance and article 84-quater of the Issuers' Regulation, available at the Company's registered office and on the website <https://company.cerved.com/>, in the governance/documents and procedures/procedures section.

Report: this report on corporate governance and ownership structure, prepared pursuant to article 123-bis of the Consolidated Law on Finance and in accordance with the Corporate Governance Code.

Risk and Control System: internal control and risk management system that might be relevant in view of the medium-long term sustainability of the Issuer's activity.



Risk and Control Director: the director in charge of the Risk and Control System appointed by Cerved in accordance with Principle 7.P.3.(a)(i) of the Corporate Governance Code.

Shareholders' Meeting Regulation: the shareholders' meeting regulation approved through a resolution of the Shareholders' meeting held on 25 March 2014, which came into effect on the Flotation Date.

Subsidiaries: Cerved's direct and indirect subsidiaries pursuant to article 2359 of the Italian Civil Code and article 93 of the Consolidated Law on Finance.

Succession Planning: the plan for the succession of the top management of Cerved, launched by the then outgoing Board of Directors in 2015, as modified during the Year.

Supervisory Body or **SB:** the supervisory body in charge of overseeing the application of and compliance with the 231 Model, set up pursuant to article 6 of Legislative Decree 231/2001.

Sustainability, Risk and Control Committee: the committee set up within the Board of Directors for (i) internal control and risk management in accordance with principle 7.P.3 and application criteria 7.C.2 and 7.C.3 of the Corporate Governance Code and (ii) the supervision of sustainability issues related to the exercise of the company's business and its dynamics of interaction with all stakeholders pursuant to the note to article 4 of the Code.

Year: the year ended 31 December 2019 covered by the Report.

Issuer's profile

THE CORPORATE GOVERNANCE SYSTEM

Cerved's corporate governance system is based on the traditional management and control model set out in articles 2380-bis et seq. of the Italian Civil Code. Without prejudice to the mandatory functions reserved to the Shareholders' Meeting, under this system:

- › the Board of Directors is solely responsible for the Company's administrative and strategic management in order to achieve the Company's business purpose²;
- › the Board of Statutory Auditors is responsible for monitoring compliance with the law and the Articles of Association, the principles of sound management and, specifically, the adequacy of the Company's organisational, administrative and accounting system³;
- › the legally-required audit of the Issuer's financial statements is assigned to an audit company listed on the specific register⁴.

The Board of Directors acts, directly and jointly, by delegating part of its functions to the Chairman and the Chief Executive Officer, to the extent permitted by the Law and the Articles of Association⁵.

The Board of Directors also set up:

- › the Remuneration and Nomination Committee, which acts as remuneration committee and nomination committee pursuant to principles 6.P.3 and 5.P.1 of the Corporate Governance Code, respectively; the Committee also, among other things, carries out consultancy and advisory functions with regard to the Board of Directors concerning periodic updates on the development of

corporate governance rules, while submitting proposed adjustments (see paragraph 7 of this Report);

- › the Related Party Committee, governed by the Related Party Procedure, which has been delegated the functions and tasks envisaged in the said Related Party Procedure and the Related Party Regulation;
- › the Sustainability, Risk and Control Committee pursuant to principle 7.P.3 of the Corporate Governance Code and the note to article 4 of said Code⁶.

The powers and operating procedures governing the Company's bodies are governed by the law and the Articles of Association and by regulations applied by the Company to the extent of Shareholders' Meetings and committees.

The Issuer does not fall under the definition of SME in accordance with Article 1, paragraph 1, letter w-quater.1) of the Consolidated Law on Finance and Article 2-ter of the Issuers' Regulation as it exceeds the parameters set out in the above provisions.

THE CERVED GROUP AND ITS MISSION

The Issuer is the holding company that controls the Group.

With a portfolio of over 30,000 clients, both Italian and international, the Group is the main national operator in the field of credit assessment and management.

- › The Group's offer triangulates visions, methods and projects that are constantly aligned to market trends and covers three separate areas of activities:

² See paragraph 4 of this Report.

³ See paragraph 14 of this Report.

⁴ See paragraph 11.4 of this Report.

⁵ See paragraph 4.4 of this Report.

⁶ See paragraph 9 of this Report.



- › *Credit Information*
- › *Marketing Solutions*
- › *Credit Management*

▶ **Credit Information**

The Cerved Group assists its clients by providing information aimed at assessing the economic and financial profile and reliability of both companies and natural persons. Its activities include determining the level of risk of the entire loans portfolio and defining assessment models and decision-making systems. In supporting its clients in their assessments and decisions, the Group employs highly-integrated solutions, developed over 40 years of activities in the banking world.

▶ **Marketing Solutions**

The Marketing Solutions line has an extensive and wide range of online services available in real time and customised design solutions to develop the most effective business strategies and expand the business:

- › finding new clients and business partners, by managing direct marketing campaigns, searching for new qualified clients and analysing the potential of the territory;
- › knowing competitors, by analysing the competitive scenario from an economic, financial and strategic point of view or by requesting sector analyses and specific ratios;
- › offering performance marketing-oriented solutions supported by proprietary technologies.

Services can be provided through online platforms, always accessible and such to provide a simple and immediate response on a daily basis, or through customised solutions and projects involving Cerved consultants who can find the best answer for the customer's needs.

Through ClickAdv S.r.l., under the Pay-Click brand, it operates as a dealer specialising in high-quality digital advertising solutions, which are offered

by mainly using proprietary technologies. Finally, through Pro Web Consulting S.r.l, it provides specialised consultancies in digital marketing services for the SEO (Search Engine Optimisation) and the CRO (Conversion Rate Optimisation) business lines and related services.

▶ **Credit Management**

The Cerved Group is one of the main Italian independent operators in the Credit Management sector, offering services aimed at valuing and managing credit positions for third parties based on certified information and quantitative data. Through both legal and extrajudicial management, the valuation of loans, the remarketing of movable and immovable assets and services for the management of collections, highly-qualified, professional experts help clients identify the most effective solutions for the entire life time of the loan, in order to be able to intervene rapidly, thus reducing the time needed to recover the money.

The Cerved Group, through Cerved Rating Agency S.p.A., is also one of Europe's foremost rating agencies.

Finally, Cerved Master Services S.p.A., a company controlled indirectly by Cerved and enrolled in the register pursuant to article 106 of Legislative Decree 385 of 1 September 1993, collects assigned credit and provides cash and payment services as part of securitisation operations (servicing), in accordance with article 2, paragraphs 6 and 6-bis of law no. 130 of 30 April 1999.

SOCIAL RESPONSIBILITY

The Issuer has adopted a Code of Ethics, which officially describes Cerved's ethical commitments and responsibilities in conducting business activities and defines the set of values and principles, and the rules of conduct, to be followed by the Company's directors and parties linked to the Company by an employment relationship and,



⁷ Refer to paragraph 9 for more details concerning the duties of the Sustainability, Risk and Control Committee as regards the Sustainability Report.

⁸ For additional information about the Global Compact, reference should be made to the following link <https://www.unglob-alcompact.org/>.

in general, all those operating for the Company, regardless of the nature of their relationship with the Company.

The Code of Ethics is reviewed periodically to ensure that it is up to date with regard to issues of relevance to the company and the Cerved Group. In this regard, it is noted that the Code of Ethics was updated during the Year (23 December 2019) with the principles related to the use of artificial intelligence solutions by the entire Group.

In this respect, the Issuer notes that:

- i) following the adoption of Legislative Decree 254 on 30 December 2016 (which transposed Directive 2014/95/EU on disclosure of non-financial and diversity information - the "**Decree**"), the affected parties (including the Cerved Group) are required to report on environmental, social and personnel issues, respect for human rights and the fight against active and passive corruption, which are relevant taking into account the activities and characteristics of the company;
- ii) the supervision of the sustainability issues related to the exercise of the company's business and its dynamics of interaction with all stakehold-

ers at group level was assigned to the Company's Sustainability, Risk and Control Committee⁷;

- iii) during its second year of non-financial reporting, the Group has introduced major strategic and operational initiatives, as regards the involvement of stakeholders and the identification of material issues. Specifically:
 - a) the so-called Sustainability Policy, which reiterates the Group's guiding values and the governance and risk management procedures and systems through which the Group manages the most significant ESG aspects; and
 - b) the appointment of an internal contact for the supervision of ESG matters;
 - c) on 23 December 2019, the Company's Board of Directors also approved the so-called "Materiality Index" of the Cerved Group, which identifies the topics to report within the Sustainability Report;
 - d) the sign-up to the United Nations Global Compact as participant, pledging to uphold and apply, within its sphere of influence, 10 universally-shared, fundamental principles concerning human rights, employment, the environment and tackling corruption⁸.



Ownership structure

(pursuant to article 123-bis, paragraph 1 of the Consolidated Law on Finance)

SHARE CAPITAL

(pursuant to article 123-bis, paragraph 1a) of the Consolidated Law on Finance)

At the date of this Report, the subscribed and paid-in share capital of Cerved amounted to Euro 50,521,142.00, comprising 195,274,979 ordinary shares with no par value and carrying voting rights, as shown in Table 1 ("*Ownership structure - Share Capital*") attached hereto.

► The 2019-2021 Plan

The Ordinary Shareholders' Meeting, on 14 December 2015, approved the 2019-2021 Plan, which provides for the granting, free of charge, of up to 2,925,000 Cerved ordinary shares to 70 beneficiaries, identified ex-ante, including the Group's key and top managers. Granting of shares is subject to the fulfilment of pre-determined conditions, including the achievement of specific performance levels by the Group. As proposed by the Remuneration and Nomination Committee, the Board of Directors approved the 2019-2021 Plan implementation regulation on 16 March 2016, which was subsequently modified on 13 July 2016. Also on 13 July 2016, the Board of Directors identified the 2019-2021 Plan beneficiaries and granted the related rights as envisaged in the proposal made by the Remuneration and Nomination Committee as recommended by the Chief Executive Officer.

The 2019-2021 Plan's terms and conditions are described in the Information Memorandum about the financial in-

struments-based remuneration plans prepared pursuant to article 114-bis of the Consolidated Law on Finance and article 84-bis, paragraph 1, of the Issuers' Regulation published on 12 November 2015, available at the Company's registered office and website (<https://company.cerved.com/>, section governance/shareholders' meeting/ordinary and extraordinary shareholders' meeting - 14 December 2015). A propos, reference is also made to the paragraphs "Long-term Variable Component" of the compensation scheme for Executive Directors and Key Managers in section 1 and in the paragraph "Financial Instruments-Based Incentive Plans" of section 2 of the Remuneration Report, which is also available at the registered office and on the website of the Company (in the governance/documents and procedures/procedures section).

With respect to the 2019-2021 Plan, on 14 December 2015, during their extraordinary Meeting, the shareholders also entrusted the Board of Directors with the power to carry out a free share capital increase, including in one or more instalments, for a five-year period from the adoption of the relevant resolution, up to Euro 756,750.00, issuing up to 2,925,000 Cerved new ordinary shares, with no par value, to be granted to the 2019-2021 Plan beneficiaries pursuant to article 2349 of the Italian Civil Code. At the date of the Report, this power had not been exercised, not even partially. In this regard, it is noted that the 551,606 Company shares assigned free of charge in May 2019 to the beneficiaries of the 2019-2021 Plan were allocated through the use of treasury shares at the Issuer's disposal.



► Power to increase share capital pursuant to Article 2441.4, paragraph 2 of the Italian Civil Code

Furthermore, in its meeting of 9 April 2018, the shareholders resolved, following the revocation of the power granted to the Board of Directors by the Shareholders' Meeting on 14 December 2015, to entrust the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for thirty months from the date of this resolution, with the power to increase share capital against consideration, including in one or more tranches, for a maximum amount of Euro 5,045,000 (five million, forty-five thousand), issuing Cerved new ordinary shares, with no par value, with the same characteristics as those already outstanding, regular dividend, up to 10% of the total shares outstanding on the date such power may be exercised, to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of acquisitions, excluding the pre-emptive right pursuant to article 2441.4, sentence two, of the Italian Civil Code, in accordance with the procedure and the conditions covered therein and with the power for the Board to set from time to time the issue price of the new shares, again in accordance with Article 2441.4, sentence two, of the Italian Civil Code (setting the amount to be allocated to capital and the share premium, if any).

At the date of the Report, this power had not been exercised, not even partially.

Except for that stated above, at the date of this Report, there were no other financial instruments granting the right to subscribe the Company's newly-issued shares.

RESTRICTIONS ON TRANSFERS OF SECURITIES

(pursuant to article 123-bis, paragraph 1b) of the Consolidated Law on Finance)

The Company's shares are freely transferable. There are no restrictions to the free transfer of the shares pursuant to the law and the Articles of Association.

SIGNIFICANT INTERESTS IN SHARE CAPITAL

(pursuant to article 123-bis, paragraph 1c) of the Consolidated Law on Finance)

Based on the data in the shareholders' book and the updates available at the date of approval of this Report, including the communications received by the Company pursuant to article 120 of the Consolidated Law on Finance, the parties who, directly or indirectly, hold equity interests greater than 1% of the subscribed and paid-in share capital of Cerved are those listed in Table 1 ("*Ownership structure – Significant interests in share capital*") attached hereto.

SECURITIES CONVEYING SPECIAL RIGHTS

(pursuant to article 123-bis, paragraph 1d) of the Consolidated Law on Finance)

No securities that convey special control rights have been issued nor are special powers provided for in sector-specific regulations applicable. At the date of this Report, no classes of shares other than ordinary shares have been issued, nor multiple-vote or loyalty shares.

EMPLOYEE OWNERSHIP SCHEME: MECHANISM FOR EXERCISING VOTING RIGHTS

(pursuant to article 123-bis, paragraph 1e) of the Consolidated Law on Finance)

There is no mechanism for the exercising of voting rights by the beneficiaries of the 2019-2021 Plan and/or the 2022-2024 Plan other than that envisaged for all the Company's shareholders or which restricts or excludes the direct exercise of voting rights by the latter (see letter a) of this paragraph 2).



RESTRICTION ON VOTING RIGHTS

(pursuant to article 123-bis, paragraph 1f) of the Consolidated Law on Finance)

There are no restrictions on voting rights.

SHAREHOLDERS' AGREEMENTS

(pursuant to article 123-bis, paragraph 1g) of the Consolidated Law on Finance)

At the date of this Report, the Issuer did not receive any notice on the existence of shareholders' agreements pursuant to article 122 of the Consolidated Law on Finance.

CHANGE OF CONTROL CLAUSES AND ARTICLES OF ASSOCIATION PROVISIONS ON TENDER OFFERS

(pursuant to articles 123-bis, paragraph 1h), 104, paragraph 1-ter and 104-bis, paragraph 1 of the Consolidated Law on Finance)

At the date of this Report, Cerved is not a party to significant agreements that become effective, are amended or terminated in the event of change of control.

With no prejudice to the foregoing, it should be noted that:

- The Issuer is party to a loan agreement signed on 30 July 2015 by the then subsidiary Cerved Group S.p.A, now merged into the company, with a banking syndicate headed by Unicredit Bank Ag, also acting and the Agent, and amounting to Euro 560,000,000. The loan agreement provides for some assumptions which conventionally qualify as "change of control" whereby, in the event of change of control, each bank may request repayment of its exposure. Specifically, this option may be exercised where a party or a group of parties acting together acquire and/or come to hold:
 - a) an equity investment in Cerved such to require launching a tender offer;
 - b) control over Cerved pursuant to ar-

ticle 2359.1 and 2 of the Italian Civil Code; or

- c) the power to determine the majority of Cerved's Board of Directors,

- Cerved Credit Management Group S.r.l. ("**CCMG**") is party to a loan agreement signed on 22 December 2017 with Cassa di Risparmio di Ravenna S.p.A. (the "**Bank**"), amounting to Euro 18,000,000 which stipulates, among other things, that the Bank is entitled to terminate the loan agreement in question and trigger the acceleration clause against CCMG in the event of changes or events likely to alter the current legal and administrative structure of CCMG or have an impact on its financial, economic or technical position and which, in the opinion of the Bank, might cause damage to credit security;

- the indirect subsidiary Cerved Legal Services S.r.l. ("**CLS**") is part of a joint venture with La Scala Società tra Avvocati ("**LaScala**") which makes provision, inter alia, for the establishment of a new specialised law firm, independent from the current structures of the partner, in the form of a "partnership of lawyers". In this context, should control of CLS change (within 5 years from the closing date, i.e. until 2023), LaScala will be entitled to leave the partnership;

- the Articles of Association provide no exceptions to the provisions of article 104.1 and 2 of the Consolidated Law on Finance regarding the passivity rule (i.e. the obligation for the Company to refrain from actions or transactions that could hinder the achievement of the objectives of a tender offer) and do not contain any of the neutralisation rules set out in article 104-bis, paragraphs 2 and 3 of the Consolidated Law on Finance, applicable to restrictions on transfers of securities, voting rights and multiple-vote.



DELEGATION OF POWERS TO INCREASE SHARE CAPITAL AND AUTHORISATION TO PURCHASE TREASURY SHARES

(pursuant to article 123-bis, paragraph 1m) of the Consolidated Law on Finance)

► Powers to increase share capital

As described in letter a) of this paragraph 2, the Shareholders' Meeting authorised the Board of Directors, in accordance with article 2443 of the Italian Civil Code and article 5 of the Articles of Association, to increase the share capital:

- › for a five-year period from the shareholders' resolution of 14 December 2015, on a free basis and in one or more instalments, up to Euro 756,750.00, issuing up to 2,925,000 Cerved ordinary shares to be assigned to the beneficiaries of the 2019-2021 Plan pursuant to article 2349 of the Italian Civil Code. At the date of the Report, this power had not been exercised, not even partially; and
- › for thirty months from the shareholders' resolution of 9 April 2018, against consideration, including in one or more instalments, up to Euro 5,045.000, issuing Cerved ordinary shares up to 10% of the shares outstanding on the date such power may be exercised, to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of acquisitions, excluding the pre-emptive right pursuant to article 2441.4, paragraph two, of the Italian Civil Code. At the date of the Report, this power had not been exercised, not even partially; and
- › in the light of the forthcoming expiry of the power described in the above paragraph (i.e., 9 October 2020), the Board of Directors proposed to the Shareholders' Meeting to be held on 20 May 2020 to renew such power and, specifically, to en-

trust the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for 30 months from the date of the related resolution, with the power to increase share capital against consideration, including in one or more instalments, for a maximum amount of Euro 5,052,114.20, issuing new Cerved ordinary shares, up to 10% (ten per cent) of the total shares outstanding on the date such power may be exercised, to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of extraordinary transactions, excluding the pre-emptive right pursuant to article 2441.4, sentence two, of the Italian Civil Code.

► Purchase of treasury shares

In its meeting of 16 April 2019, the Shareholders' Meeting, after having resolved to revoke the authorisation to purchase and dispose of treasury shares, granted by the ordinary shareholders' meeting of 9 April 2018, authorised the Board of Directors to purchase treasury shares, in any case within the maximum limit of 5% of Company shares, 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% 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.

The purchases authorised by the Shareholders' Meeting may be used to:

- › 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 ESMA⁹, whereby it could dispose of them for possible use as consideration in extraordinary 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.

The authorisation to purchase treas-

ury shares is not preconceived to service any reduction in share capital. During the Year, the Company did not launch the above programme for the purchase of treasury shares.

In the same meeting, the Shareholders authorised 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 Company's portfolio from time to time, 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% 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.

The Company notes that, at the date of this Report, it holds 3,420,275 treasury shares in portfolio.

MANAGEMENT AND COORDINATION

(pursuant to article 2497 et seq. of the Italian Civil Code)

⁹ This practice was repealed by Consob resolution no. 20876 of 3 April 2019 with effect from 30 June 2019.



The Company is not subject to the control or management and coordination of another party or entity.

Finally, the Issuer notes that:

› the information requested by Article 123-bis, paragraph 1, sub-paragraph i) of the Consolidated Law on Finance (*"agreements between companies and directors [...] which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid"*)

are illustrated in the Remuneration Report; and

› the information required by article 123-bis.1, letter l) of the Consolidated Law on Finance regarding (*"the provisions applicable to directors' appointment and replacement and changes to the Articles of Association, where different from those of the legislation or regulations that may be additionally applied"*) are described in this Report on the section on the Board of Directors (see paragraph 4.1).

Compliance

The Company adopts the Corporate Governance Code and, in particular, during the Year, it applied the version dated July 2018, available on the website of Borsa Italiana at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

The Company's corporate governance system is based on a set of rules that takes into account the guidelines defined by the regulatory bodies and the standards recommended by the market. This system has been implemented and updated over the years based on the development of the Group's business and the principles and appli-

cation criteria set out in the Corporate Governance Code.

This Report also covers any principles and application criteria of the Corporate Governance Code which the Company, at present, has decided not to apply, in whole or in part, in accordance with the "comply or explain" principle of the Corporate Governance Code of article 123-bis of the Consolidated Law on Finance.

Cerved and the companies within the group having strategic importance are not subject to laws other than those of Italy which influence the Issuer's corporate governance system.



Board of directors

APPOINTMENT AND REPLACEMENT

(pursuant to article 123-bis, paragraph 1l) of the Consolidated Law on Finance)

Pursuant to article 13.1 of the Articles of Association, the Company is managed by a Board of Directors comprised of no fewer than nine and no more than thirteen members. Under the Articles of Association, directors are appointed by the Shareholders' Meeting, in accordance with the gender parity regulations in effect at any given time, based on slates of candidates filed by shareholders, in which candidates, who may not be more than 15 in number, shall meet the requirements of the laws and regulations in effect at any given time and must be listed in sequential numerical order. The Board of Directors must include at least three members who meet the independence requirements of the applicable laws and regulations. In this respect, it is noted that the Articles of Association do not provide for requirements of independence, in addition to those established for Statutory Auditors pursuant to Article 148 of the Consolidated Law on Finance, and/or integrity and/or professionalism for the acceptance of the office of director.

Each slate shall specify which candidates meet the above independence requirements of the applicable laws and regulations in effect at any given time. Standing directors shall promptly inform the Board of Directors if they no longer meet the independence requirements or become ineligible or incompatible. The loss of the requirements necessary to serve on the Board of Directors entails dismissal from that position, it being understood that the loss of the above independence

requirements by a director, without prejudice to immediately informing the Board of Directors remaining in effect, does not cause the director to be dismissed if the Board of Directors still includes the required minimum number of Directors that, pursuant to the legislation in effect at any given time, meet the above requirements.

Slates must be filed at the Issuer's registered office and published in accordance with ruling legislation. Slates containing a number of candidates equal to or greater than three must include candidates from both genders, in accordance with the gender parity regulations in effect at any given time.

Each shareholder may file or participate in the filing of only one slate and each candidate may be listed only on one slate, on penalty of becoming ineligible. The only parties that may submit slates of candidates are shareholders who, alone or together with other shareholders, represent at least 1% of the share capital that may be voted at the Ordinary Shareholders' Meeting (as set by Consob Resolution no. 28 of 30 January 2020, pursuant to Article 144-*quater* of the Issuers' Regulation), for the submission of slates of candidates for the election of the Company's administration and control bodies¹⁰.

Affidavits by which the individual candidates accept their nomination and attest, under their own responsibility, that there are no issues making them unelectable or incompatible and that they meet the requirements of current legislation for election to their respective posts shall be filed together with each slate within the deadline required by the laws and regulations in effect at any given time. The affida-

¹⁰ Article 13.8 of the Articles of Association states that "the following are entitled to submit slates: the outgoing Board of Directors, as well as shareholders who, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights in ordinary shareholders' meetings or a different investment percentage set by the laws or regulations in effect at any given time".



vits must be accompanied by a curriculum vitae setting forth the personal and professional background of each candidate and specifying whether the candidate qualifies as independent, in accordance with the provisions of laws and regulations in effect, and those of any corporate governance codes of conduct adopted by the Company. Slates that are not prepared in accordance with the provisions of the Articles of Association shall be deemed to have never been filed. Each voting right holder may vote only for one slate.

At the end of the balloting, the candidates from the two slates that received the highest number of votes will be elected as follows:

- a) a number of Directors equal to the total number of Directors that must be elected, minus 1 (one) or 2 (two), shall be drawn, in the sequential numerical order in which they are listed on the slate, from the slate that received the highest number of votes, as described below;
- b) the remaining Director shall be drawn from the slate that received the second highest number of votes at the Shareholders' Meeting and is not in any way connected, directly or indirectly, with the shareholders who filed or voted for the slate that received the highest number of votes, only if this slate was voted by less than 5% of share capital with voting rights at ordinary shareholders' meetings or twice the percentage of investment in share capital as established by the laws and regulations in effect at any given time applicable to slate filing;
- c) conversely, when the list that received the second highest number of votes is voted by at least 5% of share capital with voting rights at ordinary shareholders' meetings or twice the percentage of investment in share capital as established by the laws and regulations in effect at any given time applicable to slate filing, both remaining directors shall be drawn from the slate in the

sequential numerical order in which they are listed on the slate;

- d) when more slates were voted by at least 5% of share capital with voting rights at ordinary shareholders' meetings or twice the percentage of investment in share capital as established by the laws and regulations in effect at any given time applicable to slate filing, the two remaining directors shall be drawn, one for each slate, from the first two minority slates that received the second highest number of votes in the sequential numerical order in which they are listed on the slate.

If at the end of the balloting, the mix of candidates elected in accordance with the gender parity ruling regulations in effect at any given time is not ensured or at least three directors, or any higher minimum number required by the laws and regulations in effect, that meet the independence requirements, are not appointed, the relevant candidates shall be replaced from the same slates from which they were drawn. The replacement order will be as follows: first, the candidates who were drawn from the only minority slate or the minority slate that received fewer votes, then, in the same manner, the minority slate that received the highest vote and, finally, again in the same manner, the majority slate. If the procedure described above fails to produce the ultimate result mentioned above, the replacement shall take place by means of a resolution adopted by a relative majority of the Shareholders.

If only one slate is filed, the directors shall be drawn from that slate, provided it is approved by a simple majority of the votes. If the number of elected directors is not the same as the number of Board members determined by the Shareholders' Meeting, or if no slate is filed or if the filed slate does not allow the election of independent directors in the number required by the laws and regulations in effect, the Shareholders' Meeting shall adopt resolutions for the necessary elections



and integrations with the respective statutory majorities, all of the above in accordance with the gender parity legislation in effect at any given time.

The slate voting process shall apply only when the full Board of Directors is elected.

The Issuer is not subject to further sector regulations regarding the composition of the Board of Directors.

The new rules on gender quotas which became effective on 1 January 2020 provide that the management bodies of listed companies must reserve “*at least two fifths*” of their members to the less represented gender and no longer one third, as established by previous legislation. They will apply to the renewal of the Board of Directors which will take place when the Company’s financial statements at 31 December 2021 are approved.

► Succession plans

Succession planning of the Board of Directors

Starting from 2015, the Board of Directors initiated a top management succession planning process for the succession of several top managers of the Company. In this context, it also carried out an assessment, with the support of the executive search firm Key2People, of the key managers of the Group to identify the best candidate as possible successor to the Chief Executive Officer then in office, defining the expected role and reviewing a series of candidates from inside the Group on the basis of benchmarks and with a clear definition of the objectives, tools and timeline of the process.

The ordinary session of the Shareholders’ Meeting held on 29 April 2016 then nominated the Company Board of Directors for the three-year term 2016-2018, and set the number of its members at eleven. Nine of these eleven directors were drawn from

the then outgoing Board of Directors of the Company; these also included members of the Company and Group senior management team deemed qualified to be appointed as the Chief Executive Officer of the Company, according to the findings of the Succession Planning.

At the meeting held on 3 May 2016, the newly elected Board of Directors of the Company, responding to the findings of the Succession Planning and the need to define a new governance structure reflecting the significant changes in the Company ownership structure beginning in November 2015 and in view of guaranteeing continuity, thus elected: *i)* Marco Nespolo as the new Chief Executive Officer of the Company and *ii)* Gianandrea De Bernardis, formerly Chief Executive Officer of the Company, as Executive Deputy Chairman of the Company.

In its meeting on 29 October 2018, the Board of Directors, in response to the resignation of Marco Nespolo from his position as Chief Executive Officer, conferred on Gianandrea De Bernardis – formerly Executive Deputy Chairman of the Company – powers essentially in line with those previously conferred on Marco Nespolo, duly appointing Mr De Bernardis Chief Executive Officer.

Following these resignations, on 29 October, the Remuneration and Nomination Committee, after analysing the proposals of three international executive search groups for seeking a Chief Executive Officer, decided to confer the assignment on the consultancy firm Eric Salmon & Partners. In particular, the consultancy firm presented a panel of possible names, illustrating the assessments and screening conducted, based on agreed selection criteria. In this context, they illustrated the assessment and screening of around 30 potential candidacies satisfying the agreed criteria.

In consideration of the imminent expiry of the term of office of the entire



board of directors, the same consultancy firm was also entrusted with the task of assisting the Remuneration and Nomination Committee in drawing up the list of candidates to hold the post of director. In particular, in this context, qualified professionals have been identified with experience in administrative bodies, preferably listed companies, in possession of the skills indicated in the self-assessment. This activity was conducted in consideration of compliance with gender balance legislation, as well as criteria concerning varied backgrounds, origins and compatibility in terms of *soft skills* and balancing professional *seniority*.

During the Year and in view of the expiry of the current composition of the Board of Directors, the Company, in any event (i) updated the Succession Planning regarding the Group's top management positions (as described in the paragraph below); and (ii) adopted a diversity policy applied in relation to the composition of the administration and management bodies, as regards aspects such as age, gender and educational and professional training (for a description thereof, reference should be made to paragraph 4.2).

At the meeting held on 19 April 2019, the newly elected Board of Directors of the Company, responding to the findings of the Succession Planning: *i)* elected Andrea Mignanelli as the new Chief Executive Officer of the Company and *ii)* Gianandrea De Bernardis, formerly Executive Deputy Chairman of the Company, as Executive Chairman of the Company.

Succession planning of top executives

During the Year, the Remuneration and Nomination Committee promoted a new Succession Planning process, which was developed with the support of Deloitte Consulting. In addition to the work carried out as the end of the term of office of the previous Board of Directors approaches (described in the previous paragraph), this project

also checked the coverage of the Chief Executive Officer's top executives, in order to protect the stability of Company's management, mitigating any prospective risk related to the lack of management continuity in top management positions. In particular, the process comprises 3 phases:

- › in-depth interviews with the top executives on their perception of their role and organisational development, with the aim of identifying potential successors and highlighting the level of risk;
- › analysis of possible successors based on three classifications: back-up candidate, successor at 12 - 24 months, next generation at 36-60 months; and
- › creation of the so-called "*Succession Mapping*".

Accordingly, a virtuous mechanism has been implemented that guarantees stability and business continuity to date.

COMPOSITION

(pursuant to article 123-bis, paragraph 2, letters d) and d-bis) of the Consolidated Law on Finance)

After setting the number of directors at eleven, the Shareholders, in their ordinary meeting held on 16 April 2019, elected the current Board of Directors of the Company – which will hold office until approval of the separate financial statements at 31 December 2021 – by re-electing the outgoing directors Mara Caverni, Fabio Cerchiai, Gianandrea De Bernardis, Sabrina Delle Curti, Valentina Montanari, Andrea Mignanelli and Aurelio Regina, and electing four new members, Andrea Casalini, Umberto Carlo Maria Nicodano, Mario Francesco Pitto and Alessandra Stabilini.

Four slates of director candidates were presented by the Shareholders' Meeting on 16 April 2019.

The directors Gianandrea De Bernardis, Andrea Mignanelli, Sabrina Delle



Curti, Fabio Cerchiai, Mara Caverni, Aurelio Regina, Umberto Carlo Maria Nicodano, Andrea Casalini and Alessandra Stabilini were drawn from the slate of 11 candidates, submitted by the outgoing Board of Directors, pursuant to Article 13.8 of the Articles of Association (Slate 1). This slate received votes representing 49.048% of the voting shares.

The director Valentina Montanari was drawn from the slate of 4 candidates submitted by funds managed by a group of 12 institutional investors holding a total of 7.51% of the Company's share capital and which obtained, at the time of appointment, a number of votes representing 35.478% of the voting capital.

Finally, the director Mario Francesco Pitto was drawn from the slate with him as the only candidate, submitted by funds managed by Alatus Capital holding a total of 2.506% of the Company's share capital and which obtained, at the time of appointment, a number of votes representing 12.102% of the voting capital.

In its meeting on 19 May 2019, the Company Board of Directors then appointed Gianandrea De Bernardis as Executive Chairman of the Board of Directors and Andrea Mignanelli as Chief Executive Officer of the Company.

The current Board of Directors is thus composed of the following persons:-
Gianandrea De Bernardis, Executive Chairman;

- **Andrea Mignanelli**, Chief Executive Officer;
- **Sabrina Delle Curti**, Executive Director;
- **Fabio Cerchiai**, Lead Independent Director;
- **Mara Anna Rita Caverni**, Independent Director;
- **Mara Anna Rita Caverni**, Independent Director;
- **Umberto Carlo Maria Nicodano**, Non-executive Director;

- **Valentina Montanari**, Independent Director;
- **Andrea Casalini**, Independent Director;
- **Alessandra Stabilini**, Independent Director;
- **Mario Francesco Pitto**, Independent Director.

The majority of the Board of Directors is composed of independent directors.

Likewise, the committees set up within the Board of Directors pursuant to the Code are mainly composed of independent directors.

After ascertaining that all the directors satisfied the prerequisites imposed by the applicable laws and regulations for assuming that position, the Board of Directors meeting held on 19 April 2019 confirmed that the Directors Fabio Cerchiai, Mara Anna Rita Caverni, Aurelio Regina, Valentina Montanari, Andrea Casalini, Alessandra Stabilini and Mario Francesco Pitto fulfilled the prerequisites for qualification as independent directors pursuant to Article 148(3) Consolidated Law on Finance (applicable to the directors pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance) and the Code.

With respect to the Lead Independent Director Fabio Cerchiai, it is noted that, during the above check carried out in its meeting of 19 April 2019, the Board of Directors confirmed that he fulfilled the independence requirements, although he was the chairman of Cerved Board of Directors and, therefore, a "significant representative" of the Company in the three previous financial years pursuant to application criterion 3.C.1. of the Corporate Governance Code - based on the following considerations: (i) the position in question was held as a non-executive and independent director, (ii) the representative has in any case been a member of the Board of Directors of the Company for less than nine years, (iii) his high standing and profession-



alism are such that his independence and autonomy of judgement are not considered compromised and (iv) the Corporate Governance Code recommends that the necessary evaluations be made taking into account the substance rather than the form and taking into consideration the various factors indicated in the same code as a whole. The evaluation was confirmed during the Board of Directors' meeting held on 12 February 2020.

At its meeting on 16 May 2019 and as envisaged by application criterion 3.C.5. of the Code, the Board of Statutory Auditors verified that the vetting criteria and procedures adopted by the Board of Directors to assess its own members' independence were properly applied.

Three of these directors are executive directors as defined by the Code (see paragraph 4.5 of the Report), one is non-executive and not independent and the remaining seven are non-executive and independent.

Finally, it is noted that the Company did not adopt quantitative and/or qualitative criteria to be used *ex ante* to assess the significance of the relationship between the independent directors and the Company itself, taking into account the fact that, at present, there are no direct or indirect relationships between the Company and independent directors that require to be assessed in accordance with these criteria.

► Diversity Policy

Pursuant to the provisions of Article 123-bis, paragraph 2, letter d-bis of the Consolidated Law on Finance and the recommendations contained in the Corporate Governance Code, the Board of Directors of Cerved, on 5 March 2019, adopted the "Diversity Policy for Members of Corporate Bodies", which identified the main criteria to apply when defining the optimal composition of the administrative body so that it may exercise, in

the most effective manner, its powers while benefiting from the contribution of different and complementary approaches, skills and experiences. Cerved recognises, seeks and welcomes the benefits of diversity within the Group, and within its Corporate Bodies, as regards all aspects, including gender, age, seniority, qualifications, skills and the professional and training profile.

In defining its Diversity Policy, the Cerved Board of Directors recognises that greater diversity in its Corporate Bodies will encourage internal debate, formulating unusual and innovative ideas and generating and maintaining a positively and proactively critical approach; all elements which reinforce the ability of the Bodies to make the decisions within its remit independently and exercise an effective supervisory and coordination role.

The Diversity Policy approved by the Company Board of Directors defines and formulates the criteria adopted to ensure an adequate level of diversity among the members of the Corporate Bodies, in order to:

- › render the decision-making process more effective and in-depth;
- › reduce the risk of all members sharing similar opinions;
- › enrich discussion within the Corporate Bodies by fostering internal debate and comparison between experiences that differ in terms of content and the contexts in which they are developed;
- › allow members of the Corporate Bodies to discuss the decisions of the management constructively;
- › foster exchanges within the Corporate Bodies.

With reference to the type of diversity and associated objectives, the Diversity Policy states that:

- › the majority of the members of the Board of Directors must be non-executive and satisfy the independence requirements laid down by the legislation and the Corporate Governance Code;
- › at least a third of the Board of Direc-



tors, both at the time of appointment and during their terms of office, shall be composed of directors from the less represented gender;

- › in order to ensure a balance between the requirements of continuity and renewal, a balanced combination must be ensured between different levels of seniority and age brackets;
- › non-executive and independent directors must have a management and/or professional and/or vocational/academic profile which comprises a set of diverse and complementary skills and experience.

The Issuer confirms that the diversity policy has been applied with reference to the slate for the renewal of the Board of Directors submitted by said Board at the Shareholders' Meeting held on 16 April 2019. The Issuer believes that the current composition of the Board of Directors reflects the type of diversity and the related policy objectives described above.

The personal and professional details of the individual members of the Company Board of Directors are illustrated as follows. In this respect, it is noted in advance that, as recommended by the Corporate Governance Code, at least a third of the Board of Directors is composed of directors from the less represented gender.

Gianandrea Edoardo De Bernardis

Gianandrea De Bernardis was born in Milan on 15 September 1964, graduated with honours from Polytechnic University in Milan with a degree in electronic engineering and earned a master's degree in business administration from SDA Bocconi. He began his career at the end of 1980s in the United States as a software engineer in the telecommunications area at AT&T Bell Laboratories and Wang Laboratories Intecom Inc. From 1991 to 1993 he honed his skills at Saras S.p.A., an oil refiner, as head of performance and production control. Subsequently, from 1995 to 1999, he worked at The Boston Consulting Group, mainly

managing industry and consumer-related projects. In 1999, he was named general manager of AMPS S.p.A., the provider of local public services in Parma, and worked on important development and restructuring projects, including the acquisition of the ENEL networks, diversification into telecommunications (Albacom.AMPS S.p.A.), geographic expansion, process re-engineering and the sale of a significant interest in the company to the Edizione Holding/San Paolo IMI investment consortium.

From 2001 to 2009, Mr. De Bernardis served as chief executive officer of TeamSystem S.p.A. helping nurture the company through its growth process. He was chief executive officer of Cerved Group S.p.A. from June 2009 to 29 April 2016 and from October 2018 to April 2019. He was also Executive Deputy Chairman of the Issuer with significant powers from May 2016 to April 2019. He is currently the Executive Chairman of the Issuer. Currently, in addition to the foregoing, he is a director of Hippocrates Holding S.p.A., the Chairman of the Board of Directors of Conceria Pasubio S.p.A. and the Chairman of the advisory board of Foscolo Holding S.à.r.l..

Andrea Mignanelli

Andrea Mignanelli, born on 12 June 1969, earned his Economics and Business degree in 1993 at the Università Luigi Bocconi and continued his education with a Master in Business Administration, awarded in 1998 by INSEAD (France).

He has been the chief executive officer of the Issuer since April 2019 and, until 2019, of CCMG, the parent company of various companies specialising in the management of a wide range of performing and non-performing loans and assets. Under his leadership, CCMG joined the Cerved Group in 2011, reinforcing the services it offers in the *credit risk management segment*.

He was previously a partner at McKinsey & Co., as the European head of



Credit Risk Management Practice. He worked as financial analyst at General Electric from 1994 to 1997, at its offices in London, New York and Rio de Janeiro.

He is currently a member of the board of directors of SC Re Collection S.r.l. and Codifi S.p.A..

Sabrina Delle Curti

Born in Bassano del Grappa (Vicenza) on 16 May 1975, she graduated with honours in law from the University of Parma in 2001, began her professional career at BonelliErede, a leading Italian law firm, where she was mainly involved in M&A deals in various industrial sectors, while also developing specific and significant expertise in capital markets.

She passed her bar exam in 2005.

In 2008, she pursued her professional career by accepting an in-house position at Sopaf S.p.A., where she was able to develop further her expertise in domestic and cross-border M&A deals and IPOs.

In 2011, she accepted the position of General Counsel at Green Hunter S.p.A., a company active in the renewable energy business, where she also held the position of secretary to the Board of Directors and the many subsidiaries of that company.

In July 2015, she was appointed General Counsel of the Cerved Group and head Legal and Corporate Affairs Department. In August 2016 she also became head of institutional affairs for the Group. Since September 2015, she has also served as an Executive Director of the Issuer. Since April 2017, she has served as an independent director for Massimo Zanetti Beverage Group S.p.A.. For several years she has cooperated with the Private Law Department of the Faculty of Economics at Milan Bicocca University, under the supervision of Prof. Franceschelli.

Fabio Cerchiai

Fabio Cerchiai was born in Florence on 14 February 1944, resides in Venice, is a Knight of Labour honouree, holds a Degree in Economics and Business Administration from the University of Rome. He began his career in the insurance industry, where he held various positions until his appointment as chief executive officer and deputy chairman of Assicurazioni Generali in 2002.

He also served on the boards of directors of important financial companies both in Italy and abroad. He was chairman of INA Assitalia, chairman of ANIA - Associazione Nazionale fra le Imprese Assicuratrici, Autostrade per l'Italia S.p.A., SIAT - Società Italiana di Assicurazioni e Riassicurazioni p.A. and UnipolSai S.p.A. until April 2016, where he currently holds the position of Deputy Chairman. He was also Chairman of the Issuer until April 2019 where he currently holds the position of Independent Director, member of the Remuneration and Nomination Committee and Lead Independent Director.

He is currently Chairman of Atlantia S.p.A., Arca Vita S.p.A. and Arca Assicurazioni S.p.A. and a member of the Board of Directors of Edizione S.r.l. and Abertis S.p.A.. He has been Deputy Chairman of Diplomatia, a director of AISCAT Associazione Italiana Società Concessionarie Autostrade e Trafori since 2010. He is a member of the Management Boards of Assonime, Fondazione Censis and ANSPC - Associazione Nazionale per lo Sviluppo dei Problemi del Credito and an academic member of AIDEA - Accademia Italiana di Economia Aziendale.

Mara Anna Rita Caverni

Mara Anna Rita Caverni was born in Milan on 23 May 1962 and holds a degree in business economics from Luigi Bocconi University in Milan. Chartered Accountant and Statutory Auditor since 1992. She began her professional career in Milan in 1988, and then at PricewaterhouseCoopers in Paris in



1993, relocating to London in 1998, where she worked for PricewaterhouseCoopers Transaction Services. Between 1994 and 1996, she served as chief financial officer at a subsidiary of a multinational group. In 1999, she became partner at PricewaterhouseCoopers in Italy, where she remained until 2011, serving first as head of the European Private Equity Transactions Division, from 2003 to 2005, and, subsequently, as the head of the Italian Private Equity Division, from 2005 to 2011, and as a member of the global private equity team. In 2008, she was included on the Ready-for-board women list. In 2012, she founded New Deal Advisors S.p.A. of which she is the managing partner. In 2016, she was appointed a director of Eight International.

Currently, in addition to the roles of independent director (since 2014) and member of the Issuer's Sustainability, Risk and Control Committee, she is serving as an independent director of ERG S.p.A. and Atlantia S.p.A. and she is the Chairwoman of Italcanditi S.p.A.. She is the co-author of various publications on the M&As, private equity and due diligence. She is registered with the register of Chartered Accountants and Chartered Auditors.

Alessandra Stabilini

Alessandra Stabilini was born in Milan on 5 November 1970 and earned a law degree from the Milan University in 1995. In 2000, she obtained a Master of Laws (LL.M) at the Law School of the University of Chicago (USA). In 2003, she obtained a PhD in Commercial Law at the L. Bocconi University of Milan.

She has been a researcher in Commercial Law at the Faculty of Law of the University of Milan since 2004 and was confirmed in 2007. From 2011 to 2016, she was Aggregate Professor and holder of the International Corporate Governance course at the Milan University. From 2016, she was Aggregate Professor of Corporate Governance and Corporate Social Re-

sponsibility (in English) at the Milan University.

She has been a member of the Milan Bar since 2001. She is currently Equity Partner of NCTM Studio Legale Associato, of which she was previously a collaborator (until 2011) and Of Counsel (from 2011 to 2015). Her areas of activity include, among others, corporate law, with particular reference to listed companies and financial market law. She also assists unlisted companies in the areas of corporate and commercial law, including corporate litigation and arbitration. She has held arbitration positions by appointment of the Milan Chamber of Arbitration.

In March 2007, by Decree of the Minister of Economy and Finance, she was appointed member of the Technical Support Committee of the Committee for the Piazza Finanziaria Italiana (Italian Financial Market), chaired by the then Deputy Minister Roberto Pinza.

In addition to the position of Independent Director (since 2019), Chairwoman of the Issuer's Sustainability, Risk and Control Committee and member of the Related Party Committee, she also holds the position of independent director of COIMA RES S.p.A. SIIQ and non-executive director of Unieuro S.p.A. and Librerie Feltrinelli S.r.l., as well as standing auditor of Brunello Cucinelli S.p.A. and Hitachi Rail STS S.p.A..

Aurelio Regina

Aurelio Regina was born in Foggia on 15 August 1963 and earned a degree with honours in political science from the Free University of Social Studies in Rome. He was an assistant professor both at the Methods for International Conflicts Resolutions Department and at the Global Strategy Department at the War College of the Italian Armed Forces, and, in 1986, served at the United Nations in New York on issues related to Middle East conflicts. In 1988, he became the head of communications, relations with pub-



lic institutions and legislative studies at Procter & Gamble Italia. In 1991, he was named director of corporate affairs for the Philip Morris Companies Group in Italy and, subsequently, managing director of Philip Morris Corporate Services Inc. and managing director of Philip Morris S.r.l..

From 2008 to 2012, he was Chairman of Unindustria – Association of the Manufacturers and Businesses of Rome, Frosinone, Rieti and Viterbo (formerly Association of the Manufacturers and Businesses of Rome) and Chairman of Confindustria Lazio. He has been Chief Executive Officer of British American Tobacco Italia, a BAT group company, a tobacco multinational, and served as chairman of Sistemi & Automazione S.p.A. and as director of Sviluppo Italia S.p.A., from 2011 to 2016, he has been chairman and deputy chairman of Credit Suisse Italy S.p.A., a member of the board of directors of Il Sole 24 Ore and Valentino Fashion Group S.p.A.. From 2012 to 2014 he served as deputy chairman of Confindustria, with responsibility for economic development, and as chairman of Network Globale, an internationalisation company for Unioncamere Lazio. Since 2011, he has been Chairman of the Fondazione Musica per Roma and also serves as deputy chairman of the Centro Studi Americani (association) and a member of the board of Aspen Institute Italia (association).

In addition to the position of Independent Director (since 2014) and Chairman of the Issuer's Remuneration and Nomination Committee, he is deputy chairman of Manifatture Sigaro Toscano S.p.A. and chairman of Defence Tech S.p.A., Sisal S.p.A., Sisal Group S.p.A. and Next S.p.A.; he is also a director of Sistemi e Automazione S.r.l. and a partner and member of the board of directors of Egon Zehnder International S.p.A..

Umberto Carlo Maria Nicodano

Graduated in Law at the Milan Univer-

sity in 1974, he has been practicing law since 1978 and is a member of the Milan Bar Association.

After five years as in-house counsel for a US multinational group, he joined Erede Bianchi Giliberti in 1982 and has been a Partner of BonelliErede since its foundation. He was Chairman of BonelliErede's Board from 2001 to 2007 and currently continues to be a member.

His significant experience in the luxury sector is acknowledged by the market and, over the years, he has assisted major international groups, designers and private equity funds in many important transactions carried out in Italy.

He has frequently assisted financial sponsors and industrial operators with investments in industrial companies operating in considerably different sectors (automotive, motorcycles, components in general, photovoltaic, telecommunications, etc.).

He deals with Corporate and M&A transactions for listed and unlisted companies, specifically with extraordinary finance transactions in all their phases: study of the operation, contractual negotiation, execution of the agreements reached and post-execution management. He also deals with governance issues. He mainly operates in the following business sectors: insurance, automotive, banking, fashion and luxury.

He is Team Leader of Focus Team Private Equity, member of Focus Team Private Clients and Innovation and Digital Transformation (strategic support).

In addition to the position of Non-executive Director (since 2019) and member of the Related Party Committee and the Remuneration and Nomination Committee, Umberto Carlo Maria Nicodano chairs the Board of Directors of Green Hunter Group S.p.A. and Green Hunter S.p.A., is the Depu-



ty Chairman of Valentino S.p.A. and a Director of Brembo S.p.A. (in which he is also a member of the Remuneration and Nomination Committee), Levriero Holding S.p.A., Finos S.p.A., TWT S.p.A., Voisoft S.r.l. and Vicuna Holding S.p.A..

Valentina Montanari

Valentina Montanari was born on 20 March 1967. She graduated with a degree in Economics and Business from the University of Pavia, and then went on to earn a Master's Degree at SDA Bocconi.

She was also Chief Accounting Officer at Gruppo RCS from 2003 to 2009, and Chief Financial Officer at Dada (Gruppo RCS) from 2009 to 2011. Valentina Montanari held the position of Chief Financial Officer at Gefran S.p.A. from July 2012 to September 2013 and Il Sole 24 Ore S.p.A. from October 2013 to December 2016. She also served as Head of Administration, Finance and Control for AC Milan S.p.A. between August 2017 and September 2018. Since April 2019, she has been the Group CFO of FNM Group S.p.A..

In addition to the position of Independent Director (since 2016) and member of the Issuer's Sustainability, Risk and Control Committee and the Remuneration and Nomination Committee, Valentina Montanari is the independent director of Mediolanum Gestione Fondi S.g.r.p.A. and Newlat Food S.p.A..

Mario Francesco Pitto

Mario Francesco Pitto was born in Genoa on 3 June 1951 and earned a law degree from the University of Urbino in 1978.

He has been a member of the Register of Chartered Accountants and Accounting Experts of Vicenza since 1992 and of the Register of Auditors at the Ministry of Economy and Finance since 1995.

Until 1990 he worked at notary offic-

es in Genoa and Bassano del Grappa. Since 1992 he has worked as a chartered accountant with a firm in Bassano del Grappa, providing assistance and consultancy to medium and large companies in corporate and tax matters, also at international level, as well as consultancies on corporate restructuring, including through bankruptcy proceedings.

He acted as commissioner/court receiver, receiver, court-appointed expert and expert pursuant to Articles 2343 and 2501-sexies of the Italian Civil Code.

He promoted the Foundation "*Ethica ed Economia – Universitatis Bassanensis Schola De Negotiis Gerendis*". He served as Judge of the Vicenza Provincial Tax Commission from 4 September 1996 to 23 October 2001. He served as Honorary Judge at the Civil and Criminal Court of Bassano del Grappa from 1998 to 2007.

In addition to the position of Independent Director (since 2019) and member of the Issuer's Related Party Committee, Mario Francesco Pitto is the independent director of Conbipel S.p.A. and statutory auditor of leading Italian companies.

Andrea Casalini

Andrea Casalini graduated with honours in economic and business administration at the Parma University in 1986.

From 1989 to 1996, he worked on organisation and change management projects in the Milan and Chicago offices of McKinsey & Company, focusing, in particular, on clients operating in the banking and IT services sector. From 1996 to 2000, he split between Milan and London working for EDS, Electronic Data Systems. He was appointed EDS Italia's Chief Executive Officer in 1998. In 1999, he was appointed President EMEA, with international responsibilities for the e-solutions line (internet solutions).



From 2000 to 2014, he led Buongiorno S.p.A as Chief Executive Officer.

From August 2014 to May 2019, he was partner and Chief Executive Officer of Eataly Net, a company of the Eataly Group, focused on the international e-commerce of high quality food & beverage products inspired to the Italian food and wine culture. Furthermore, from 2008 to 2017, he was an independent director of Gruppo Mutuonline S.p.A., of which he also chaired the Remuneration and Nomination Committee.

Andrea Casalini is an investor in start-ups, including Dove Conviene S.r.l., in which he also advises the Board of Directors, Talent Garden S.p.A. and in the early stage investment vehicle Boreal Tech Ventures.

In addition to the position of Independent Director (since 2019) and member of the Issuer's Related Party Committee, Andrea Casalini is the independent director of Amplifon S.p.A. and a director of Assist Digital S.p.A. and Engagio S.r.l..

► Maximum number of offices that may be held at other companies

The Corporate Governance Code requires that the Board of Directors express its opinion regarding the maximum number of boards on which a director or statutory auditor may serve - in other listed companies, financial companies, banks, insurance companies or companies of a considerable size - compatibly with the obligation to perform effectively his/her duties as a Company director, taking also into account the service of directors on committees established internally by the Board of Directors.

In accordance with the "comply or explain" principle set out in the "Main principles and temporary regime" section of the Code, the following should be noted:

a) the Board of Directors has not yet expressed its opinion;

b) in justifying the discrepancies between the Code's recommendations, the Board of Directors believed that the responsibility for determining the suitability of candidates to the post of director, based also on the posts held at other companies, rests first of all, with the shareholders upon the appointment of directors and, secondly, with the individual directors, upon accepting their election;

c) furthermore, the Board of Directors decided that the real adequacy in terms of the time available to each director - also considering their work and professional commitments, the number of posts of directors and statutory auditors held in other listed companies, financial companies, banks, insurance companies or companies with a considerable size - to effectively perform their respective duties, was assessed by each director currently in office at the time of accepting the office;

d) the Board of Directors' opinion may be further discussed and assessed, also to consider the Company's real needs and, more in general, the possible development of the Italian listed companies' practice on this point. At the approval date of this Report, the Board of Directors did not believe it necessary to conduct new reviews on this issue.

In accordance with the Corporate Governance Code, the posts of directors currently held by some directors of Cerved at companies other than the Company, at the date of this Report, are summarised in Table 2 ("*Structure of the Board of Directors and Committees*") attached hereto and listed in detail in Annex 1 ("*List of Directors' offices*").

► Induction Programme

On 27 May and 19 September 2019, two sessions of the annual Induction Programme were held, aimed at providing directors and statutory auditors with detailed information on the



following:

- (i) during the session held on 27 May 2019, the organisation, performance and development of the Group's main operating areas, and
- (ii) during the session held on 19 September 2019, (a) the Group's positioning with respect to its main competitors, (b) the Group's product portfolio and its possible development and (c) issues related to the relationship between the Group and its investors.

These sessions were held with the support of the Group's top management and consultants, representing both the business and the corporate functions.

ROLE OF THE BOARD OF DIRECTORS

(pursuant to article 123-bis, paragraph 2d) of the Consolidated Law on Finance)

The Board of Directors meets periodically, on a regular basis. During the Year, the Board of Directors met 27 times. In accordance with the financial calendar, it will meet 4 times in 2020. Seven meetings have already been held since the end of the Year: on 24 January, 10 February, 12 February, 26 February, 13 March, 23 March and 24 March 2020 (when this Report was approved).

Each meeting had an average duration of approximately 3 hours and 30 minutes. For information on the attendance at Board meetings by each Director, reference should be made to Table 2 ("*Structure of the Board of Directors*") attached hereto.

The Board of Directors meetings were frequently attended – as guests and in connection with the specific issues discussed – by non-members of the Board of Directors, including in particular the Manager in charge of Financial Reporting, the Investor Relator and the Chief Financial Officer and, in general, the senior managers of the Issuer and the Group companies who

are in charge of the company departments with specific responsibilities, along with the consultants involved at any given time, in order to provide detailed information as relevant to the matters on the agenda, as provided for by the Corporate Governance Code.

In accordance with the Articles of Association, notices of Board meetings are given by means of a registered letter, a fax or an email at least three days before the date of the meeting, or, in urgent cases, at least 24 hours before the date of the meeting. The notices list the place, date and time of the meeting and the items on the agenda.

The Chairman, also assisted by the Secretary to the Board of Directors, ensures timely and complete pre-meeting information, adopting the necessary modalities to preserve the confidentiality of the supplied information and data and that the documentation related to the items on the agenda is sent to the directors well in advance of the date of each meeting. The notice that is generally deemed adequate for providing information before the board of directors meeting is about five days prior to the meeting. This deadline was normally met during the Year, except in those cases where, due to the complexity of the matters discussed, the supporting documents were provided to the directors and statutory auditors as soon as they were available, and always in time for the Board of Directors meetings.

If in specific cases, inter alia to preserve the confidentiality of the information provided (for example, in connection with projects of particular strategic relevance to the business of the Company and the Group), it is not possible to provide the pre-meeting reports sufficiently in advance, the Chairman shall ensure that adequate and timely details will be provided during the board of directors meetings, so that informed decisions may be taken.



Finally, the Chairman of the Board of Directors must ensure that sufficient time is devoted to each item on the agenda to allow a constructive discussion, encouraging directors, statutory auditors and senior managers in charge of the company departments who, from time to time, participate in the Board of Directors' meetings, to provide their contribution during the meetings.

The Issuer did not adopt a Board regulation as it believes that the measures adopted are sufficient to ensure (i) timely and complete pre-meeting information, (ii) constructive discussion during Board meetings, and (iii) informed decisions by the Board of Directors.

The Directors have exclusive responsibility for the management of the Company and must take all actions necessary to attain the business purpose. Specifically, in accordance with ruling applicable legislation and in line with the recommendations of the Corporate Governance Code, the Board of Directors, acting as a body, has exclusive jurisdiction with regard to the following decisions:

- a) *reviewing and approving the strategic, business and financial plans of the Issuer and the Group and periodic monitoring of their implementation;*
- b) defining the Issuer's corporate governance system and the Group's structure;
- c) defining the nature and level of risk compatible with the Issuer's strategic objectives, including in its own assessments all the risks that can be of significance in view of their sustainability over the medium-long term.
- d) assessing the adequacy of the Issuer's organisational, administrative and accounting structure, as well as those of strategically significant Subsidiaries, specifically with regard to the effective functioning of the Risk and Control System;
- e) defining the frequency, which

need not be more than quarterly, with which the delegated bodies must report to the Board of Directors about the work they performed in the exercise of the powers delegated to them;

- f) assessing the general performance of the Issuer's operations, specifically taking into account the information received from the delegated bodies, and periodically comparing actual results with budgeted results;
- g) adopting resolutions about transactions executed by the Issuer and its subsidiaries, when the transactions are particularly significant in terms of the Issuer's strategy, financial position and financial performance, establishing the general criteria for identifying highly material transactions;
- h) assessing, at least once a year, the performance of the Board of Directors and its committees, as well as the Board's size and composition, taking also into account such elements as the professional characteristics and the management skills and other expertise of the Board members, as well as their gender and the length of their service on the Board;
- i) providing the shareholders with guidelines before they elect the new board of directors, where those guidelines indicate the managers and professionals whose inclusion on the board of directors is deemed advantageous.

In accordance with the recommendations set out in the Corporate Governance Code, during the Year, the Board of Directors periodically checked the general performance of operations, considering the information received from the chief executive officers and periodically checking actual results against those planned. Specifically, the Board of Directors:

- › periodically monitored the implementation of the Company's business and financial plans approved from time to time;



- › set, as part of the business plan, the nature and the level of risk compatible with Cerved's objectives;
- › defined the operational approach to managing conventional business risks;
- › examined and decided on the significant transactions carried out by the Subsidiaries, including just to take note of them.

For the purposes of the activity described in point d), all Subsidiaries were considered highly strategic given the importance of their respective business and/or the fact that they are subject to authorisations and particularly complex laws and provisions.

With respect to the assessment, to be exclusively carried out as a board, set out in point g), the Board of Directors did not establish general criteria to identify the transactions that are strategically or financially significant for the Issuer and the Subsidiaries, as (i) with respect to the Issuer, the assessment is carried out on a case-by-case basis and (ii) with respect to the Subsidiaries, such transactions are subject to board decision by virtue of management and coordination activities pursuant to article 2497 of the Italian Civil Code carried out by the Company over all direct and indirect subsidiaries of the Group.

In its meeting of 13 March 2020, based on the information and evidence gathered with the support of the investigation work carried out by the Sustainability, Risk and Control Committee and considering the assumptions and the assessments of the Risk and Control Director, the Internal Audit, the Head of the Enterprise Risk Management function and the Manager in charge of Financial Reporting, the Board of Directors subsequently assessed the adequacy of the Issuer's and the Subsidiaries' organisational, administrative and accounting structure, focusing, in particular, on Cerved Group's Risk Management and Internal Control System, concluding that there were no issues such to jeopardise the overall

adequacy.

Furthermore, the Company has adopted, at Group level, a whistle-blowing system in line with international market best practices and the recommendations set out in the Corporate Governance Code.

During the Year, consistently with the recommendations made by criterion 1.C.1.b of the Corporate Governance Code, the Board of Directors defined the nature and level of risk compatible with the Issuer's strategic objectives in relation to monitoring the risks connected with the various operating areas of the Company. Its assessments included the risks that might become significant in view of the medium-long term sustainability of the Issuer's activity. When confronted with material circumstances, the Board of Directors acquired the necessary information and took all appropriate measures to protect the Company and its market disclosures.

▶ Assessment of the size, composition and functioning of the Board of Directors

The Board of Directors has promoted, for the sixth consecutive year, in accordance with international best practices and the provisions of the Code, an annual self-assessment process, through the individual completion, by the directors, of suitable questionnaires prepared by an independent third party, Crisci & Partners S.r.l..

In line with the responsibilities assigned by the Board of Directors and the corporate governance recommendations, the Company's Remuneration and Nomination Committee played a supervisory role in the said process. The self-assessment, which is repeated and discussed once a year by the Board of Directors, covers the adequacy of the size, composition and operating procedures of the Board of Directors and its committees, as well as the professional characteristics, management skills, other expertise and length of service on the Board of



the individual professionals who serve on the Board of Directors.

Specifically, the assessment focuses on:

- › the individual characteristics of the directors, in terms of qualifications and professional experience;
- › the structural characteristics of the Board of Directors (its size, specifically considering the characteristics of the Group and the ability to ensure adequate activities by the internal committees of the Board of Directors; its composition, specifically in terms of a balanced subdivision and relationship between genders and executives and non-executive directors and the adequacy of the number of independent directors);
- › the organisational characteristics of the Board of Directors, understood as the Board's processes and operating procedures (the information flows provided by making available to the directors ahead of meetings adequate information about items on the agenda; the frequency and planning of the meetings; the attendance percentages at meetings by the Directors; and the supporting documents of the minutes of the meetings).

In accordance with the Corporate Governance Code's recommendations, the Board of Directors carried out a self-assessment also for this Year. The self-assessment questionnaires, preceded in certain cases by interviews, were sent to all directors and the answers were then collected anonymously and combined into a summary document, similar to that used internally in 2019 to ensure a consistent comparison of responses to individual issues, and examined by the Board of Directors during the meeting held on 24 March 2020.

The self-assessment in question gave positive findings on the performance, size and composition of the Board of Directors and its committees. In particular, it turned out, among other

things, that:

- › the number of directors on the Board is considered the most appropriate;
- › the size and diversity of background and experience have enabled the Board of Directors to operate effectively in a complex context characterised by extraordinary transactions and situations;
- › the dynamics within the Board are effective and the atmosphere during meetings has remained open and highly cooperative, ensuring a high quality of debate, focused on priority and urgent matters;
- › the work of the Committees has once again been in line with best practices and successfully integrated in the Board's resolution process.

Within this positive context, certain areas for improvement have been identified that will be implemented in 2020 to ensure ever greater alignment of the corporate governance with international best practices. Specifically, the potential areas for improvement were identified as the following:

- › for the future, the usefulness of having at least one Director with experience in digital transformation and/or cyber/tech among the members of the Board of Directors;
- › although this aspect has improved, the need for further in-depth studies, also involving the operational structure when appropriate, of the issues related to the specific regulatory framework and compliance issues relating to the governance of a listed company and public company;
- › the need to turn ESG issues into a central aspect for the Company.

Finally, the Shareholders did not authorise, on a general and preventive basis, any waivers of the non-competition obligation, as required by article 2390 of the Italian Civil Code.

DELEGATED BODIES

The Board of Directors acts, directly and jointly, by delegating part of its functions to the Chairman and the



Chief Executive Officer, to the extent permitted by the Law and the Articles of Association.

The following powers were delegated to the Executive Chairman and the Chief Executive Officer on 19 April 2019.

► Executive Chairman

The Chairman Gianandrea De Bernardis, without prejudice to his powers under the Articles of Association, has been granted the powers identified below, under his sole power of signature, if not otherwise envisaged and with the power of sub-delegating his powers, albeit within the limits that are periodically established for each one of them:

1. representing the Company, promoting, supervising and handling the external relations of the Company and the Group with public institutions, regulators, authorities, bodies and third parties, both inside and outside Italy, public and private, including (for example), CONSOB, Borsa Italiana, banks, financial institutions, insurance companies and Infocamere S.C.p.A., the press, information outlets, the media in general, economic and industry associations, the financial community, the scientific community, investors and stakeholders;
2. ensuring adequate information flows between the committees provided for in the Corporate Governance Code and the Board of Directors, guaranteeing the consistency of the decisions of the Company's boards;
3. examining, also on the basis of the information that will be provided by the Chief Executive Officer, the terms and conditions of possible transactions of significant strategic or financial importance for the Company and the Group it heads - including, without limitation, possible investment and/or disinvestment transactions of equity investments in other companies, companies and/or business units - in order to propose them, together with the Chief Executive Officer, to the Board of Directors; in this context, the Chairman may, in the name and on behalf of the Company, directly or indirectly (as the person who exercises direction and coordination pursuant to art. 2497 of the Italian Civil Code), sign confidentiality agreements of any kind with free signature, as well as authorise and/or formulate, with joint signature with the Chief Executive Officer, expressions of interest and/or non-binding offers whose consideration ranges between Euro 30 million and Euro 50 million, in any case with the obligation to inform the first Board of Directors thereof;
4. examining periodically, also based on the information which will be provided by the Chief Executive Officer, the general performance of operations and the implementation of the strategic, business and financial plans of the Company and the Group to which it belongs, in order to guarantee, jointly with the Chief Executive Officer, the fairness and timeliness of the disclosures to give in this regard to the Board of Directors;
5. requesting the issuance, amendments and/or integrations of the license mandated by Article 134 of the "Testo Unico delle Leggi di Pubblica Sicurezza" ("TULPS" - Consolidated Public Safety Laws), of commercial information, as provided by Article 5(1)(b) of Ministerial Decree 269 of 1 December 2010, and representing the Company for management of the activities for which that license was issued, with it being agreed that that authorisation includes all powers related to management of the license in question;
6. representing the Company in all types of legal proceedings - including enforcement proceedings and collective creditor proceedings - both as plaintiff and as defendant, in all jurisdictions of any type and



- level, make settlements or abandon claims in judicial and extrajudicial disputes, with independent power of signature for amounts not exceeding **Euro 500,000** and jointly with the Chief Executive Officer up to **Euro 1,000,000** for each individual settlement and/or abandonment of claim; appointing and dismissing representatives to negotiate tax disputes before administrative and jurisdictional authorities and before the courts, without any limitation as to the level of jurisdiction; receiving tax audit reports and asset surrender reports, appointing for that purpose experts and custodians, demanding and enforcing real offers, attachment and seizures of assets held by debtors and other parties and opposing and revoking such actions;
7. negotiating terms and conditions, signing, amending, withdrawing from and terminating agreements of any type - including, without limitation: leases and finance leases of movable and immovable assets, including of a long-term nature, agreements for the purchase, sale, exchange or transfer of real estate, equity investments, business units or parts of businesses; contracts for the acquisition of databases to be distributed to third parties - jointly with the Chief Executive Officer, up to **Euro 1,000,000** per individual transaction;
 8. negotiating terms and conditions, signing, amending, withdrawing from and terminating agreements of any type, amount and term between the Company and Cerved Group companies;
 9. negotiating terms and conditions, signing, amending, withdrawing from and terminating agreements for professional engagements; appointing and dismissing legal advisers and lawyers to represent and defend the Company in extrajudicial and/or judicial disputes - including arbitrations, enforcement and collective creditor proceedings - both as plaintiff and as defendant, in any domestic or foreign jurisdiction, of any type and level, and entering into consulting agreements, jointly with the Chief Executive Officer, up to **Euro 1,000,000** per individual agreement;
 10. representing the Company and casting votes in its name and on its behalf at shareholders' meetings of subsidiaries and investees;
 11. signing all the Company's ordinary and extraordinary correspondence; and
 12. within the limits of the powers granted to him and without prejudice to the powers conferred by law and/or the articles of association, issue and revoke mandates and general or special powers of attorney for certain acts or categories of acts, by appointing attorneys - including employees and/or professionals - and granting them with the power of company signature individually or jointly and with those attributions that he deems appropriate, including the power of sub-delegating authority.
- The management powers listed above were assigned to Gianandrea De Bernardis as Chairman of the Board of Directors of the Company, in light of the fact that, at the time of the assignment of these powers, the Issuer was faced with a change in the management responsibility of the company with the appointment of a new Chief Executive Officer, represented by Andrea Mignanelli. Therefore, according to the Issuer, this governance structure is suitable for facilitating this transition, ensuring continuity in the management of the Group, also in light of the fact that Gianandrea De Bernardis was, for a long time and in various ways, in charge of the company management.
- The Chairman is not (i) the Issuer's chief executive officer, or (ii) the Issuer's controlling shareholder.

► Chief Executive Officer



The Chief Executive Officer, Andrea Mignanelli, was granted all powers of ordinary administration necessary or useful for the performance of the Company's business, which are not reserved to the exclusive competence of the Board of Directors, as well as all the powers identified below, under his sole power of signature, if not otherwise envisaged and with the power of sub-delegating his powers, albeit within the limits that are periodically established for each one of them:

1. representing the Company before all public and private entities, banks, economic and territorial entities, offices and organisations of the public administration and responsible for tax related litigation, and entities providing social assistance, retirement and taxation services, more specifically with the right to execute all declarations, complaints and attestations, and complying with any other requirement of tax and social security regulations within the required deadlines and paying all related amounts;
2. representing the Company, promoting, supervising and handling the external relations of the Company and the Group with public institutions, regulators, authorities, bodies and third parties, both inside and outside Italy, public and private, including (for example), CONSOB, Borsa Italiana, banks, financial institutions, insurance companies and Infocamere S.C.p.A., the press, information outlets, the media in general, economic and industry associations, the financial community, the scientific community, investors and stakeholders;
3. defining and examining, also with the support of the Chairman, the terms and conditions of possible transactions of significant strategic or financial importance for the Company and the Group it heads - including, without limitation, possible investment and/or disinvestment transactions of equity investments in other companies, companies and/or business units - in order to propose them, together with the Chairman, to the Board of Directors; in this context, the Chief Executive Officer may, in the name and on behalf of the Company, directly or indirectly (as the person who exercises direction and coordination pursuant to art. 2497 of the Italian Civil Code), sign confidentiality agreements of any kind with free signature, as well as authorise and/or formulate expressions of interest and/or non-binding offers up to Euro 30 million under his sole power of signature and whose consideration ranges between Euro 30 million and Euro 50 million, with the joint signature of the Chairman, in any case with the obligation to inform the first Board of Directors thereof;
4. informing the Board of Directors periodically about the general performance of operations and the implementation of the strategic, business and financial plans of the Company and the Group to which it belongs, in order to guarantee, jointly with the Chairman, the fairness and timeliness of the disclosures to give in this regard to the Board of Directors;
5. competing in calls for bids and tendering procedures organised by government departments, public and private, national or international bodies, for the provision of goods and services, submit bids and, if successful, signing the relevant contracts; representing the Company for the purpose of issuing declarations and statements concerning factual and legal situations pertaining to the Company requested by contracting entities for tenders, bids and offers for the signature of procurement contracts;
6. representing the Company in all types of legal proceedings - including enforcement proceedings and collective creditor proceedings - both as plaintiff and as defendant,



- in all jurisdictions of any type and level, make settlements or abandonment claims in judicial and extrajudicial disputes, with independent power of signature for amounts not exceeding **Euro 500,000** and jointly with the Chairman up to **Euro 1,000,000** for each individual settlement and/or abandonment of claim; appointing and dismissing representatives to negotiate tax disputes before administrative and jurisdictional authorities and before the courts, without any limitation as to the level of jurisdiction; receiving tax audit reports and asset surrender reports, appointing for that purpose experts and custodians, demanding and enforcing real offers, attachment and seizures of assets held by debtors and other parties and opposing and revoking such actions;
7. negotiating terms and conditions, signing, amending, withdrawing from and terminating agreements of any type - including, without limitation: leases and finance leases of movable and immovable assets, including of a long-term nature, agreements for the purchase, sale, exchange or transfer of real estate, equity investments, business units or parts of businesses; contracts for the acquisition of databases to be distributed to third parties - provided that the total costs incurred by the Company do not exceed **Euro 500,000** and, jointly with the Chairman, up to **Euro 1,000,000** per individual transaction;
 8. negotiating terms and conditions, signing, amending, withdrawing from and terminating trade agreements for the sale and supply of goods and services related to the Company's core business - including, without limitation, the contracts governing the distribution of the Company's services and products in Italy and/or abroad - with independent signature and unlimited amount;
 9. negotiating terms and conditions, signing, amending, withdrawing from and terminating agreements for professional engagements; appointing and dismissing legal advisers and lawyers to represent and defend the Company in extrajudicial and/or judicial disputes - including arbitrations, enforcement and collective creditor proceedings - both as plaintiff and as defendant, in any domestic or foreign jurisdiction, of any type and level, and entering into consultancy agreements, albeit within the limit of **Euro 500,000** per individual agreement and, with the Chairman's joint signature, within the limit of **Euro 1,000,000**, per individual agreement;
 10. negotiating terms and conditions, signing, amending, withdrawing from and terminating agreements of any type, amount and term between the Company and Cerved Group companies, except for the contracts between the Company and the direct subsidiary Cerved Credit Management Group S.r.l., and its subsidiaries;
 11. negotiating terms and conditions, making, amending, rescinding and terminating agreements for the purchase, sale and exchange of vehicles in general, inter alia through finance leases, with powers to exempt the public registrars from liability;
 12. negotiating terms and conditions, executing, amending, rescinding and terminating supply contracts with suppliers of electric power, telephone service, gas, water and similar utilities, making and signing any and all declarations and requests that may be necessary and appropriate, including applications for transfer and cancellation of registration;
 13. negotiating terms and conditions, executing, amending, rescinding and terminating insurance and reinsurance contracts, executing policies with any entity or company;
 14. authorising payment of all approved expenses, without amount restrictions;



15. approve sales prices, special sales terms, distribution contracts and agency contracts;
16. carrying out all acts and operations concerning the performance of valuation services, on one's own behalf or on behalf of third parties, of movable and immovable, tangible and intangible assets for insurance, banking, management and commercial purposes; acquiring engagements relating to the management and performance of feasibility studies, research, indexes, processing, consultancy and expert opinions; supervising and controlling the correct execution, management and coordination of the aforementioned activities;
17. waiving receivables that are uncollectible or the collection of which would be unprofitable for amounts not greater than **Euro 100,000**;
18. execute all types of bank transactions, opening and closing current accounts in the Company's name with banks, credit institutions, post and telegraph offices and other offices or entities; depositing all sums belonging to the Company; operate these accounts using any overdraft facilities within the limits of the available credit; authorising cash management transactions;
19. negotiating terms and conditions, signing, amending, withdrawing from and terminating loan agreements and otherwise assuming financial liabilities up to the limit of indebtedness of **Euro 1,000,000** per loan; negotiating terms and conditions, signing, amending, withdrawing from and terminating factoring agreements and, in general, contracts for the purchase and sale of loans, up to a maximum of **Euro 2,000,000**;
20. demand and collect, including both principal and ancillary amounts, any sums or receivables under any title and for any reason owed to the Company, and issuing the respective receipts and releases;
21. hiring and firing white collars, middle managers and senior managers within the annual budget approved by the Board of Directors; setting the remuneration of employees consistently with the remuneration policy approved by the Board of Directors, taking all disciplinary action against those employees as appropriate, drafting internal regulations with the specific power to define duties, positions, remuneration, signing letters of employment and requesting approvals from the Employment Office of the Ministry of Labour; and exercising all powers related to the complete management of existing employment relationships; representing the Company in relations with trade unions and company organisations in general, including negotiations and signing company collective bargaining agreements;
22. pay the periodic remuneration to employees and the corresponding mandatory social security contributions;
23. exercising decision-making, spending, management and control powers concerning (i) determination of the aims, methods and tools for the processing of personal data by the Company, in its capacity as data controller pursuant to Article 4, point 7 of Regulation (EU) 2016/679 (the "**Data Controller**"), and (ii) compliance with the related obligations imposed by current personal data protection laws, and representing the Company as the delegate to exercise the Data Controller's data processing powers, in relations with third parties, and to grant a special power of attorney to represent and defend the Company in administrative and judicial proceedings of all types and levels in relation to issues and controversies related to the aforementioned matter, negotiate terms and conditions, sign, amend, terminate and withdraw from personal data secrecy and confidentiality agreements and other information, or



otherwise secret and confidential information held by the Company, contracts to identify data processors or sub-data processors, pursuant to article 28 of Regulation (EU) 2016/679 with the power, inter alia, to sub-delegate some or all of the granted powers and to use, in performing these functions, the privacy delegates identified in the Company's "privacy organisation model" and persons from outside the Company, but with the obligation to report periodically to the Board of Directors, inter alia by submitting a report at least annually, in regard to the activities performed in the exercise of delegated functions and the status of compliance with the obligations imposed on the protection of personal data;

24. submitting applications and performing any act at any public or private office inside or outside Italy as necessary, preparatory, functional or otherwise connected to registering, modifying, maintaining and extinguishing patents, trademarks, designs, brands, utility models, domain names, copyright and any other intellectual property right in general; appointing advisers, lawyers, professionals and correspondents inside and outside Italy for this purpose, by giving them the associated mandates;
25. conducting any activity required to obtain licenses, authorisations and concessions;
26. acting as Employer and environmental protection manager of the Company, with all powers, independent signature authority, and full decision-making and spending authority in accordance with corporate procedures to make all decisions and take all initiatives in regard to occupational health, safety and hygiene and environmental protection, being able to act with the same prerogatives of the board of directors and in substitution of it in terms of functions and independent decision-making

and financial authority; all of this shall be done without any limits, so that he can assume the powers, duties and responsibilities in these matters that are assigned to the board of directors under the articles of association. So that he may discharge his mandate, the Chief Executive Officer is granted authority over the employment relationship between the Company and its employees, including those operating at secondary production units, with the power – to be exercised in compliance with corporate procedures – to hire, dismiss and take disciplinary measures, organise work, assess its risks and verify that his own directives have been carried out. As the Employer and environmental protection manager, the Chief Executive Officer will have to:

- a) ensure the proper application of all existing and future statutory provisions as applicable to the operating areas discussed here and in full compliance with all provisions, circulars, orders and implementing regulations, including the national collective bargaining agreements;
- b) stay constantly abreast of newly issued measures affecting the responsibilities delegated to him, and in regard to the best available techniques to be applied, in accordance with statutory provisions; he may draw on the assistance of consultants, and the work of senior managers, supervisors and employees in general, inter alia through the issuance of circulars and internal orders, as part of the coordinated organisation and implementation of legally mandated safety and environmental protection measures, systematically monitoring their effective and fair implementation;
- c) stay constantly abreast of newly issued measures affecting the responsibilities delegated to him, and in regard to the best available techniques to be ap-



- plied, in accordance with statutory provisions; he may draw on the assistance of consultants, and the work of senior managers, supervisors and employees in general, inter alia through the issuance of circulars and internal orders, as part of the coordinated organisation and implementation of legally mandated safety and environmental protection measures, systematically monitoring their effective and fair implementation;
- d) he may use the budget set by the Board of Directors to exercise his assigned powers, although he still has the duty and possibility to order purchases and expenditures beyond the limits set in the budget whenever, in occupational safety, environmental protection and third party safety matters, he finds it urgently necessary to do so, with the power to establish the priorities in performing the work.
- generally all powers related to the complete management of existing employment relationships; represent the company before all public and private authorities and entities, in order to obtain permits, concessions, licenses, approvals, opinions, authorisations and other measures necessary to perform the activity;
- ii. representing the Company before all court authorities and arbitration panels, including in the matters covered by this resolution;
27. representing the Company and casting votes in its name and on its behalf at the shareholders' meetings of subsidiaries and investees, except at the shareholders' meetings of the direct subsidiary Cerved Credit Management Group S.r.l. and the latter's subsidiaries;
28. signing all the Company's ordinary and extraordinary correspondence;
29. within the limits of the powers granted to him, issuing and revoking mandates and general or special powers of attorney for certain acts or categories of acts, by appointing representatives - including employees and/or professionals - and granting them with the power of company signature individually or jointly and with those attributions that he deems necessary and/or appropriate, including the power of sub-delegating authority.

In his capacity as employer and environmental protection manager, the Chief Executive Officer is also delegated the following powers:

- i. representing the Company before all authorities and entities, both public and private, in order to obtain permits, concessions, licenses, approvals, opinions, authorisations and other measures as necessary to perform the activity, in addition to the powers inherent in the management of correspondence related to the acts under his responsibility, signing the documents necessary for obtaining the issuance of authorisations, permits, extensions, deferrals and concessions, the signing of attestations, certificates, warnings, reports and similar documents, the hiring, firing and imposition of disciplinary measures as envisaged in the National Collective Bargaining Agreement, the protection of employees' privacy, and
- The Company's Chief Executive Officer is not in interlocking directorate situations.
- **Executive Committee**
- (pursuant to article 123-bis, paragraph 2d) of the Consolidated Law on Finance)
- To date, the Issuer has not deemed necessary to establish an Executive Committee.
- **Reporting to the Board of Directors**
- The delegated bodies shall report



promptly to the Board of Directors and the Board of Statutory Auditors at least on a monthly basis and in any case in connection with any Board of Directors' meeting, on the activities carried out, the general performance of the Company's operations and its business outlook, as well as on any transactions of particular economic or financial significance, those with a major financial impact, or those whose size or characteristics make them especially important because of their size or characteristics, executed by the Company and the Subsidiaries. More specifically, they shall report on transactions in which they may have an interest, directly or on behalf of third parties.

In this respect, the following should be noted:

- › during the Year, 27 Board meetings were held in which the delegated bodies reported, among other things, on the operating performance and the most significant transactions in progress; and
- › all transactions of the Subsidiaries are submitted for approval to the Issuer's Board of Directors, as the Issuer exercises management and coordination activities over these companies.

OTHER EXECUTIVE DIRECTORS

In addition to the Executive Chairman and the Chief Executive Officer, Sabrina Delle Curti is also an executive director insofar as she is General Counsel and head of the legal, institutional and corporate affairs department of the Cerved Group.

INDEPENDENT DIRECTORS

The Company Board of Directors consists of seven independent directors out of a total of eleven directors. Therefore, the independent directors account for more than half of the total number of directors.

In compliance with application criteri-

on 3.C.4, of the Corporate Governance Code, the Board of Directors checks that the directors remain in compliance with the prerequisites for independence at least annually and on the basis of information provided by the individual directors or available to the Issuer.

At its meeting on 12 February 2020, the Board of Directors, acting on the information provided by each director and their curricula vitae (listing all the management and control positions they hold at other companies), decided that the Lead Independent Director, Fabio Cerchiai, and the non-executive directors Alessandra Stabilini, Mario Francesco Pitto, Andrea Casalini, Mara Caverni, Valentina Montanari and Aurelio Regina met the prerequisites for being considered independent, both pursuant to Article 147-ter, paragraph 4, and Article 148, paragraph 3 of the Consolidated Law on Finance, and pursuant to the Corporate Governance Code. The Board of Directors will publish the result of its findings in this Report.

All the criteria envisaged in application criterion 3.C.1 were applied during assessment of the prerequisites for independence. During the assessment, the Chairman of the Board of Directors asked the affected directors to provide any additional information as necessary for a complete and adequate assessment that the prerequisites for assuming the position as imposed by current law were in fact met.

The independent directors confirmed that they qualified as independent and, at the same time, agreed to promptly inform the Board of Directors and the Board of Statutory Auditors of any change concerning the above requirements, such to compromise their independence of judgement, both when accepting the position and in writing through the notice sent to the Issuer at the beginning of each year after that in which they were appointed.

As also envisaged by the Code, the



Board of Statutory Auditors found at its meeting on 9 March 2020 that the criteria and procedures adopted by the Board of Directors to assess the directors' independence were fair, and the result of that review was reported in the Report of the Statutory Auditors to the Shareholders' Meeting pursuant to Article 2429 Italian Civil Code. In line with the provisions of application criterion 3.C.6 of the Code, during the Year, the independent directors met once in an ad hoc meeting without the other directors.

The meeting was held on 29 October 2019, addressing Corporate Governance matters, with the following results:

- i. satisfaction was expressed with the management of the pre-meeting information sent sufficiently in advance to Directors and Statutory Auditors prior to board meetings;
- ii. with respect to the timing of sending supporting documentation for board meetings, a general appreciation was noted, with the recommendation to further improve timeliness by further anticipating, where possible, the transmission of documents, specifically those related to board meetings having on their agenda the examination of extraordinary transactions, as far as possible considering possible issues for confidentiality or regulatory limitations;
- iii. preliminary assessments were carried out on the definition of the succession plan, as reported, specifically, by Aurelio Regina;
- iv. assessments were made of the substantial adequacy of the proxy system.

LEAD INDEPENDENT DIRECTOR

Article 2.C.4. of the Corporate Governance Code recommends the appointment of a Lead Independent Director, inter alia, if the chairperson of the board of directors is chief executive officer. That said, although the conditions for the appointment of the Lead Independent Director are not met, taking into account the fact that, within the Company Board of Directors, the Chairman of the Board of Directors is in any case an executive director, with a view to best governance, on 19 April 2019, the Board of Directors appointed Fabio Cerchiai as Lead Independent Director.

The Lead Independent Director collaborates with the Chairman of the Board of Directors in order to ensure that the directors receive complete and timely information flows, and has the power to convene, independently or at the request of other directors, specific meetings of independent or non-executive directors only, to discuss issues deemed of interest with respect to the functioning of the Board of Directors or company management.

In this respect, during the Year, the Lead Independent Director, has:

- › organised, convened and chaired the meeting of independent directors held on 29 October 2019;
- › participated in some meetings of the Related Party Committee and the Related Party Committee for Keplero project; and
- › collaborated with the Chairman of the Board of Directors in order to ensure that the directors received complete and timely information flows.



Treatment of corporate information

► Managing inside information

As recommended by the Corporate Governance Code, on 23 June 2014, the Board of Directors approved the Inside Information Procedure, subsequently updated by Board resolution, (i) on 13 July 2016, following the coming into force of the MAR and its implementing regulations and (ii) on 22 February 2018, in light of the issue of Consob Guidelines.

Subsequently, on 19 December 2018, the Issuer further updated the Inside Information Procedure, also following the coming into force, on 29 September 2018, of Legislative Decree 107/2018, laying down rules for adjusting national legislation to the provisions of the MAR.

The Inside Information Procedure is aimed at ensuring compliance with the applicable statutory and regulatory provisions and ensure the utmost confidentiality of Inside Information. In accordance with the provisions of Article 18(1)(a) of the MAR and in accordance with the implementation regulation, the Company set up a register of Recipients who have access to Inside Information.

The Inside Information Procedure is available on the Company's website <https://company.cerved.com/it/documenti>, in the "procedures" section.

► Internal Dealing

In accordance with applicable legislation and regulations, on 23 June 2014, the Board of Directors approved a procedure governing the disclosure to the market of the transactions carried out by relevant persons and concerning the shares and the other financial instruments issued by the Company ("**Internal Dealing Procedure**").

The Internal Dealing Procedure was subsequently updated, by means of a Board resolution, (i) on 13 July 2016, following the coming into force of the MAR and its implementing regulations and, finally, (ii) on 19 December 2018, also in the light of the coming into force, on 29 September 2018, of Legislative Decree 107/2018, laying down rules for adjusting national legislation to the provisions of the MAR.

The Internal Dealing Procedure is available on the Company's website <https://company.cerved.com/it/internal-dealing>.

Board committees

(pursuant to article 123-bis, paragraph 2d) of the Consolidated Law on Finance)

At its meeting on 19 April 2019, held after the Board of Directors was renewed, the members of the following committees were appointed:

► Remuneration and Nomination Committee, which in accordance with articles 5 and 6 of the Code, assists the Board of Directors with consultancy and advisory investigating functions, in the assessments and decisions related to the composition of the Board of Directors and the remuneration of



- Directors and Key Managers;
- Sustainability, Risk and Control Committee, pursuant to principle 7.P.3 of the Corporate Governance Code, with inquiry duties, consultative and advisory functions, in the evaluations and decisions related to (i) the Risk and Control System, (ii) the approval of periodic financial reporting and, finally, (iii) the Group's sustainability and social responsibility issues; and
 - Related Party Committee, in implementation of the provisions contained in Article 2391-bis Italian Civil Code and in the Related Party Regulation and considering applicable Consob guidance.

The Remuneration and Nomination Committee jointly performs the functions that the Code assigns to the nomination committee and the remuneration committee, respectively. The

Board's decision to combine the two committees is mainly attributable to (i) reasons of flexibility and affinities between some of the matters that the Code respectively assigns to the remuneration committee and the nomination committee and (ii) to eliminate the risk of coordination gaps. The Remuneration and Nomination Committee complies with the conditions set out in the Code for both the nomination and the remuneration committee. The examination of transactions with the Group's related parties concerning the payment of remuneration is the responsibility of the Related Party Committee.

Reference is made to the following paragraphs of this Report for a description of the composition, functions, tasks, resources and activities that can be associated with the aforementioned committees.

Remuneration and nomination committee

Composition of the Remuneration and Nomination Committee

On 19 April 2019, the Board of Directors appointed the members of the Remuneration and Nomination Committee. Its members are:

- Aurelio Regina (Chairman - Independent Director);
- Umberto Carlo Maria Nicodano (Non-executive, non-independent Director);
- Fabio Cerchiai (Lead Independent Director);
- Valentina Montanari (Independent Director).

The term of office of the members of the Remuneration and Nomination Committee will expire with that of the Board of Directors.

The Remuneration and Nomination Committee, which comprises (i) main-

ly independent directors and (ii) an independent member acting as the Chairman, complies with the principles of the Code governing the composition of the nomination committee and the remuneration committee.

Furthermore, with respect to the professional requirements of the members of the Remuneration and Nomination Committee set out in the Code, it is confirmed that all members of the Remuneration and Nomination Committee have adequate knowledge and experience of accounting and financial and/or remuneration matters, as evaluated by the Board of Directors at the time of nomination.

► Functions of the Remuneration and Nomination Committee

As mentioned earlier, the Remunera-



tion and Nomination Committee performs the consultative and advisory tasks which, pursuant to the Corporate Governance Code, the related operating regulations and best practices, are assigned to the remuneration and nomination committee. Specifically:

- a) it periodically assesses the adequacy, overall consistency and actual implementation of the directors' and key managers' remuneration policy, based on the information provided by the chief executive officers, and formulates proposals in this regard for the Board of Directors;
- b) it presents proposals or expresses opinions to the Board of Directors on the remuneration of executive directors, chief executive officers and other directors assigned special functions, and on the performance objectives related to the variable component of this remuneration; it monitors the implementation of decisions taken by the Board of Directors, checking, in particular, the actual achievement of performance objectives;
- c) with regard to any stock option plans or other share-based incentive systems, it provides the Board of Directors with its recommendations regarding the use of such plans or systems and all significant technical issues related to their design and implementation. Specifically, it submits proposals to the Board of Directors regarding the incentive system that it deems most appropriate and monitors the evolution and implementation of the incentive plans over time;
- d) it submits to the Board of Directors for approval the Remuneration Report and, more specifically, the remuneration policy for directors and key managers prior to its submission to the shareholders' meeting convened to approve the annual financial statements, within the deadline required by the law;
- e) it reports, through its chairman or another committee member des-

ignated by the chairman, to the Shareholders' meeting convened to approve the annual financial statements on the procedures applied for the purpose of performing its functions; and

- f) it performs any additional tasks that the Board of Directors may assign to it subsequently.
1. The Remuneration and Nomination Committee is also entrusted with the following functions which, pursuant to the Code, are the responsibility of the Nomination Committee. Specifically:
 - a) it oversees the annual self-assessment of the Board of Directors and its Committees pursuant to the Corporate Governance Code and, based on the outcome of such self-assessment, it expresses opinions to the Board of Directors about the size and composition of the Board;
 - b) makes recommendations regarding the professional and management figures whose presence on the Board of Directors is considered appropriate, as well as on (i) the maximum number of offices as director and statutory auditor that may be considered compatible with an effective performance of an issuer director's duties and (ii) the evaluation of the prior general authorisation to derogate from the rule prohibiting competition that the shareholders may grant, as permitted by article 2390 of the Italian Civil Code;
 - c) it selects and proposes to the Board of Directors, in cases of co-opting, candidates for membership of the Board of Director, indicating their names and/or requirements;
 - d) it recommends, in the case of renewals, the candidates for directors offices to be proposed, indicating their names and/or requirements;
 - e) it prepares a plan for the succession of executive directors;
 - f) on an annual basis, it conducts an assessment of the activities carried out by the Board of Directors



- and its Committees;
- g) it periodically updates the Board of Directors on the development of corporate governance rules, while submitting proposed adjustments; and
 - h) it prepares the plan for the periodic checks of the directors' independence and integrity requirements and that there are no issues making them ineligible or incompatible.

The current Remuneration and Nomination Committee operating rules were approved by the Board of Directors on 12 November 2015.

In 2019, the Remuneration and Nomination Committee met 12 times. Each meeting had an average duration of approximately 70 minutes. Reference should be made to Table 2 ("*Structure of the Board of Directors*") attached to this Report for information about the attendance percentage of each member of the committee in the above meetings. In accordance with the recommendations set out in application criterion 6.C.6 of the Corporate Governance Code, no Director shall participate in meetings of the Remuneration and Nomination Committee during which proposals in respect of their remuneration are formulated to the Board of Directors. The meetings of the Remuneration and Nomination Committee are regularly minuted.

The Issuer declares that:

- i) the meetings of the Remuneration and Nomination Committee are chaired by the Chairman and, should he be absent or prevented from so doing, by the oldest attending member, and duly minuted;
- ii) the Chairman of the Remuneration and Nomination Committee, or another member in the event of his absence, has reported as soon as possible to the Board of Directors on the activities of the Committee and the topics discussed at each of its meetings.

On invitation from the Remuneration and Nomination Committee and in regard to certain items on the agenda, some of its sessions were attended by the Chairman Gianandrea De Bernardis and the Human Resources Director of the Cerved Group, Simone Martina (who also serves as secretary to the Committee). In addition, external consultants were invited for specific matters on the agenda.

In any event, the Issuer's executive directors abstain from participation at Remuneration and Nomination Committee meetings where the proposals to the Board of Directors on their own remuneration are made.

The Chairman of the Board of Statutory Auditors, as recommended in the "Comment" on Article 6 of the Code, has always been invited to the meetings of the Remuneration and Nomination Committee. The said Chairman of the Board of Statutory Auditors or another auditor appointed by him, participated in the meetings of the Remuneration and Nomination Committee.

During the Year, the Remuneration and Nomination Committee performed the activities under its jurisdiction and, specifically, discussed, resolved and made proposals to the Board of Directors mainly on the following:

- › the selection process for the Chief Executive Officer;
- › the results of the Board of Directors' self-assessment and proposal regarding the qualitative and quantitative composition of the Board of Directors;
- › the annual check of the independence and integrity requirements of the Directors in accordance with application criterion 3.C.4 of the Code;
- › the 2022-2024 Plan and its rules and information document;
- › the proposal to assign the first cycle of the 2019-2021 Plan;
- › the final calculation of the 2018 bonus for key managers;



- › the proposal to review the remuneration package for key managers;
- › the 2019 bonus calculation mechanism;
- › the remuneration report;
- › the Remuneration and Nomination Committee Report on the activities conducted in 2018;
- › the diversity policy;
- › the examination and proposal of the fees of the Chairman and the Chief Executive Officer;
- › the assignment of the targets for the Year and the MBO for the Chief Operating Officer;
- › the identification of “Key Managers” pursuant to the Related Party Regulation;
- › the remuneration package of the key manager Michele Cermele following his appointment as Chief Executive Officer of Cerved Credit Management Group S.r.l.;
- › the succession planning report;
- › the Shareholder Right Directive II;
- › the analysis of the outcome of the shareholders’ meeting vote on the remuneration policy; and
- › the 2020 targets for the Chief Executive Officer relating to the MBO: guiding principles.

The Remuneration and Nomination Committee shall have the right to access the information and company departments necessary to perform its tasks and may use advisers upon verification that the advisers are not in

situations such to compromise their independence of judgement. During the Year, the Remuneration and Nomination Committee called upon the following external consultants: (i) Crisci&Partners S.r.l. for the self-assessment of the Board of Directors, (ii) Deloitte Legal for the legal support and the preparation of the regulatory memorandum on the 2019-2021 Plan, (iii) Deloitte Consulting S.r.l. for the preparation of the remuneration report, (iv) Mercer for the calculation of the total shareholder return and (iv) Eric Salmon & Partners S.r.l. for the search for a new Chief Executive Officer and the definition of the list of candidates for membership of the Board of Directors appointed by the shareholders on 16 April 2019.

In accordance with its regulation, the Remuneration and Nomination Committee shall have the financial resources necessary to pay the fees of the above advisers or other experts and to perform the tasks assigned to it. The Remuneration and Nomination Committee budget for the Year, as approved by the Board of Directors in its meeting of 26 February 2019, amounted to Euro 30,000.

Since the Year end, the Remuneration and Nomination Committee has already met 4 times, on 12 February 2020, 26 February 2020, 13 and 24 March 2020.

Directors’ remuneration

For information about the Directors’ remuneration, reference should be made to the Remuneration Report approved on 24 March 2020 by the Board of Directors. The Remuneration

Report is available at the Company’s registered office and website <https://company.cerved.com/>, in the *governance/documents and procedures/procedures* section.



Sustainability, risk and control committee

► Composition of the Sustainability, Risk and Control committee

The Sustainability, Risk and Control Committee is composed of three independent non-executive directors.

The current members – appointed on 19 April 2019, for a term expiring at the same time as that of the Board of Directors – are:

- Alessandra Stabilini (Chairman - Independent Director);
- Mara Anna Rita Caverni (Independent Director); and
- Valentina Montanari (Independent Director).

The term of office of the members of the Sustainability, Risk and Control Committee will expire with that of the Board of Directors.

As required by the Corporate Governance Code and the regulation of the Sustainability, Risk and Control Committee, at least one member of the committee has adequate experience of accounting and financial or risk management matters, evaluated by the Board of Directors at the time of appointment. In particular, as reported by the Board of Directors at the meeting on 19 April 2019, all three members of the Committee have the prerequisite knowledge and experience in accounting, financial and risk management matters.

► Functions assigned to the Sustainability, Risk and Control Committee

The Sustainability, Risk and Control Committee has consultative and proposal making functions and, in accordance with the Corporate Governance Code, the related committee regulation and the best practices, supports,

with an adequate preparatory activity, the assessments and decisions of the Board of Directors concerning the Internal Control and Risk Management System and those concerning the approval of periodic financial reports.

Specifically, and in accordance with the Corporate Governance Code and the best practices, the Sustainability, Risk and Control Committee, in assisting the Board of Directors:

- a) assesses, jointly with the Manager in charge of Financial Reporting, with the input of the independent auditors and the Board of Statutory Auditors, the correct implementation of the accounting principles and their consistency for the purpose of preparing the consolidated financial statements;
- b) shall express opinions on specific issues concerning the identification of the main business risks;
- c) analyses periodic reports on the evaluation of Internal Control and Risk Management System and significant reports prepared by the Internal Audit Manager;
- d) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit function and supervises its activities, so that they are performed while ensuring maintenance of the necessary conditions of independence and with the due professional objectivity, competence and diligence in compliance with the obligations imposed by the Code of Ethics and international standards;
- e) may ask the Internal Audit Manager to audit specific operating areas, concurrently informing the Chairman of the Board of Statutory Auditors thereof, as well as the Chairman of the Board of Direc-

tors and the Director in charge of the Internal Control and Risk Management System;

- f) reports to the Board of Directors, at least every six months, on the approval of the annual and half-yearly reports, on the work performed and on the suitability of the Internal Control and Risk Management System;
- g) supports, with adequate preparatory activities, the assessments and decisions of the Board of Directors concerning the management of the risks arising from prejudicial facts known by the Board of Directors;
- h) supervises issues of sustainability connected with exercising business activities and the dynamics of interaction with stakeholders; examines and guides sustainability policies, processes and initiatives and monitors their implementation; defines and monitors sustainability targets;
- i) examines and supervises the non-financial reporting of the Cerved Group, including an analysis of materiality and the relevant stakeholder engagement activities, assessing their completeness and reliability, including on the basis of the requirements of Legislative Decree 254/2016 and the reporting framework adopted; supports the assessments and decisions of the Board of Directors concerning approval of non-financial information, pursuant to Legislative Decree 254/2016 (the **"Non-Financial Declaration"**).

Furthermore, again in accordance with the provisions of the Corporate Governance Code, the Sustainability, Risk and Control Committee shall express its binding opinion on the following functions assigned to the Board of Directors:

- a) the definition of the guidelines of the Internal Control and Risk Management System, ensuring that the main risks applicable to the Company and its Subsidiaries are

correctly identified and adequately measured, managed and monitored, also determining the level at which these risks are compatible with business management that is consistent with the strategic objectives defined;

- b) the periodic assessment, at least once a year, of the adequacy and effectiveness of the Internal Control and Risk Management System, vis-à-vis the Company's characteristics and the relevant risk profile;
- c) the periodic approval, at least once a year, of the work plan prepared by the Internal Audit Manager, with the input of the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System;
- d) a description, as part of the Corporate Governance Report, of the main characteristics of the Internal Control and Risk Management System, and the rules coordinating the parties involved, while providing an assessment of the system's adequacy;
- e) periodic assessment (at least annual) of the internal control system that monitors the risks generated or suffered connected with matters included within the Non-Financial Declaration;
- f) description, within the Non-Financial Declaration, of the main risks generated or suffered, connected with socio-environmental issues arising from the activities of the company, its products, services or business relations, including supply and subcontracting chains, as requested by Legislative Decree 254/2016;
- g) an evaluation, with the input of the Board of Statutory Auditors, of the findings presented by the independent auditors in their management letter and in the report on the main issues identified during the legally-required audit and in the Non-Financial Declaration (even when conducted by a party other than that tasked with the legally-required auditing);
- h) the appointment, dismissal and



remuneration of the Internal Audit Manager, consistent with the Company's remuneration policies and the provision of resources adequate to its duties, based on the proposal of the Director in charge of the Internal Control and Risk Management System.

The Sustainability, Risk and Control Committee operating rules were approved by the Board of Directors on 23 December 2019.

During the Year, the Sustainability, Risk and Control Committee met 8 times. Each meeting had an average duration of approximately 2 hours and 50 minutes. Reference should be made to Table 2 ("*Structure of the Board of Directors*") attached to this Report for information about the attendance percentage of each member of the Sustainability, Risk and Control Committee at the above meetings. The meetings of the Sustainability, Risk and Control Committee are regularly minuted.

The Issuer declares that:

- i) the Sustainability, Risk and Control Committee appointed Orazio Mardente, Internal Audit Manager of the Cerved Group, as its secretary;
- ii) the meetings of the Sustainability, Risk and Control Committee are chaired by its Chairman and duly minuted;
- iii) during the Year, the Chairman of the Sustainability, Risk and Control Committee, or another member in the event of his absence, reported as soon as possible to the Board of Directors on the activities of the Committee and the topics discussed at each of its meetings.

Furthermore, in accordance with the relevant regulation, the Sustainability, Risk and Control Committee invited the Chief Executive Officer, Cerved Risk and Control Director, the Chairman of the Board of Statutory Auditors and other statutory auditors, the Manager

in charge of Financial Reporting, the General Counsel and the Human Resources Director of the Cerved Group, the leader of the Growth Business Unit and the leader of the IT & Data Management Business Unit of Cerved Group S.p.A., other group managers with reference to specific projects/relevant scopes, the reference partner and manager of PricewaterhouseCoopers S.p.A. (the accounting firm entrusted with the legally-required audit of Cerved financial statements) and the members of Cerved Supervisory Body pursuant to Legislative Decree 231/01, to attend some of the meetings mentioned above to discuss certain items on the agenda. In addition, the Internal Audit Manager also participated in the meetings as secretary. Where necessary, invitations to the meetings were also issued to consultants who assisted the Company and the Group in relevant projects subject to investigation by the Committee.

During the meetings carried out in 2019, the Sustainability, Risk and Control Committee performed the activities under its jurisdiction and, specifically, discussed and resolved on the matters listed below, expressing, where requested, its opinion to the Board of Directors on the following:

- › the report on the Internal Audit department's activities in 2018 and the 2019 action plan related to the Company and the Group;
- › the progress and the main findings of the checks defined in the "2018 Audit Plan" consolidated in the 2018 Annual Report of the Internal Audit Department;
- › the 2018 report on corporate governance and ownership structure prepared by the Company;
- › the investigation of the Impairment Test procedure (covering 2018);
- › the definition of the Committee's expenses budget and action plan for 2019;
- › Cerved's draft financial statements at 31 December 2018 and the half-year report at 30 June 2019;



- › the progress of the activities carried out by the Internal Audit department in the first half of 2019 and the events identified, during the period, as significant for the Company and the Group, with the involvement of the reference Management of the Cerved Group, where necessary/required;
- › assessments of the adequacy, efficiency and effectiveness of the Internal Control and Risk Management System, as well as those associated with the adequacy of the organisational, administrative and accounting structure;
- › the Manager in charge of Financial Reporting's periodic report on the Internal Control and Risk Management System covering the financial reporting process developed within the Group, specifically in relation to compliance with Law 262 of 28 December 2005 (Law on Savings);
- › the information concerning the verification and control activities conducted by the Supervisory Body pursuant to Legislative Decree 231/2001 and the results thereof (with reference to the second half of 2018 and the first half of 2019);
- › the activities carried out by the Company in relation to Model 231;
- › investigation regarding certain relevant projects and follow-up to check the level of progress of such projects;
- › the analysis and definition, after preliminary investigation and proposal by the company, of the organisational structure of the ERM function; and
- › the optimisation of the Group's risk mapping, strengthening the classification of individual risk events compared to ESG (Environmental, Social and Governance) factors.

After the Year end, the Sustainability, Risk and Control Committee has already met 4 times, on 6 February 2020, 25 February 2020, 9 March 2020 and 20 March 2020. During these meetings, the Sustainability, Risk and Control Committee performed an in-depth analysis of the progress of the audit of the separate and consoli-

dated financial statements, the findings of the checks carried out by the Supervisory Body pursuant to Legislative Decree 231/2001 during the second half of 2019, the updating of the impairment test procedure, as well as the results of the impairment test conducted by the Company (also through specific detailed studies connected to the impact of the health emergency situation connected with the COVID-19 epidemic), the work on preparing the Non-Financial Declaration, while also examining the main new features introduced with regard to the latter document. In particular, during its meeting on 9 March 2020, the Sustainability, Risk and Control Committee obtained the report on the Internal Audit activities carried out in the second half of 2019 and the action plan for 2020.

Furthermore, it analysed the ERM activities conducted in 2019 within the Cerved Group, including the presentation of the main company risks and the action plan of the ERM function.

The Sustainability, Risk and Control Committee has already defined the complete planning of the meetings for 2020, which envisages 8 meetings of the Committee during the year (including the above 4 meetings).

In accordance with its regulation, the Sustainability, Risk and Control Committee shall have the financial resources necessary to pay the fees of independent consultants or other experts and to perform the tasks assigned to it. The Sustainability, Risk and Control Committee budget for 2019, as approved by the Board of Directors in its meeting of 19 April 2019, amounted to Euro 50,000.

In accordance with the Corporate Governance Code, the Sustainability, Risk and Control Committee shall have the right to access the information and company departments necessary to perform its tasks and may use external consultants. The Sustainability, Risk and Control Committee did not use external consultants during the Year.



Related party committee

► Composition of the Related Party Committee

The Related Party Committee was established on 19 April 2019, in accordance with the Related Party Regulation and Related Party Procedure. Specifically, the Related Party Committee comprises:

- › Andrea Casalini (Chairman - Independent Director);
- › Umberto Carlo Maria Nicodano (Non-executive, non-independent Director);
- › Mario Francesco Pitto (Independent Director);
- › Alessandra Stabilini (Independent Director);

The majority of the committee is composed of independent directors. The Chairman was selected among them. The term of office of the members of the Related Party Committee will expire with that of the Board of Directors.

► Functions assigned to the Related Party Committee

The Related Party Committee performs the duties and functions assigned to it by the Related Party Regulation, the Related Party Procedure (including the related party transactions involving the payment of remuneration) and the regulations applicable from time to time aimed at guaranteeing the transparency and substantial and procedural fairness of the related party transactions of the Company and compliance with the principles set out in Article 2391-bis of the Italian Civil Code.

The Related Party Committee operating rules were approved by the Board

of Directors on 13 July 2016.

During the Year, the Related Party Committee met 5 times; minutes were regularly kept for all the said meetings. Each meeting had an average duration of approximately 35 minutes. Reference should be made to Table 2 ("*Structure of the Board of Directors*") attached to this Report for information about the attendance percentage of each member of the Related Party Committee in the above meetings.

With respect to specific items on the agenda, the Chairman of the Board of Directors, the Chairman of the Board of Statutory Auditors and other statutory auditors, the Chief Financial Officer and the General Counsel were invited to attend some of the meetings mentioned above. During the meetings held during the Year, the Related Party Committee performed the activities under its jurisdiction and, specifically, discussed and resolved, inter alia, on the matters listed below, expressing its opinion to the Board of Directors:

- › the Related Party Committee report on the activities carried out during 2018 and budget proposal for 2019;
- › the assessment of the estimate of the value of the put and call options of the shareholders' agreement signed on 28 April 2016, and subsequently amended on 13 November 2017 by Cerved Group with the so-called Minority Shareholders with regard to their interests in CCMG; and
- › the amendment of the above shareholders' agreement and the exercise of the put option by the minority shareholders.

The Related Party Committee has met 3 times on 12 February 2020, 26 Feb-



ruary 2020 and 23 March 2020 after the Year end.

In accordance with its regulation, the Related Party Committee shall have the financial resources necessary to pay the fees of independent consultants or other experts and to perform the tasks assigned to it. The Related Party Committee budget for the Year, as approved by the Board of Directors in its meeting of 19 April 2019, amounts to Euro 30,000.

In accordance with the Corporate Governance Code, the Related Party Committee shall have the right to access the information and company departments necessary to perform its tasks and may use external consultants. The Related Party Committee used leading law firms and law experts as independent consultants during the Year.

► Related Party Committee for Keplero project

In addition to the above, on 29 October 2019, the Board of Directors of the Company resolved to involve the Related Parties Committee in the process for the enhancement of the credit management division of the subsidiary CCMG (see the press releases of 3 September and 29 October 2019, 16 February 2020 - the so-called Keplero project). The Company decided to adopt a similar initiative to oversee the management and development of the process under review, given the potential interest in the transaction, pursuant to Article 2391 of the Italian Civil Code, of the Chief Executive Officer, Andrea Mignanelli, as the holder of a 2.14% interest in CCMG, which is also covered by shareholder agreements with the Company, containing tag-along and drag-along clauses and put and call options.

Accordingly, the composition of the Related Parties Committee was integrated including Fabio Cerchiai, in addition to the above four components. Consequently:

- › Andrea Casalini (Chairman - Independent Director);
- › Umberto Carlo Maria Nicodano (Non-executive, non-independent Director);
- › Mario Francesco Pitto (Independent Director);
- › Alessandra Stabilini (Independent Director);
- › Fabio Cerchiai (Independent Director - Lead Independent Director).

During the Year, the Related Party Committee for Keplero project met 2 times; minutes were regularly kept for all the said meetings. Each meeting had an average duration of approximately 85 minutes. Reference should be made to Table 2 ("*Structure of the Board of Directors*") attached to this Report for information about the attendance percentage of each member of the Related Party Committee for Keplero project in the above meetings.

With respect to specific items on the agenda, the Chairman of the Board of Directors, the Chief Executive Officer, the Chairman of the Board of Statutory Auditors and other statutory auditors and the General Counsel were invited to attend some of the meetings mentioned above.

The Related Party Committee for Keplero project has met once between the end of the Year and the date of this Report, on 10 February 2020.

The Related Party Committee for Keplero project used leading law firms and independent consultants during the Year.



Internal control and risk management system

INTRODUCTION

The Internal Control and Risk Management System of Cerved and of the Cerved Group consists of a set of rules, procedures and organisational structures designed to allow business management consistent with the objectives established, through an adequate process implemented to identify, measure, manage and monitor the main risks. The Board of Directors, assisted by the Sustainability, Risk and Control Committee, performs these functions.

In accordance with the Corporate Governance Code, the Internal Control and Risk Management System helps guarantee the integrity of corporate assets, the efficiency and effectiveness of business processes, the reliability of information provided to corporate bodies and the market, statutory and regulatory compliance, and compliance with the articles of association and internal procedures.

The Issuer, in order to make the Cerved Group's risk governance consistent with best corporate governance practices and taking into account the powers regarding risk management and internal control specified in the Corporate Governance Code, put in place a process to identify, measure, manage and monitor its own business risks called "Enterprise Risk Management" (the "**ERM Process**").

The ERM process implemented at group level, with particular specialisations within the subsidiaries, envisages the following activities (on a half-year basis):

- › identification and assessment of the Group's main risks;

- › identification and updating of the intervention measures applied to manage the main risks; and
- › identification and monitoring of the implementation time frames for any improvement measures.

The Internal Audit Manager reported the results of risk monitoring and related analyses relating to 2018 at the Board of Directors meeting held on 5 March 2019.

During the Year, the Group worked on further optimising the existing Enterprise Risk Management model (with the associated methodology) through the following main actions:

- › the definition of a framework for the aggregation, within the Risk Universe, of specific risk assessments such as, for example, those related to the scope of Legislative Decree 231/2001 and information security;
- › the continuation of the transition to the COSO Enterprise Risk Management Framework - 2017: Enterprise Risk Management Framework: Integrating with Strategy and Performance;
- › the classification of the risks within the Risk Universe according to ESG-relevant areas;
- › the set-up, by resolution of the Board of Directors of 23 December 2019, of a specific Enterprise Risk Management function.

Moreover, aware of the fact that the reinforcement and consolidation of the Internal Control and Risk Management System are built on the modus operandi of all the Group's staff and management, Cerved has decided to continue with the initiative aimed at raising ever greater awareness of the Internal Control and Risk Management System (so-called Awareness Train-



ing), with the gradual involvement of all company stakeholders.

Moreover, as part of its own activity, the Company Board of Directors has defined the nature and level of risk compatible with its strategic objectives, including in its own assessments all risks that can assume importance in view of the medium-long term sustainability of Company activity.

With reference to 2018, on 5 March 2019, the Board of Directors found, on the basis of the report on the activity of the Sustainability, Risk and Control Committee, after consulting with the Board of Statutory Auditors and the Risk and Control Director (who, during the Year, coordinated with all the participating business functions, through a constant and adequate flow of information), that the Company's internal control and risk management system was effective, stating that it adequately matched the specific characteristics of the Company and its risk profile.

Subsequently, on 30 July 2019 and after the half-year report of the Sustainability, Risk and Control Committee on the activities performed during the first half of 2019, the Company Board of Directors found that the internal control and risk management system was substantially adequate and effective in terms of the characteristics of the Company.

Lastly, on 13 March 2020 and after the annual report of the Sustainability, Risk and Control Committee on the activities performed, the Company Board of Directors found that the internal control and risk management system was substantially adequate and effective in terms of the characteristics of the Company during the Year.

MAIN CHARACTERISTICS OF THE EXISTING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT APPLIES TO THE FINANCIAL REPORTING PROCESS

The Internal Control and Risk Management System as it applies to the Cerved Group's financial reporting process, is designed to ensure the credibility, accuracy, reliability and timeliness of financial information.

The Manager in charge of Financial Reporting established a regulation that sets the methodology applied and the related roles and responsibilities vis-à-vis the definition, implementation, monitoring and updating of the Internal Control and Risk Management System over time related to the financial reporting process and the assessment of its adequacy and effectiveness.

The adopted control model is broken down into the following activities: a) identification and assessment of financial reporting risks; b) identification of controls carried out in response to the identified risks and c) assessment of the controls carried out on the identified risks.

► Identification and assessment of financial reporting risks

The Group's scope and significant processes in terms of their potential impact on financial reporting were identified based on the Cerved Group's consolidated financial statements, using quantitative and qualitative parameters consisting of:

- quantitative threshold values, against which both the figures of the consolidated financial statements and the corresponding contribution of the subsidiaries to the Cerved Group could be measured; and
- qualitative assessments, based on the knowledge of the Company's actual situation and other specific risk factors inherent in its administrative-accounting processes.

In November 2019, the definition of the corporate scope was completed, enabling the identification of the group companies and the significant processes in terms of potential impact on financial reporting. Quantitative



and qualitative parameters were used to carry out this activity; specifically:

- › quantitative threshold values, against which both the figures of the consolidated financial statements and the corresponding contribution of the subsidiaries to the Cerved Group could be measured; and
- › qualitative assessments, based on the knowledge of the Company's actual situation and other specific risk factors inherent in its administrative-accounting processes.

Within the identified companies, the material financial statements captions were selected according to the parameters and criteria provided for within the methodology for defining the company scope and the business processes feeding these captions, thus defining a company - relevant processes matrix.

The above stage, also known as administrative-accounting risk assessment, makes it possible to identify the risks inherent in financial reporting and is performed under the supervision of the Manager in charge of Financial Reporting. This process includes identifying the objectives that the system intends to achieve to ensure a true and fair view. These objectives consist of the financial statements "assertions" (completeness, accuracy, existence and occurrence, accrual, measurement/recognition, rights and obligations, presentation and disclosures) and the control objectives (such as, for example, the authorisation for executed transactions, the proof and traceability of transactions, etc.). Risk assessment focuses on the areas of the financial statements that showed potential impacts on financial reporting in terms of achieving control objectives.

► Identification of controls vis-à-vis the risks identified

The identification of the controls necessary to mitigate the risks identified in the previous phase takes into ac-

count the control objectives associated with financial reporting. Specifically, the financial statements accounts classified as significant are linked with the underlying business processes so as to identify controls capable of meeting the objectives of the Internal Control and Risk Management System for financial reporting.

The objectives and controls necessary to mitigate risks are explained and formalised (new for companies that fell within the relevant scope during the year), and recognised in the Group's administrative and accounting processes, within the risk/control matrix.

► Assessment of the controls vis-à-vis the risks identified

The Internal Control and Risk Management System related to financial reporting is assessed at least once every six months in order to ensure adequate accounting information in the preparation of the annual separate and consolidated financial statements and the condensed interim consolidated financial statements.

The controls identified are tested for adequacy and effective operation through specific monitoring activities performed by the Manager in charge of Financial Reporting, which were aimed at checking:

- › the design and implementation of the activities and the existing controls, i.e., the ability of the described control and its features to deliver an adequate risk coverage; and
- › the operational effectiveness of the activities and existing controls, i.e., whether the control operated systematically over a predefined time period.

Every six months, the Manager in charge of Financial Reporting prepares a report summarising the results of the assessment of controls versus the previously identified risks, based on the results of the monitoring activities carried out. Control as-



assessment can result in the definition of corrective actions or improvement plans with regard to any identified critical areas. The Executive Summary thus prepared is communicated to the Board of Statutory Auditors, the Sustainability, Risk and Control Committee and the Board of Directors.

► Roles and functions involved

The Manager in charge of Financial Reporting works in coordination with the Company's departments, the departments of the Subsidiaries included in the consolidation scope and the Corporate Governance bodies, in order to provide and receive information about the performance of activities that have an impact on the Cerved Group's economic, equity or financial position and results of operations. All Group company's departments (i.e., belonging to the Company or the Subsidiaries included in the consolidation scope) and the Corporate Governance bodies, such as the Board of Directors, the Board of Statutory Auditors, the Sustainability, Risk and Control Committee, the Supervisory Body, the independent auditors, the institutional bodies that communicate with external parties and the Internal Audit department, are responsible for interacting with the Manager in charge of Financial Reporting in order to provide information and potentially report events that could cause significant changes in the processes, if such changes could have an impact on the adequacy or actual operation of the existing administrative-accounting procedures, as defined in the Manager in charge of Financial Reporting regulation.

DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In its meeting of 19 April 2019, the Board of Directors appointed the Chief Executive Officer, Andrea Mignanelli, as the Risk and Control Director.

The Director in charge of the Internal

Control and Risk Management System:

- a) identified the main business risks, taking into account the characteristics of the activities carried out by the Issuer and its Subsidiaries and periodically submitted the results to the Board of Directors;
- b) implemented the guidelines defined by the Board of Directors, handling the design, implementation and management of the Internal Control and Risk Management System and constantly checks its adequacy and effectiveness;
- c) updated the system in response to changes in operating conditions and the legislative and regulatory framework;
- d) requested the Internal Audit department to audit specific operational areas and check compliance with internal rules and procedures in the performance of company transactions, while reporting on this to the Chairman of the Board of Directors, the Chairman of the Sustainability, Risk and Control Committee and the Chairman of the Board of Statutory Auditors;
- e) promptly reported to the Sustainability, Risk and Control Committee (or the Board of Directors) on any problems or critical issues encountered as part of his activity or of which he became otherwise aware, so that the Sustainability, Risk and Control Committee (or the Board of Directors) could take appropriate action.

INTERNAL AUDIT MANAGER

In its meeting of 31 March 2014, the Board of Directors, subject to the favourable opinion of the Sustainability, Risk and Control Committee (formerly the Risk and Control Committee) and after hearing the Board of Statutory Auditors, appointed Orazio Mardente Internal Audit Manager pursuant to the Corporate Governance Code and effective from the Flotation Date. To ensure its independence, the Internal Audit function is not responsible for



any operating unit and reports directly to the Board of Directors. The Internal Audit department reports to the Board of Directors, the Sustainability, Risk and Control Committee, the Risk and Control Director and the Board of Statutory Auditors, who are informed, through periodic executive summaries, of the results of the activities carried out.

The Internal Audit department is an independent and objective assurance activity, whose purpose is to perform ongoing audits of the effectiveness and efficiency of the internal control and risk management system and its organisation. It assists the organisation in pursuit of its own objectives through a systematic professional approach, which generates added value by being aimed at permitting assessment of the adequacy of the control processes, the risk management and corporate governance management processes and their effective performance.

On 5 March 2019, the Board of Directors, upon proposal of the Risk and Control Director, subject to the favourable opinion of the Sustainability, Risk and Control Committee and after hearing the Board of Statutory Auditors, set the Internal Audit manager's remuneration in line with the Company's policies and set at Euro 50,000.00 the annual budget of the Internal Audit department to carry out its functions and ensure its independence. Each of the board of directors of the Subsidiaries¹¹ assigned the same Internal Audit engagement to Cerved's Internal Audit department through a specific resolution.

In performing the activities assigned to it, the Internal Audit department must guarantee, in addition to a conduct that is ethical and compliant with the principles of the Code of Ethics for internal auditors (integrity, objectivity, confidentiality and competence), compliance with international standards for the practice of internal auditors and other applicable best practices or

codes (including the Corporate Governance Code) that ensure the department's suitability and quality. In performing its activities, the Internal Audit department may have unfettered access to the information and Company's departments necessary for the performance of its duties, and may rely on the support of external consultants, in accordance with the terms determined by the Board of Directors.

The Internal Audit department is responsible for preparing a half-year report providing adequate information about its activities, the manners by which risk management is carried out and compliance with defined risk mitigation plans. These half-yearly reports shall contain an assessment of the suitability of the Internal Control and Risk Management System.

The Internal Audit Manager reports to the Sustainability, Risk and Control Committee, the Board of Statutory Auditors and the Risk and Control Director, who are informed, through periodic executive summaries, of the results of the activities carried out. The Sustainability, Risk and Control Committee is responsible for monitoring the autonomy, adequacy, effectiveness and efficiency of the Internal Audit department.

The Internal Audit department assesses the adequacy of the Company's information systems and the reliability of the available information in light of the complexity of the operating context and the size and geographic footprint of the Company and checks the adequacy of the organisational oversights adopted by the Company for the physical, logistic and organisational security of the Company's information system. The Internal Audit department performs independent and objective assurance and consulting activities aimed at providing, through a systematic and professional approach, an independent assessment of the Company's governance, risk management and control processes.

¹¹ Except for the following companies: Cerved Master Services S.p.A. (which outsourced the Internal Audit function), Cerved Credit Management Greece SA, CPS Single Member SA, CPS SA, ReCollection S.r.l., Dyna Green S.r.l.



In addition to the above responsibilities, the Internal Audit department also provides support to other players of the Risk and Control System who monitor compliance and risk management issues, in order to facilitate compliance with the law and monitor the Company's exposure and vulnerability to risks.

Specifically, pursuant to the Corporate Governance Code, in addition to the above, the Internal Audit Manager:

- a) checks, on an ongoing basis and based on specific needs, while complying with international standards, the operation and the suitability of the Risk and Control System, through an audit plan approved by the Board of Directors, applying a structured process that analyses and defines the priorities of the main risks;
- b) has direct access to all information useful to perform his duties;
- c) prepares periodic reports which provide (i) adequate information about his activities, the manners by which risk management is carried out and compliance with defined risk mitigation plans and (ii) an assessment of the suitability of the Risk and Control System;
- d) promptly prepares reports on particularly significant events;
- e) sends the reports in points c) and d) to the chairman of the Board of Statutory Auditors, the chairmen of the Sustainability, Risk and Control Committee and the Board of Directors and the Risk and Control Director;
- f) checks, as part of the audit plan, the reliability of the information systems, including the accounting systems.

During the Year, the Internal Audit Manager:

- › performed the audits set out in the plan approved for the Year, reporting on the outcome of the activities carried out;
- › performed specific activities (special

tasks), based on the requests or recommendations of the Group's management;

- › carried out the assessment activities, either directly or through the support of specialised external providers, of the companies acquired during the Year, identifying the main risks/protections existing in order to define the Audit Plan and support the companies in defining the structure of the internal control and risk management system;
- › carried out the activities related to Law 262 of 28 December 2005 (the Law on Savings), and set out in the Plan of the Manager in charge of Financial Reporting¹², checking, as part of the processes connected to companies relevant in qualitative and quantitative terms (as shown by the scoping), through testing and specific audit activities, the operating effectiveness of the controls over the accounting administrative risks and monitoring the progress of the implementation of improvement actions;
- › cooperated with the Enterprise Risk Management function, management and departments tasked with monitoring risks and the adequacy of the controls with reference to the activities concerning Enterprise Risk Management, as regards the analysis, monitoring and assessment of the main business risks;
- › coordinated the preliminary investigation activities and checks related to the reports received through the whistleblowing system;
- › assisted the SB, including of other Cerved Group's companies, with the performance of specific audits, periodic checks and analyses of the evidence from SB information flows;
- › provided specialised advice on internal controls for setting up and implementing the organisational model pursuant to Legislative Decree 231/01 – Administrative Liability of the entities of Cerved Group companies;
- › assisted Cerved's personnel with the constant alignment of the Organisational Models of the Group compa-

¹² The Manager in charge of Financial Reporting avails itself of the Internal Audit department to perform checks over the operation of internal controls over financial reporting



nies with the corporate governance standards of the Cerved Group, based on the findings of the specific audits carried out for Cerved or at Group level;

- › assisted/supported the operating and compliance departments of Group companies with managing the ISO 9001 quality system and the ISO 27001 certified information security management system;
- › periodically assessed the suitability of the internal control and risk management system.

Furthermore, the Internal Audit Manager carried out an External Quality Assurance Review aimed at identifying the positioning of the operations of the Cerved Group's Internal Audit department with respect to the sector best practices and the professional standards defined by the IIA (Institute of Internal Auditors), as well as identifying an "action plan" aimed at optimising any areas of improvement found. The assessment was carried out also involving the Company's top management (Chairman of the Board of Directors and Chief Executive Officer), the bodies with control functions (Sustainability, Risk and Control Committee, Board of Statutory Auditors, Supervisory Board and Independent Auditors) and executives.

Following the completion of this assessment, the external provider found that Cerved's Internal Audit Function operates in a "generally compliant" manner with the International Standards for the professional practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). In line with the definition of the Quality Assessment Manual (issued by the IIA) - reference framework used for Quality Assurance - compliance with the standards is divided into three levels of judgement, in which the "generally compliant" judgement is the best judgement of the assessment scale adopted for Quality Assurance Review purposes.

ORGANISATIONAL MODEL AS PER ITALIAN LEGISLATIVE DECREE 231/01

The Organisational Model pursuant to Legislative Decree 231/2001 (inspired by the "Guidelines for the design of organisational, management and control models pursuant to Legislative decree 231/01" approved by Confindustria on 7 March 2002 and last updated in 2014) was adopted by the Board of Directors on 13 March 2015 (subsequently updated through a resolution of the Board of Directors on 16 March 2016) and updated most recently through a board resolution dated 29 October 2018.

Cerved's 231 Model is comprised of:

- › a general section, whose purpose is to explain the rationale of Legislative Decree 231/2001, the salient points concerning the regulation of the Supervisory Body and the main protocols of which the Issuer's 231 Model is comprised; and
- › several special parts, whose purpose is to list the crimes that could potentially occur within the Company and the related sensitive activities, illustrate some of the potential manners by which unlawful conduct could occur and list the rules of conduct that should be complied with and the pre-emptive measures that should be implemented.

The general part of the 231 Model is available on the Company's website <https://company.cerved.com/it/modello-organizzativo-dlgs-23101>, in Italian and English. The 231 Model is completed by the following documents, which are an integral and substantial part thereof:

- i. Cerved Group's Code of Ethics was updated during the Year (23 December 2019) with the provision reflecting the principles related to the use of artificial intelligence solutions.
- ii. the disciplinary system;
- iii. the findings of the risk assessment process; and
- iv. the list of offences.



The types of crimes that the 231 Model is designed to prevent, based on the outcome of the risk mapping process carried out by the Issuer for Model adoption purposes, include the following:

- › crimes committed in transactions with the Public Administration;
- › computer crimes and unlawful processing of data;
- › offences involving organised crime;
- › corporate crimes, including bribery among private individuals;
- › counterfeiting of money, credit cards, revenue stamps and instruments or signs for identification;
- › crimes against industry and commerce;
- › market abuse crimes;
- › receiving stolen property, money laundering and recycling of assets obtained through crime, including self money laundering;
- › inducement to refrain from providing testimony or providing false testimony to the judicial authorities;
- › crimes involving copyright violations;
- › negligent manslaughter and negligent serious and extremely serious injury caused by violation of accident prevention and workplace health and safety regulations laws;
- › environmental crimes;
- › employment of illegally staying third-country nationals; and
- › transnational crimes.

The 231 Model also adopts the provisions pursuant to Law no. 179 of 30 November 2017 on whistle-blowing.

The Board of Directors of Cerved decided to adopt this system, including the specific *"Procedure for the use and management of the system for reporting breaches"*, on 29 October 2018 and, gradually, all the other Group companies adopted the same system through a specific board resolution.

In order to ensure the greatest possible visibility and accessibility to the said system, it has been made available, in Italian and English, on the website <https://company.cerved.com/it/sistema-di-segnalazione>.

The Company has also read the document "Consolidated guidelines for the drafting of organisational models and the activities of the Supervisory Body and auditing considerations of Legislative Decree 231/2001" drafted by the supervisory body regulations multidisciplinary Working Group (representatives of the Consiglio Nazionale dei Dottori Commercialisti e degli esperti contabili, Associazione Bancaria Italiana, Consiglio Nazionale Forense and Confindustria) and, during the Year, assisted by Legislative Decree 231/2000 specialists, checked that the Model successfully complied with the principles set forth in the above document.

The SB is responsible for overseeing the operation of and compliance with the 231 Model and the Code of Ethics. In order to ensure full compliance with Legislative Decree 231/2001, the SB performs its functions fully independently, acting without any hierarchical link to other company departments, top management and the Board of Directors, to which it reports about the outcome of its activities. The SB operates in accordance with the purposes assigned to it by the law and focuses its activities on the pursuit of those purposes.

The SB was appointed pursuant to Cerved's 231 Model on 5 March 2019 and will remain in office until the approval of the Company's draft financial statements at 31 December 2020. Its composition changed during the Year following the resignation tendered by the Chairwoman Mara Vanzetta (a non-company member) on 2 July 2019. To date, the SB comprises Andrea Polizzi, the Chairman, Orazio Mardente (Internal Audit Manager) and Emiliano Nitti (non-company member).

INDEPENDENT AUDITORS

On 25 March 2014, pursuant to articles 13 and 17 of Legislative Decree 39 of 27 January 2010, the Issuer's Shareholders called in an ordinary meeting,



based on a reasoned recommendation by the Board of Statutory Auditors, adopted a resolution, effective as of the filing of the application to list the Company's shares on the Mercato Telematico Azionario, assigning the engagement to perform the legally-required audit of the Company's financial statements for years from 2014 to 2022 to PricewaterhouseCoopers S.p.A..

On 22 February 2018, the Company's Board of Directors approved a procedure for assigning tasks to auditing firms within the context of the Cerved Group in order to uphold the independence requirement of the party tasked with the legal auditing of the accounts, to provide instructions concerning the assessment process for the conferral of certain types of tasks (other than mandatory assignments) by the Company and its subsidiaries or parent companies on the firm tasked with the legal auditing of the accounts and its network.

MANAGER IN CHARGE OF FINANCIAL REPORTING AND OTHER CORPORATE ROLES AND FUNCTIONS

Article 19.4 of the Articles of Association requires that the Manager in charge of Financial Reporting be appointed, based on the prior mandatory but not binding opinion of the Board of Statutory Auditors, from among parties who have a significant professional experience in the accounting, economic and financial field for at least 5 years and meet any other requirements determined by the Board of Directors and/or the relevant laws and regulations.

On 19 April 2019, upon a proposal by its Chairman and based on a favourable opinion of the Board of Statutory Auditors, as required by the provisions of article 154-bis of the Consolidated Law on Finance and consistent with the requirements of article 19.4 of the Articles of Association, the Board of Directors appointed Francesca Perulli, the Issuer's Head of Control and

Administration, who meets the above requirements, Manager in charge of Financial Reporting.

In accordance with current regulations, the Manager in charge of Financial Reporting is responsible for the following:

- › setting up appropriate administrative and accounting procedures for preparation of the separate and consolidated financial statements and any other financial communications;
- › issuing written declarations confirming that the deeds and notifications of the Company disseminated on the market and concerning accounting information, including interim documents, match the accounting documentation, books and records;
- › attesting, together with the Chief Executive Officer, in a special report issued in accordance with the CONSOB regulation, attached to the separate financial statements, to the condensed half-yearly and consolidated financial statements, to:
 - a. the adequacy and effective application of the procedures stated in point (i) above during the period to which the documents refer;
 - b. that the documents were drafted in accordance with the applicable international accounting standards recognised by the European Community, pursuant to regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - c. that the documents are consistent with the data in the accounting books and accounting records;
 - d. that the documents are suitable for providing a true and accurate representation of the capital, economic and financial position of the Company and all the companies included in the consolidation;
 - e. for the separate and consolidated financial statements, that the management report contains a reliable analysis of performance and results, as well as the position of the company and all the companies included within the consoli-



- ation, together with a description of the main risks and uncertainties to which they are exposed;
- f. for the condensed half-yearly financial statements, that the interim management report contains a reliable analysis of the information referred to in paragraph 4 of Article 154-ter of the Consolidated Law on Finance.

Moreover, the Manager in charge of Financial Reporting is required to:

- › participate in meetings of the Company's Board of Directors when the economic/financial data of the company feature on the agenda;
- › promptly inform the Chief Executive Officer, the Board of Directors, including through the Sustainability, Risk and Control Committee, of any aspects of significant relevance which he believes, where incorrect, must be reported in the statements envisaged in Article 154-bis of the Consolidated Law on Finance; and
- › report to the Board of Directors, the Sustainability, Risk and Control Committee and the Board of Statutory Auditors on the activities carried out every six months;

The Board of Directors of Cerved granted to the Manager in charge of Financial Reporting the powers and means necessary to perform the functions and the tasks assigned by the law, checking the adequacy thereof.

The Manager in charge of Financial Reporting:

- › shall identify the organisational and procedural solutions that are best suited to ensure the adequacy of the Internal Control and Risk Management System for financial reporting purposes;
- › shall operate within the scope of the spending authorisation provided by the Board of Directors of Cerved within the limits of the budget established for the performance of the activities required to carry out the tasks assigned and taking into account the

- amount deemed necessary;
- › shall enjoy full autonomy within the organisation and, for the purpose of performing the tasks assigned, may use the resources existing within the Company or at other companies included in the consolidation scope and of the support of external parties, within the limits of the approved budget or beyond the budget, provided he made an express request for the purpose of addressing specific and proven needs;
- › may interact with all of the Company's departments and shall have access to all information that may be relevant or necessary for the purpose of performing his duties, concerning both the Company and other companies included in the consolidation scope;
- › shall promptly bring to the attention of the Company's administrative and control bodies any significant weaknesses and irregularities detected from time to time, which, based on his prudent assessment, are unlikely to be corrected sufficiently in advance for the approval of the next half-year report or annual financial statements.

The Board of Directors shall also ensure that the Manager in charge of Financial Reporting is able to:

- › formalise specific Company's procedures, including through amendments or integrations to existing procedures, when the procedures make reference to or deal with issues concerning the development of accounting and financial reports;
- › perform control activities regarding any Company procedure that could have an impact on the financial position or results of operations of the Company and the companies included in the consolidation scope;
- › recommend structural changes to internal control components that he deems to be inadequate or not functional to the purpose and, should the recommended changes not be implemented, the Manager in charge of Financial Reporting shall promptly



ly inform the executive director, the Sustainability, Risk and Control Committee and the Board of Directors;

- › use the services, upon specific request to the Internal Audit Manager, of personnel belonging to the Company's Internal Audit department to perform audits of the operation and actual implementation of administrative and accounting procedures prepared and published at the Company and at the companies included in the consolidation scope.

Participation in the internal information flows that are relevant for accounting purposes is guaranteed through coordination with the Company's corporate departments, the departments of the Subsidiaries included in the consolidation scope, the administrative and control bodies (such as the Board of Directors and the Board of Statutory Auditors), the Sustainability, Risk and Control Committee and the Supervisory Body. Furthermore, the Manager in charge of Financial Reporting is assisted in the performance of certain obligations arising from the Law on Savings by the Internal Audit department. Specifically, assistance is required for the following activities:

- › assistance with corporate self-diagnosis of the Internal Control and Risk Management System;
- › monitoring, control, analysis and verification activities (process audits);
- › objective feedback on the adequacy of the controls implemented to monitor risks;
- › definition of a suitable information

flow that supports the Manager in charge of Financial Reporting in monitoring his activities;

- › training regarding internal control issues.

COORDINATION AMONG THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Coordination among the parties involved in the Internal Control and Risk Management System is ensured by ongoing information flows between them, with a view to efficiency and best mutual integration.

As per the applicable regulation, the Risk and Control Director and the members of the Board of Statutory Auditors are invited to attend meetings of the Sustainability, Risk and Control Committee. Moreover, twice a year, he is invited to attend a meeting of the Supervisory Body, pursuant to Legislative Decree 231/2001.

Other parties that are not members of the Sustainability, Risk and Control Committee may be invited to attend committee meetings for the purpose of providing information and expressing opinions on issues within their jurisdiction with regard to certain aspects of the Risk and Control System, consistent with individual items on the meeting's agenda. The Internal Audit Manager also participates in the meetings of the Sustainability, Risk and Control Committee, acting as secretary.

Interests of directors and related party transactions

On 28 May 2014, the Board of Directors adopted the Related Party Procedure in implementation of article 2391-bis of the Italian Civil Code and the Related Party Regulation and subsequently amended with the approval of the Board of Directors on 21 December 2017 (see paragraph 10). The Related Party Procedure defines the rules that govern the approval and implementation of transactions with related parties executed by the Company, directly or through Subsidiaries, to ensure the transparency and substantive and procedural fairness of such transactions. It also covers the conditions for exclusion from application of said rules.

During the Year, no changes were made to the current Related Party Procedure.

The Company identifies its related parties based on the requirements set out in Annex 1 to the Related Party Regulation and established a special register for such parties. This register is managed by the Company's Corporate Affairs Department, which must update it at least once a year.

The Related Party Procedure is available on the Company's website <https://company.cerved.com>, in the governance/documents and procedures/documents section.

Statutory auditors' appointment

Pursuant to article 24.2 of the Articles of Association, standing and alternate auditors are appointed by the Shareholders in accordance with the gender parity regulations in effect at any given time, based on slates of candidates filed by the company's shareholders, in accordance with the statutory and regulatory requirements set forth in article 148 of the Consolidated Finance Act and article 144-quinquies and following articles of the Consob's Issuers' Regulation, in which candidates must be listed in sequential numerical order and their number must not be greater than the number of members to be appointed. Each slate shall be comprised of two sections: one for the appointment of standing auditors and one for the appointment of alternate auditors. The first of the candidates

in each section must be identified among the statutory auditors registered in the appropriate register pursuant to Article 2397 of the Italian Civil Code. Slates containing a number of candidates equal to or greater than three must include candidates from both genders, so that at least one of the candidates to the post of statutory auditor and at least one of the candidates to the post of alternate auditor listed on the slate belongs to the least represented of the two genders.

The only parties that may submit slates of candidates are shareholders who, alone or together with other shareholders, hold shares representing at least 1% of the share capital that may be voted at the Ordinary Shareholders' Meeting (as set by Consob



Resolution no. 28 of 30 January 2020, pursuant to Article 144-quater of the Issuers' Regulation)¹³. Each shareholder may file or participate in the filing of only one slate and each candidate may be listed only on one slate, on penalty of becoming ineligible.

Affidavits by which the individual candidates accept their nomination and attest, under their own responsibility, that there are no issues making them ineligible or incompatible and that they meet the requirements of current legislation for election to their respective posts shall be filed together with each slate within the deadline required by the law in effect. The affidavits must be accompanied by a curriculum vitae setting forth the personal and professional background of each candidate, which shall also include a list of the posts held by each candidate at other companies. Any slate that does not comply with the requirements set forth above shall be deemed to have never been filed.

The presentation, filing and publication of the slates shall be governed by the provisions of laws and regulations in effect at any given time. Each voting right holder may vote only for one slate. The appointment of the statutory auditors shall be carried out as follows:

- a) a total of 2 (two) standing auditors and 1 (one) alternate auditor shall be drawn, in the sequential numerical order in which they are listed on the slate, from the slate that received the highest number of votes;
- b) the remaining standing auditor, who shall serve as chairperson, and the other alternate auditor shall be drawn, in the sequential numerical order in which they are listed on the slate, from the slate that received the second highest number of votes and is not in any way connected, directly or indirectly, with the shareholders who filed or voted for the slate that received the highest number of votes. In

the event that multiple minority slates receive the same number of votes, the eldest among the candidates for standing auditor and alternate auditor listed on each slate shall be appointed;

- c) if only one slate is filed, the entire Board of Statutory Auditors shall be drawn from that slate, provided that it obtained a simple majority of the votes.

If the two standing auditors drawn from the slate that received the highest number of votes belong to the same gender, the remaining standing auditor shall belong to the other gender.

If the applicable requirements of the laws and the Articles of Association can no longer be met, the statutory auditor shall be removed from office. If a standing auditor needs to be replaced, the vacancy shall be filled with the alternate auditor listed on the same slate as the auditor being replaced or, if one is not available and a minority auditor is being replaced, with the candidate listed next on the slate to which the auditor that is being replaced belonged or, alternatively, the first candidate in the minority slate that received the second highest number of votes.

This is without prejudice to the fact that the chairmanship of the Board of Statutory Auditors shall always be held by a minority statutory auditor and that the composition of the Board of Statutory Auditors shall comply with the gender parity regulations in effect at any given time.

When the shareholders are asked to appoint standing auditors and/or alternate auditors to fill vacancies on the Board of Statutory Auditors, it shall proceed as follows: when the statutory auditors that are being replaced were appointed from a majority slate, the appointment shall take place by relative majority of the votes without any slate-related restriction; when the standing auditors that are

¹³ Article 24.2 of the Articles of Association states that "only shareholders who alone or together with other shareholders hold at least 2.5% of the share capital or a different investment percentage set by the laws or regulations in effect at any given time, are entitled to file slates of candidates".



being replaced were appointed from a minority slate, the shareholders shall replace them by relative majority vote, selecting them, whenever possible, from the candidates listed on the slate from which the auditor that is being replaced was drawn, or the minority slate that received the second highest number of votes.

If, for any reason, the implementation of these procedures does not allow the replacement of statutory auditors designated by minority shareholders, the shareholders shall proceed with a vote by relative majority, subsequent to the appointment of candidates by shareholders who, alone or together with other shareholders, hold in the aggregate a number of voting shares equal at least to the percentage mentioned above with regard to the slate filing procedure. However, checking the results of the balloting of the last voting does not include the votes of shareholders who, based on communications provided pursuant to legislation in effect, hold, directly, indirectly or jointly with other shareholders belonging to a shareholders' agreement that is significant pursuant to article 122 of the Consolidated Law on Finance, the relative majority of the votes that may be cast at a shareholders' meeting and the shareholders who control, are controlled or are under joint control by them. The vacancy filling procedures of the Articles of Association described above shall always ensure compliance with current gender parity legislation. Statutory auditors may be re-elected. The Articles of Association do not require the appointment of more than one minority statutory auditor.

The ordinary session of the Shareholders' Meeting, held on 13 April 2017, in accordance with the foregoing, appointed the current members of the Board of Statutory Auditors for the three-year period 2017-2019, while also electing the Chairman of the Board of Statutory Auditors and determining the remuneration for each member. Therefore, the term of office of the Statutory Auditors currently in office will expire with the approval of the financial statements at 31 December 2019 by the Shareholders' Meeting called for 20 May 2020 and, therefore, the aforementioned Shareholders' Meeting will be called to appoint the new members of the Board of Statutory Auditors.

The new rules on gender quotas which became effective on 1 January 2020 provide that the management and control bodies of listed companies must reserve "*at least two fifths*" of their members to the less represented gender and no longer one third, as established by previous legislation. They will apply to the renewal of the Board of Statutory Auditors which will take place on 20 May 2020. In its Communication no. 1/20 of 30 January 2020, Consob clarified that, as part of the supervisory activity on the regulations in question, it will consider the criterion of rounding up to the next higher unit provided for in paragraph 3 of Article 144-*undecies*. 1 of Consob Regulation no. 11971/1999, inapplicable, due to arithmetical impossibility, to the corporate bodies comprised of three members (such as the Issuer's Board of Statutory Auditors, composed of three standing members).



Composition and activities of the board of statutory auditors

(pursuant to article 123-bis, paragraph 2, letters d) and d-bis) of the Consolidated Law on Finance)

Pursuant to article 24.1 of the Articles of Association, the Shareholders shall appoint a Board of Statutory Auditors comprised of three standing auditors and determine its remuneration. The Shareholders also appoint two alternate auditors. The powers, obligations and term of office of the statutory auditors are those set forth by the law.

Persons who hold a number of positions greater than the limits on offices (pursuant to Article 144-terdecies of the Issuers' Regulation) or are affected by issues that make them ineligible or require their resignation or do not meet the integrity and professionalism requirements of current laws and regulations may not be elected or, if elected, shall be removed from office. For the purposes of Article 1, paragraph 2, letters b) and c), of Decree no. 162/2000, Article 24.1 of the Articles of Association stipulates that subjects that are closely related to the Issuer's scope of activities include commercial law and tax law, business economics and corporate finance and the sectors related to the Issuer's area of activity.

During the ordinary Shareholders' Meeting, held on 13 April 2017, according to the terms and procedures laid down by the applicable legislation and Article 24 of the Articles of Association, two slates of candidates were submitted, on 17 March 2017 and 20 March 2017, respectively, as follows:

1) a slate submitted jointly by a group of 12 institutional investors (Slate no. 1), holding a total of 4,585,325 Company shares of 2.35% of the Company's share capital; the

slate, which included Antonella Bientinesi and Antonio Mele in the Standing and Alternate Auditors sections, respectively, obtained, at the time of appointment, a number of votes representing 30.352% of the voting capital.

2) a slate (Slate no. 2) submitted jointly by the following shareholders: The Antares European Fund Limited and The Antares European Fund L.P., jointly holders of 3,204,184 Company shares, representing 1.64% of the Company's share capital; this slate, which included Paolo Ludovici and Costanza Bonelli and Laura Acquadro in the Standing and Alternate Auditors sections, respectively, obtained, at the time of appointment, a number of votes representing 68.969% of the voting capital.

In consideration of the foregoing, on 13 April 2017, the ordinary session of the Shareholders' Meeting therefore appointed Antonella Bientinesi as Chairman of the Board of Statutory Auditors, Paolo Ludovici and Costanza Bonelli as Standing Auditors and Laura Acquadro and Antonio Mele as Alternate Auditors. Therefore, in compliance with the provisions of the Code, at least one third of the Standing and Alternate members of the Board of Statutory Auditors is made up of auditors of the less represented gender.

The members of the Board of Statutory Auditors satisfy the independence requirements laid down in Article 148, paragraph 3 of the Consolidated Law on Finance and by the Corporate Governance Code, as analysed and recorded by the Board of Statutory Auditors in the meeting held on 9 May 2017 (the positive outcome of which was reported during the Board meet-



ing held on 5 June 2017). Furthermore, the Company requires that, every year, each statutory auditor confirm and/or update their curriculum vitae and confirm that they still meet the above independence requirements and applicable integrity and professionalism requirements.

During the year, the Board of Statutory Auditors met 7 times. Reference should be made to Table 3 ("Composition of the Board of Statutory Auditors") attached hereto for information about the attendance percentage of each standing auditor to the above meetings and for additional details on the composition of the Board of Statutory Auditors. The meetings had an average duration of two and a half hours.

Pursuant to principle 8.C.3. of the Corporate Governance Code, the Statutory Auditors' remuneration is based on the requested commitment, relevance of the position held, and the dimensions and sectors in which the Company operates.

The entire Board of Statutory Auditors of the Company is regularly invited to attend the meetings of the Company's Remuneration and Nomination Committee, the Sustainability, Risk and Control Committee and the Related Party Committee.

During the Year and within the European regulatory framework concerning statutory audits, the Board of Statutory Auditors monitored the engagements other than those related to the statutory audits that the Company or its subsidiaries assigned to the independent auditors of the Cerved Group or its network.

For the purposes of their office, all members of the Board of Statutory Auditors are domiciled at the Company's registered office and meet the integrity and professionalism requirements set out in article 148 of the Consolidated Law on Finance and Decree 162/2000.

Specifically with regard to the professionalism requirement, the members of the Board of Statutory Auditors meet the requirements of article 1.1 of Decree 162/2000, since they are registered with the register of Chartered Auditors and have performed legally-required audits of financial statements for a period of more than three years. Specifically with regard to the integrity requirement, the members of the Board of Statutory Auditors meet the requirements of article 2 of Decree 162/2000 since they have not been subject to prevention measures ordered by the judicial authorities pursuant to Law no. 1423/1956 or Law no. 575/1965, have not been convicted by final court decision for the offences and/or crimes referred to in article 2.1, letter b) of Decree 162/2000 and were not ordered to serve one of the sentences required by the above article 2.1, letter b) of Decree 162/2000.

SELF-ASSESSMENT OF THE BOARD OF STATUTORY AUDITORS

In accordance with the provisions of Rule Q.1.1 of the Rules of conduct of the board of statutory auditors of listed companies drafted by the Consiglio Nazionale Dottori Commercialisti e degli Esperti Contabili (Italian Accounting Profession), during the Year, the Board of Statutory Auditors of the Issuer conducted a self-assessment process aimed at collecting the opinions of members both as regards the functioning and composition of the board itself. The self-assessment was carried out with the involvement of an external consultant, Crisci & Partners S.r.l., and was conducted based on questionnaires and individual interviews, held between 13 and 20 February 2020.

In the aforementioned self-assessment, the Board focused on the following purposes:

- › to analyse the correct and effective functioning of the body and the adequacy of its composition;
- › to assess essential compliance with

the legislation and the objectives which the relevant provisions seek to achieve;

- › to identify any weaknesses and the define corrective measures to adopt;
- › to consolidate the relationships of cooperation and trust between the individual members themselves, between them and the Board of Directors and with the internal control functions; and
- › to encourage active participation by individual members, ensuring full awareness of the specific role held by each of them and the associated responsibilities.

The questionnaire and interviews used for the self-assessment focused on various areas concerning the composition and functioning of the Board of Statutory Auditors. The main aspects subject to assessment concerned the adequacy of the following profiles:

- › professionalism, in terms of knowledge, experience and skills, recognised with respect to the Board of Statutory Auditors as a whole;
- › the composition and balancing of roles within the body;
- › the conducting of meetings and the functioning of the body;
- › the role of the Chairman.

The self-assessment of Cerved Board of Statutory Auditors gave, inter alia, the following findings for the Year:

- › the satisfaction, by the Board members, with the functioning and contribution of the Board of Statutory Auditors as a whole and its individual members, including in consideration of the significant growth of the Company and the resulting expansion of the Group's operational scope and the functions and responsibilities of the Board of Statutory Auditors;
- › the composition of the Body, with three Standing Auditors and two Alternate Auditors is considered entirely adequate for the needs and complexity of the Group. Although considered useful for the effectiveness of work, the possible enlarge-

ment of the Board of Statutory Auditors is not deemed fundamental for the actual needs of the Company, making it also necessary to make operational and support adjustments to the Board of Statutory Auditors which could affect the overall efficiency;

- › the structure of the composition of the Board of Statutory Auditors as a whole is essentially adequate as regards the diversified knowledge, skills and professional experience of its members. In the future, a profile with corporate governance and corporate legal expertise, with an emphasis on extraordinary transactions, may be useful;
- › the diversity of age, tenure and gender are more than adequate. No corrections are deemed necessary in the composition of the next Board, in terms of the diversities represented in the current one;
- › the attendance of members at the frequent meetings of the Board is good. The attendance of the Statutory Auditors in the meetings of the Board of Directors (27 in 2019) and the board committees (27 in 2019) is equally good. In total, each Statutory Auditor and the Chairman of the Board of Statutory Auditors carried out their role for 22 and 28 days, respectively;
- › again in 2019, the quality of the Board of Statutory Auditors' contribution to the meetings of the Committees was appreciated and acknowledged, specifically with respect to the Risk and Control Committee, in addition to the always careful balance in its role as Control Body and in the autonomy of its judgement. In this respect, the satisfactory and efficient collaboration between the two bodies was achieved thanks to the commitment and willingness of their individual members, also through the interpersonal, as well as professional skills of each of them, rather than through a regulatory framework which, to date, could lead to overlapping skills and overlaps between roles;
- › there is careful monitoring of compliance with the principles of good



- governance and with regard to extraordinary corporate transactions and other significant events;
- › the good evaluation of the preparation of meetings, their frequency and duration, and the quality of the minutes. Timeliness in sending the documentation could be improved. As already stated in the 2018 self-assessment, the usefulness of organisational and secretarial support for the Board was stressed, though not unanimously, in order to improve the efficiency of the work of the Board, and the effectiveness of the verification and control work;
 - › accurate reports were submitted to the Board of Directors regarding any potentially critical situations and requests, always accepted, for corrective and appropriate measures; In this context, the spirit and proactive nature of the Board's recommendations, which were welcomed as a stimulus for the overall improvement of the Company, were appreciated;
 - › good oversight of control processes, with particular reference to potential conflicts of interest and the management of transactions with related parties; and
 - › as a possible starting point for improvement, it is suggested that the internal corporate structure dedicated to monitoring Risk Management and Compliance controls be strengthened.
- and may potentially be detrimental to the overall efficiency;
- › as part of the renewal of the outgoing Board of Statutory Auditors, it is suggested that a profile with corporate governance and corporate legal expertise, with an emphasis on extraordinary transactions, be introduced;
 - › the diversity of age, tenure and gender of the current Board ensure a balanced mix and are deemed more than adequate. No corrections are suggested in the composition of the next Board, in terms of the diversities represented in the current one;
 - › with respect to the composition of the new Board of Statutory Auditors, it is recommended that the total number of positions held by the candidates and their time available for the position, which must be commensurate with the frequent and significant commitments, be guaranteed in Cerved, for the optimal performance of their role;
 - › in general terms, and specifically with respect to the relationship between the Board of Statutory Auditors and the Risk and Control Committee, it is suggested that, in the composition of the future Board of Statutory Auditors, the good and efficient collaboration between the Bodies be successfully reached also thanks to team working and empathy, as well as the professional skills of the people involved.

The self-assessment of Cerved Board of Statutory Auditors for the Year identified the following suggestions and recommendations useful for the Board's guidelines to Shareholders, which may be summarised as follows:

- › the current composition, with three Standing Auditors and two Alternate Auditors, is considered entirely adequate for the needs and complexity of the Group; Although considered theoretically useful for the effectiveness of work, the possible enlargement of the Board of Statutory Auditors is not deemed necessary given the actual needs of the Company,

A brief curriculum vitae is provided below for each member of the Board of Statutory Auditors.

Antonella Bientinesi

Born in Atina on 27 May 1961, graduated with honours in economics and business administration. Registered with the Register of Chartered Accountants of Frosinone and Cassino since 1986 and the Register of Chartered Accountants of Rome since 1998.

In 1984, she worked with the Studio Adonnino-Ascoli in Rome, carrying out



studies and research in tax matters. In 1985, she carried out auditing tasks with Reconta Touche Ross in Rome, gaining experience in auditing and accounting organisation. Between 1986 and 1990, she worked with the firm of Giovanni Battista Galli in Rome, handling both national and international physical problems connected with large companies. In 1991, she worked with the firm of Massimo Alderighi in Rome, chiefly handling company reorganisation operations, from the planning phase to actual implementation. From 1992 until March 1999, she worked with the corresponding associated law firm of KPMG S.p.A., mainly on national and international physical problems connected with major groups operating in the industrial and services sectors.

Since 1999, she has been a partner of the Studio Legale Tributario associated with Ernst & Young. Since 2001, she has been the partner responsible for the Centre/South area in the 'Public' sector. Since May 2005, she has carried out her professional activities independently within the framework of the Studio Legale Tributario.

She is a member of the boards of statutory auditors of various companies, including ENAV S.p.A., Nuove Energie S.r.l. (Enel Group) and Ala Assicurazioni S.p.A. (Sara Assicurazioni Group). She is currently standing auditor of the Issuer (Chairwoman) and of Unicredit S.p.A, Enel Energia S.p.A., Enel Green Power Metehara S.p.A., Enel Green Power Solar Ngonye S.p.A., ANAS S.p.A. and Acer Sede S.p.A.. She also member of the Board of Auditors of Fondo Ambiente Italiano. She is also an Alternate Auditor of Sara Assicurazioni S.p.A., Sara Vita S.p.A., Enel Distribuzioni S.p.A., Alpen Adria Energia S.r.l. and Enel Sole S.r.l..

Paolo Ludovici

Paolo Ludovici was born in Rome on 9 July 1965 and graduated in 1989 with honours from Luigi Bocconi University in Milan with a degree in business

economics. He has been registered with the Milan Register of Chartered Accountants since 1991 and, in 1995, became a member of the Register of Chartered Auditors.

Between 1991 and 2014 he worked at Maisto e Associati, becoming a partner in 2000. Since November 2014 he has been a partner of Ludovici & Partners, of which he is the founding member.

He teaches tax law at the Business Management School of the Luigi Bocconi University, at Luiss Management, Il Sole 24 Ore and Borsa Italiana. He specialises in domestic and international company reorganisations, M&A and structured finance transactions, personal assets and trusts planning and tax issues related to collective investment undertakings. He published important articles about the above matters. He writes for "Il Sole 24 Ore" and important tax magazines, is a lecturer at tax conventions and teaches tax law at post-university master's programmes.

He is a member of the Tax and Legal Committee at the AIFI (Italian Private Equity and Venture Capital Association), the Regulatory Committee at the AIPB (Italian Private Banking Association), STEP (Society of Trust and Estate Practitioners) and the Management Committee of the Assofiduciaria association.

In addition to the post of standing auditor of the Issuer, he is currently chairman, member of the board of statutory auditors or sole statutory auditor, depending on the case, of several other companies, namely Alpitour S.p.A., Voihotels S.p.A., Associazione Italiana Private Banking, Asset Italia S.p.A., Atlantic Investments S.p.A., Baghera S.p.A., Decalia Asset Management SIM S.p.A., Elle 52 Investimenti S.r.l., Ethica Investment Club S.p.A., Fondazione Leonardo del Vecchio, Kartell S.p.A., Italmobiliare S.p.A., Jakala S.p.A., Vitale & Co S.p.A., Vodafone Servizi e Tecnologie S.r.l., Vodafone Gestioni S.p.A and White Bridge Investments



S.p.A.. Lastly, he is deputy chairman of the board of Luchi Fiduciaria S.r.l. and Sole Director of Elleffe S.r.l.

Costanza Bonelli

Born in Mantua on 19 February 1968 and graduated with honours in economics and business administration from the Luigi Bocconi University.

Since 1997, she has been registered with the Milan Register of Chartered Accountants (no. 4675) and became a member of the Register of Chartered Auditors (no. 91050) in 1999.

Since September 1998, she has owned her own business, providing accounting and ordinary tax assistance and specialised consultancy with regard to the corporate and contractual aspects of extraordinary transactions and issues of international taxation, mainly to natural persons and entities (companies and non-commercial entities), including Italian companies that belong to international groups.

She was a member of the boards of statutory auditors of various companies, such as Unione Fiduciaria S.p.A., Azimut Holding S.p.A. and Idrostile S.r.l.. She was also an Auditor in the Order of Chartered Accountants and Accounts Experts of Milan and an Auditor for the Chartered Accountants Foundation of Milan. She was a director at Fondazione Casa della carità "Angelo Abriani".

She is currently a member of the boards of statutory auditors of the Issuer and of Azimut Holding S.p.A.; she is a director of Fondazione Casa della carità "Angelo Abriani" charity, Opera Cardinal Ferrari Onlus, Fondazione dei Dottori Commercialisti di Milano and Immobiliare Sede Dottori Commercialisti di Milano S.p.A., and also Chairwoman of the Auditors of Fondazione Caritas Ambrosiana and Sole Auditor of Fondazione per la famiglia Profumo di Betania Onlus and Comelt S.p.A..

Laura Acquadro

Laura Acquadro was born in Milan on 1 December 1967 and earned a degree with honours in economics from Luigi Bocconi university in Milan in 1991 and a law degree with honours from the University of Milan in 1997. She has been a member of the Milan Register of Charter Accountants since 1994 and a Chartered Auditor since 1999. She is a member of the Register of Technical Consultants to the Court of Milan.

Ms Acquadro is a partner of the Studio Professionale Acquadro e Associati in Milan, where her activities include providing consulting services in the corporate and tax areas, both nationally and internationally, and support in connection with extraordinary business transactions and valuations of business enterprises, having developed specific skills in the real estate sector.

She serves as statutory auditor in several companies, specifically Equita Group S.p.A., Equita SIM S.p.A., Cerved Master Services S.p.A., Ambienta SGR S.p.A., Metro Cash and Carry S.p.A., Metro Dolomiti S.p.A., Jcoplastic S.p.A., Poliresin S.p.A., Benasedo S.p.A., Nira S.p.A., Dom 2000 S.p.A., Alem S.p.A., Metalcolor S.p.A., Finbot S.p.A., Ferrari Meccanica S.p.A., Diltom S.p.A., Enfab S.p.A., Immobiliare Cavour Corsico S.p.A., Carsil S.p.A., Crocus S.p.A., Trenova S.p.A., Metalimmobiliare S.p.A., Fondazione VIDAS, Fondazione di Comunità Milano and Associazione Teatri di Milano, and as Alternate statutory auditor of the Issuer. She also serves as a director in Immobiliare Tibaldi S.r.l., Edilnovanta S.p.A., T.P.2 S.r.l., Residenza Galeno S.r.l. and Società Immobiliare Tangenziale Paullese S.r.l..

Antonio Mele

Born in Galatina on 5 June 1968 He graduated with honours in economic and banking sciences at Lecce University in 1992. Listed on the Register of



Statutory Auditors (no. 89058) since 1999. Since 2007, he has been listed on the Register of Chartered Accountants under no. 8139.

From May 1996 until August 1999, he worked for CONSOB in the Intermediaries Division (Inspectorate and Supervisory Body). From August 1999 until June 2002, he worked for Banca Imi S.p.A. as head of the Internal Control department. From June 2002 until December 2005, he worked for Banca Imi S.p.A. as head of the administration department. From December 2005 until July 2007, he worked for Banca Imi S.p.A. as head of Operations & Administration.

He is currently an independent management consultant.

He has been a member of the Boards of Statutory Auditors of BPER Banca S.p.A., Banca ITB S.p.A., Polaris Real Estate SGR S.p.A., Shine Sim S.p.A., FB5 Investments S.r.l., Fire Group S.p.A. and Fire Resolution S.p.A., IMI Investments S.A., Yarpa Investimenti SGR S.p.A. Alisarda S.p.A., Meridiana Fly S.p.A., Air Italy Holding S.p.A., Air Italy S.p.A. and has been Chairman of the Board of Statutory Auditors of Banca Privata Leasing S.p.A.. He is currently Chairman of the Board of Statutory Auditors of Credito Fondiario S.p.A., TAS Tecnologia avanzata dei sistemi S.p.A. and OWL S.p.A.. He is also a member of the Board of Statutory Auditors of Value Investments S.p.A. and Bancomat S.p.A., as well as Alternate Auditor of the Issuer.

In accordance with the Corporate Governance Code, the Board of Statutory Auditors possesses an adequate knowledge of the sector in which the Issuer operates, of the business dynamics and their evolution, the principles of proper risk management and the applicable regulatory and self-regulatory framework.

Any member of the Board of Statutory Auditors holding a personal or third party interest in a specific Issuer's transaction shall promptly and exhaustively inform the other statutory auditors and the Chairman of the Board of Directors about the nature, terms, origin and extent of their interest.

As explained in paragraphs 10 and 13 herein, the Board of Statutory Auditors, in the performance of its functions works regularly in coordination with the Internal Audit department, the Sustainability, Risk and Control Committee (also by participating in their meetings), the Risk and Control Director and the Manager in Charge of Financial Reporting.

Since the end of the Year, the Board of Statutory Auditors has already met on 4 February 2020 and 9 March 2020. As regards the Company's diversity policies applied in relation to the composition of the Board of Statutory Auditors, concerning aspects such as age, gender and educational and professional training, the composition of the current body is deemed essentially adequate, also in consideration of the requirements for assuming the position, the curriculum vitae of the individual members and the provisions of the Articles of Association aimed at ensuring compliance with the gender parity regulations in force. In any case, the diversity policy, as indicated in paragraph 4.2, also covers the composition of the Board of Statutory Auditors. The Issuer believes that the composition of the Board of Statutory Auditors reflects the type of diversity and the related policy objectives described in paragraph 4.2.

As indicated in paragraph 4.2, it is noted that the Board of Statutory Auditors participated in the Induction Programme sessions held during the Year.



Relations with shareholders

The Company has found that it is in its own interest – and also a duty to the market – to establish an ongoing dialogue with all of its shareholders.

In line with the recommendations provided in article 9 of the Corporate Governance Code, the Company, in order to encourage the broadest possible attendance at shareholders' meetings and facilitate the exercise of shareholders' rights, established a special "Investor Relations" section which can be easily identified and accessed from its website: <https://company.cerved.com/>. In this section, shareholders can access all relevant information, including financial information (financial statements, half-yearly financial reports and interim operating reports, presentations to the financial community and performance of the Company's financial instruments on Borsa Italiana) and documents which may interest the shareholders as a whole (press releases).

The Company established internally an Investor Relations Department responsible for managing relations with shareholders, which is headed by Pietro Giovanni Masera, who serves as the Company's investor relations & structured finance manager.

The Investor Relator is engaged primarily in managing relations with investors, financial analysts and intermediaries. More specifically, he provides support in such areas as research analysis about the Company, definition of consensus estimates and preparation of presentations for the market and meetings with investors.

The contact information to reach the Investor Relations Department and its manager Pietro Masera (also available online at the address <https://company.cerved.com/it/contatti-investitori>) are as follows:

- › Telephone +39 02 77 54 624;
- › Address: Via dell'Unione Europea 6A-6B, San Donato Milanese;
- › E-mail: ir@cerved.com



Shareholders' meetings

(pursuant to article 123-bis, paragraph 2c) of the Consolidated Law on Finance)

The Shareholders' Meeting shall adopt resolutions on issues under its jurisdiction in accordance with current laws, no further specific jurisdiction being assigned to by the Articles of Association.

Under the Articles of Association, as required by article 2365.2, of the Italian Civil Code, the Shareholders' Meeting has jurisdiction over resolutions concerning mergers in the circumstances set forth in articles 2505 and 2505-bis of the Italian Civil Code, the establishment and closing of secondary offices, the designation of the directors empowered to represent the Company, the reduction of share capital in the event of withdrawal by shareholders, amendments to the Articles of Association in compliance with statutory requirements and the transfer of the registered office anywhere in Italy.

Both ordinary and extraordinary Shareholders' Meetings shall adopt resolutions with the majorities required by the law in each case, with regard both to duly convening the Shareholders' Meeting and the validity of adopted resolutions.

The resolutions of the Shareholders' Meeting, adopted pursuant to the law and the Articles of Association, are binding on all shareholders, including absent or dissenting shareholders, and shall be set forth in minutes drawn up in accordance with the legislation in effect at any given time and signed by the Chairman and the secretary or a notary selected by the Chairman. Pursuant to article 8 of the Articles of Association, ordinary and extraordinary Shareholders' Meet-

ings, as a rule, are held in the municipality where the Company's registered office is located, unless the Board of Directors selects a different location, provided it is in Italy or in a country where the Company conducts its activities directly or through Subsidiaries or investees.

An ordinary Shareholders' Meeting must be convened at least once a year, to approve the financial statements, within 120 days from the end of the reporting year or 180 days as the Company is required to prepare consolidated financial statements or, otherwise, when required by special needs concerning the Company's structure and business purpose.

Notice of the Shareholders' Meeting shall be given within the deadline required pursuant to the applicable laws and regulations by means of an announcement published on the Company's website and with the manner required pursuant to the laws and regulations in effect at any given time, prior to the Shareholders' Meeting by a length of time that shall not be shorter than the minimum required pursuant to the law.

Ordinary and extraordinary Shareholders' Meetings shall be held on a single call, to which the majorities required pursuant to law shall apply. Under article 10 of the Articles of Association, the parties eligible to vote may be represented at the Shareholders' Meeting pursuant to law, by means of a proxy granted in the manner required by current legislation. The proxy may be notified to the Company also electronically, sending it by email in the manner specified in the notice of Shareholders' Meeting.

Under the articles of association, the

Company may avail itself of the option provided for by the law to designate a representative to whom the Shareholders may grant a proxy with voting instructions for all or some of the items on the agenda of the Shareholders' Meeting.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in case of his absence or impediment, by the deputy chairman or the Chief Executive Officer, if they are present; otherwise, the Shareholders shall elect their chairman from among the attendees.

The activities of Shareholders' Meetings are governed by the Shareholders' Meeting Regulation.

The Shareholders' Meeting Regulation is available at the Company's registered office and website <https://company.cerved.com/>, in the governance/documents and procedures/documents section. It was adopted for the purpose of governing the orderly and effective progress of the shareholders' meetings and facilitate the exercise of rights by shareholders, in accordance with the provisions of laws and the recommendations set forth in the Corporate Governance Code.

In order to regulate and facilitate participation by eligible parties, article 6 of the Shareholders' Meeting Regulation states that the parties eligible to exercise the right to vote may ask to take the floor only once with regard to the items on the agenda, providing remarks, and asking questions. They may also make proposals. A request to take the floor may be put forth from the moment the Shareholders' Meeting is called until the Chairman closes discussions about the item on the agenda. In order to guarantee the

orderly and effective progress of the Shareholders' Meeting, the Chairman may determine a term for submitting requests to take the floor at the beginning or during the discussion of individual issues.

Again in accordance with the Shareholders' Meeting Regulation, the Chairman shall determine the manner by which shareholders may ask to take the floor and address the Shareholders' Meeting and the order in which this will occur and, considering the subject and the relevance of the individual item discussed and the number of parties asking to take the floor and any questions submitted by the shareholders prior to the Shareholders' Meeting that the Company has not already answered, shall determine in advance the duration of questions and follow-ups, as a rule not more than ten minutes for questions and five minutes for follow-ups, so that the Shareholders' Meeting may complete its activities in a single meeting.

Eight of the eleven directors in office participated in the Shareholders' Meeting of 16 April 2019; the Board of Directors reported on the activities carried out and those planned and committed to ensuring that shareholders are provided with adequate information about the elements necessary to enable them to take reasoned decisions on the relevant matters.

With respect to the Year, no shareholder proposed to the Shareholders' Meeting a resolution on matters other than those on which a proposal was made by the Board of Directors. The Board did not find any significant changes in the capitalisation or shareholding structure such as to require the proposal of amendments to the Articles of Association.

Additional corporate governance practices

(pursuant to article 123-bis, paragraph 2a) of the Consolidated Law on Finance)

The Company did not adopt any additional government practices in addition to those described in this Report.

Changes after the reporting date

No changes occurred in the Company's corporate governance structure

between the reporting date and the date of this Report.

Considerations concerning the letter of 19 december 2019 of the chairman of the corporate governance committee

The eighth edition of Borsa Italiana's Format stipulates that, when drafting the Report, this Section should describe the Company's strategies concerning the recommendations contained in the letter from Ms Patrizia Grieco, Chairwoman of the Corporate Governance Committee, sent on 19 December 2019 to all chairmen of administrative bodies, and, for information purposes, to the chief executive officers and chairmen of supervisory bodies of Italian listed companies (the "Letter").

The Letter, after supplying certain recommendations concerning the state of implementation of the Code, expresses the hope that *"they will be brought to the attention of the board and competent committees, and that*

they will be considered, including for the purposes of the self-assessment, to identify possible developments to governance or to address any gaps in the application or explanations provided", "to the control body in charge of monitoring the effective implementation of the recommendations set out in the Code" and "that the considerations and any relevant initiatives undertaken will be included in the next corporate governance report".

The Remuneration and Nomination Committee of the Company, in charge of providing the Company's Board of Directors with periodic updates of developments of corporate governance rules pursuant to art. 3.4 point (vii) of the regulation, while also formulating adjustment proposals, analysed the

Letter on 12 February 2020, similarly to the Board of Directors.

The Letter identifies, in general, four main areas for improvement requiring greater adherence by the issuers to the recommendations contained in the Code and which will be shown hereunder:

i) management of corporate sustainability issues: with reference to this first critical area, the Corporate Governance Committee notes that, in many cases, the Board of Directors lacks a clear attribution of the responsibility to consider sustainability an integral and fundamental part in the definition of corporate strategies. The Committee calls on the boards of directors to integrate the sustainability of the company's business into the definition of strategies and the remuneration policy, including on the basis of an analysis of the relevance of factors that may affect the generation of value in the long term.

2. In this respect, the Company states that it is strongly committed to integrating sustainability goals also for the purposes of preparing non-financial disclosures pursuant to Legislative decree 254/2016 (so-called "NFS"), thus aligning itself with best market practices. Furthermore, the definition of an ESG (environment, social, governance) strategy is underway, acknowledging that this approach can also represent an opportunity for business growth;

ii) quality of reporting to the Board of Directors: with reference to this second critical area, the Corporate Governance Committee notes that the adequacy of the board's information flows is still unsatisfactory in over half of listed companies, despite a slight improvement over time. The Committee recommends that the companies focus, also in the regulation of the Board of Directors' work, on an adequate management of the information

flows to the Board of Directors, ensuring that confidentiality requirements are safeguarded without compromising the completeness, usability and timeliness of information.

3. In this respect, the Company confirms that already pointed out in the 2018 corporate governance report, namely that it has commenced an intense activity aimed at improving corporate practice on the timeliness and quality of pre-meeting information, while complying with confidentiality requirements. On this point, the independent directors also expressed their general satisfaction as to the completeness and transparency of the documentation and information made available to directors and statutory auditors for board meetings;

iii) full and concrete application of the independence criteria recommended by the corporate governance code: this third critical area highlighted by the Corporate Governance Committee concerns the data collected in 2019, which highlight the continuing existence of a significant number of critical issues in the qualification of independent directors and the poor quality of the information supplied by issuers in cases of non-application of one or more of the criteria set out in the corporate governance code, regarding the overall quality of the compliance with the independence model defined by the code. The Corporate Governance Committee therefore invites the boards of directors to employ greater rigour in applying the independence criteria defined by the corporate governance code, and the supervisory bodies to monitor the correct application of such criteria. In addition to confirming the exceptional nature and the necessary individual motivation - therefore linked to the specific situation of the individual director - of departing from each independence crite-



tion recommended by the Code, the Committee invites issuers to focus more on the assessment of the significance of the relationships being assessed. To this end, the Committee calls on the administrative bodies to define *ex ante* the quantitative and/or qualitative criteria to be used for assessing the significance of the relationships under examination. These criteria should cover the overall position, not limited to the purely economic benefit, of the director whose independence is being assessed, and should be adequately and transparently communicated to the market in the corporate governance report. In this respect, the Company confirms that already pointed out in its 2018 corporate governance report, namely that it carefully evaluates all the independence criteria set out in the Corporate Governance Code and examines the positions of individual directors on a case-by-case basis, acknowledging this in the relevant Report. Furthermore, as mentioned in paragraph 4.2 of this Report, with respect to the Code recommendation about defining *ex ante* the quantitative and/or qualitative criteria to be used to assess the significance of the relationship between the independent directors and the Company, at present, there are no direct or indirect relationships between the Company and independent directors that require to be assessed in accordance with these criteria.

- iv) the remuneration of non-executive directors and members of the control body: this fourth critical area, which concerns, in particular, small and medium-sized companies in particular, emerges not so much in terms of consistency with the overall policies defined for the remuneration of corporate bodies, rather in the light of the commitment expected of these parties in the performance of their duties and the resulting responsibility profiles. The Committee rec-

ommends that the administrative bodies - and the relevant committees in charge of remuneration - check that the remuneration paid to non-executive directors and members of the control body is adequate for the competence, professionalism and commitment required by their office. This could be facilitated by making reference to remuneration practices in the relevant sectors and for companies of similar size, possibly also taking into account comparable foreign experiences.

In this respect, the Company stresses that, in defining the remuneration of, *inter alia*, the independent directors and the control body, it has taken into account the remuneration practices adopted by comparable issuers. In any case, appropriate evaluations will be carried out when renewing the corporate bodies.

The Board of Directors, at the end of the meeting on 12 February 2020, after analysing the recommendations concerning areas for improvement contained in the Letter (and shown in this paragraph), entrusted the Chairman Gianandrea De Bernardis and the Chief Executive Officer Andrea Mignanelli with the power to take all improvement actions that may lead to an ever-increasing promotion of the good corporate governance of the Company.

*** **

San Donato Milanese, 24 March 2020

On behalf of the Board of Directors
The Chairman
Gianandrea De Bernardis





TABLE 1 – THE OWNERSHIP STRUCTURE

SHARE CAPITAL				
	No. of shares	% of share capital	Listed (state the markets)/unlisted	Rights and obligations
Ordinary shares	195,274,979	100%	Mercato Telematico Azionario organised and managed by Borsa Italiana	Rights and obligations as per the law and the articles of association
Multiple-vote shares	N.A.			
Shares with restricted voting right	N.A.			
Shares with no voting right	N.A.			
Other	N.A.			
OTHER FINANCIAL INSTRUMENTS (assigning the right to acquire newly issued shares through subscription)				
	Listed (state the markets)/unlisted	No. of securities outstanding	Class of shares ear-marked for conversion/exercise	No. of shares servicing the conversion/Year
Convertible bonds	N.A.			
Warrants	N.A.			



SIGNIFICANT INTERESTS IN SHARE CAPITAL			
Reporting party	Direct shareholder	% interest in common share capital	% interest in voting share capital
GRUPPO MUTUIONLINE S.P.A.	<i>Gruppo Mutuionline S.p.A.</i>	2.306	2.306
	TOTAL	2.306	2.306
MASSACHUSETTS FINANCIAL SERVICES COMPANY	<i>MFS Heritage Trust Company</i>	0.131	0.131
	<i>MFS Investment Management Canada Limited</i>	0.003	0.003
	<i>MFS Institutional Advisors Inc</i>	0.031	0.031
	<i>MFS International Singapore Pte. Ltd</i>	0.042	0.042
	<i>MFS Investment Management KK</i>	0.010	0.010
	<i>MFS International (UK) Limited</i>	0.025	0.025
	<i>Massachusetts Financial Services Company</i>	3.939	3.939
	<i>MFS International Australia PTY LTD</i>	0.001	0.001
	TOTAL	4.182	4.182
AMUNDI ASSET MANAGEMENT	<i>Amundi SGR S.p.A.</i>	2.77	2.77
	<i>Societe Generale Gestion (S2G)</i>	0.13	0.13
	<i>Amundi Asset Management</i>	1.98	1.98
	<i>BFT Investment Manager</i>	0.10	0.10
	TOTAL	4.98	4.98
WELLINGTON MANAGEMENT GROUP LLP	<i>Wellington Management International LTD</i>	0.213	0.213
	<i>Wellington Management Company LLP</i>	4.864	4.864
	TOTAL	5.077	5.077
NORGES BANK	Norges Bank	2.535	2.535
	TOTAL	2.535	2.535
CERVED GROUP S.P.A. (TREASURY SHARES)	TOTAL	1.752	N.A.



TABLE 2 – STRUCTURE OF THE BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2019

Board of Directors												Sustainability, Risk and Control Committee		Related Party Committee		Remuneration and Nomination Committee		Keplero Committee	
Members	Year of birth	Date of first appointment*	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	No. of other posts held ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Fabio Cerchiai ⁽¹⁾	1944	25/3/2014	16/4/2019	Approv. FS at. 31/12/2021	CdA		X	X	X	5	25/27			P	1/1	M	4/5	M	2/2
Gianandrea De Bernardis	1964	25/3/2014	16/4/2019	Approv. FS at. 31/12/2021	CdA	X				3	27/27								
Sabrina Delle Curti	1975	22/9/2015	16/4/2019	Approv. FS at. 31/12/2021	CdA	X				1	26/27								
Andrea Mignanelli *	1969	29/4/2016	16/4/2019	Approv. FS at. 31/12/2021	CdA	X				2	27/27								
Umberto Carlo Maria Nicodano	1952	16/4/2019	16/4/2019	Approv. FS at. 31/12/2021	CdA		X			9	5/6			M	4/5	M	5/5	M	2/2
Mara Anna Rita Caverni	1962	30/4/2014	16/4/2019	Approv. FS at. 31/12/2021	CdA		X	X	X	3	24/27	M	7/8	M	1/1	M	6/7		
Aurelio Regina	1963	30/4/2014	16/4/2019	Approv. FS at. 31/12/2021	CdA		X	X	X	8	21/27	M	1/2			P	12/12		
Andrea Casalini	1962	16/4/2019	16/4/2019	Approv. FS at. 31/12/2021	CdA		X	X	X	3	6/6			P	5/5			P	2/2
Alessandra Stabilini		16/4/2019	16/4/2019	Approv. FS at. 31/12/2021	CdA		X	X	X	5	6/6	P	6/6	M	5/5			M	2/2
Mario Francesco Pitto		16/4/2019	16/4/2019	Approv. FS at. 31/12/2021	m		X	X	X	15				M	5/5			M	2/2
Valentina Montanari	1967	29/4/2016	16/4/2019	Approv. FS at. 31/12/2021	m		X	X	X	2	26/27	M	8/8			M	5/5		

NOTES

⁽¹⁾ Lead Independent Director.

• Risk and Control Director.

* Date of first appointment means for each director the date when the director was appointed for the very first time to the Issuer's Board of Directors.

** This column shows from which slate each director was drawn ("M" majority slate; "m" minority slate; BoD slate filed by the Board of Directors).

*** This column shows the number of posts held as director or statutory auditor by the director in question at other companies listed on regulated markets, in Italy and abroad, and at financial companies, banks, insurance companies or companies of a significant size. Annex 1 (see below) shows the current directors' posts in full.

(*) This column shows in which capacity the director serves on the Committee: "C": Chairman; "M" Member.

(**) This column shows the attendance of directors at meetings of the Board of Directors and the committees (number of meetings they attended out of the total number of meetings they could have attended (e.g., 6/8; 8/8; etc.).



MEMBERS OF THE BOARD OF DIRECTORS WHO LEFT OFFICE DURING 2019

Board of Directors											Sustainability, Risk and Control Committee		Related Party Committee		Remuneration and Nomination Committee		
Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	No. of other posts held ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Roberto Mancini	1971	29/4/2016	29/4/2016	Approv. FS at. 31/12/18	CdA	X				3	12/13						
Marco Maria Fumagalli	1961	29/4/2016	29/4/2016	Approv. FS at. 31/12/18	Minoranza		X	X	X	6	17/18			M	1/1	M	7/7
Giovanni Sartor	1956	19/12/2018	28/12/2018	Until the meeting of 16/4/19	n.a.	X				9	13/13						
Simona Elena Pesce	1966	24/06/2018	24/06/2018	Until the meeting of 16/4/19	n.a.		X	X	X	0	12/13						

Number of meetings held during the reporting year: 27

Sustainability, Risk and Control Committee: 8

Related Party Committee: 5

Remuneration and Nomination Committee: 12

Keplero Committee: 2

Quorum required to file minority slates for the appointment of one or more members (article 147-ter Consolidated Law on Finance): 1% as set by

Consob resolution no. 28 of 30 January 2019

NOTES

⁽¹⁾ Lead Independent Director.

• Risk and Control Director.

* Date of first appointment means for each director the date when the director was appointed for the very first time to the Issuer's Board of Directors.

** This column shows from which slate each director was drawn ("M" majority slate; "m" minority slate; BoD slate filed by the Board of Directors).

*** This column shows the number of posts held as director or statutory auditor by the director in question at other companies listed on regulated markets, in Italy and abroad, and at financial companies, banks, insurance companies or companies of a significant size. Annex 1 (see below) shows the current directors' posts in full.

(*) This column shows in which capacity the director serves on the Committee: "C": Chairman; "M" Member.

(**) This column shows the attendance of directors at meetings of the Board of Directors and the committees (number of meetings they attended out of the total number of meetings they could have attended (e.g., 6/8; 8/8; etc.).



TABLE 3 – STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**Board of Statutory Auditors**

Position	Members	Year of birth	Date of first appointment*	In office since	In office until	Slate **	Indep. Code	Attendance at Board of Stat. Auditors meetings ***	No. of other posts held ****
Chairman	Antonella Bientinesi	1961	13/04/2017	13/4/2017	Approv. FS at 31/12/19	m	X	7/7	11
Standing auditor	Costanza Bonelli	1968	13/04/2017	13/04/2017	Approv. FS at 31/12/19	M	X	7/7	9
Standing auditor	Paolo Ludovici	1965	14/3/2014	13/4/2017	Approv. FS at 31/12/19	M	X	4/7	26
Alternate auditor	Laura Acquadro	1967	28/05/2014	13/04/2017	Approv. FS at 31/12/19	M	X	-	30
Alternate auditor	Antonio Mele	1968	13/04/2017	13/04/2017	Approv. FS at 31/12/19	m	X	-	5

Number of meetings held during the reporting year: 7**Quorum required to file minority slates by minorities for the appointment of one or more members (article 148 Consolidated Law on Finance):**

1% as set by Consob resolution no. 28 of 30 January 2019.

* Date of first appointment means for each statutory auditor the date when the statutory auditor was appointed for the very first time to the Issuer's Board of Statutory Auditors.

** This column shows from which slate each statutory auditor was drawn ("M" majority slate; "m" minority slate).

*** This column shows the attendance of statutory auditors at meetings of the Board of Statutory Auditors (number of meetings they attended out of the total number of meetings they could have attended (e.g., 6/8; 8/8; etc.).

****this column shows the number of posts held as director or statutory auditor by the statutory auditor in question pursuant to article 148-bis of the Consolidated Law on Finance and the respective implementation provisions set forth in the Consob's Issuers' Regulation. The full list of offices is published by Consob on its website pursuant to article 144-quinquiesdecies of the Issuers' Regulation.



ANNEX 1 – LIST OF POSTS HELD BY DIRECTORS

Directors Nome e Cognome	Other companies where they hold a post	Post held at the company or equity interest held
Fabio Cerchiai	ATLANTIA S.P.A.	Chairman of the Board of Directors
	EDIZIONE S.R.L.	Director
	ABERTIS S.p.A.	Director
	ARCA VITA S.P.A.	Chairman of the Board of Directors
	ARCA ASSICURAZIONI S.P.A.	Chairman of the Board of Directors
	ANSPC – ASSOCIAZIONE NAZIONALE PER LO SVILUPPO DEI PROBLEMI DEL CREDITO	Member of the Steering Committee
	AISCAT – ASSOCIAZIONE ITALIANA SOCIETÀ CONCESSIONARIE AUTOSTRADE E TRAFORI	Director
	ACCADEMIA ITALIANA DI ECONOMIA AZIENDALE	Director
	CENSIS – FONDAZIONE CENTRO STUDIO INVESTIMENTI SOCIALI	Member of the Steering Committee
	ASSONIME	Member of the Steering Committee
	Mara Anna Rita Caverni	ERG S.P.A.
ATLANTIA S.P.A.		Independent Director
ITALCANDITI S.P.A.		Chairman
Gianandrea De Bernardis	HIPPOCRATES HOLDING S.P.A.	Director
	CONCERIA PASUBIO S.P.A.	Chairman
	FOSCOLO HOLDING S.A.R.L.	Chairman of the Advisory Board
Sabrina Delle Curti	MASSIMO ZANETTI BEVERAGE GROUP S.P.A.	Independent Director
Andrea Mignanelli	SC RE COLLECTION S.R.L.	Director
	CODIFI S.P.A.	Director
Alessandra Stabilini	COIMA RES SIIQ S.P.A.	Independent Director
	UNIEURO S.P.A.	Non-executive Director
	LIBRERIE FELTRINELLI S.R.L.	Director
	BRUNELLO CUCINELLI S.P.A.	Standing auditor
	HITACHI RAIL STS S.P.A.	Standing auditor
Umberto Carlo Maria Nicodano	GREEN HUNTER GROUP S.P.A.	Chairman of the Board of Directors
	GREEN HUNTER S.P.A.	Chairman of the Board of Directors
	VALENTINO S.P.A.	Deputy Chairman
	BREMBO S.P.A.	Director
	LEVRIERO HOLDING S.P.A.	Director
	FINOS S.P.A.	Director
	TWT S.P.A.	Director
	VOISOFT S.R.L.	Director
	VICUNA HOLDING S.R.L.	Director



Directors Nome e Cognome	Other companies where they hold a post	Post held at the company or equity interest held
Mario Francesco Pitto	CONBIPEL S.P.A.	Independent Director
	INTERPUMP HYDRAULICS S.P.A.	Standing auditor
	HYDROVEN S.R.L.	Chairman of the Board of Statutory Auditors
	OLEODINACA PANNI S.R.L.	Chairman of the Board of Statutory Auditors
	IMM HYDRAULICS S.P.A.	Standing auditor
	REGGIANA RIDUTTORI S.R.L.	Standing auditor
	CONTARINI LEOPOLDO S.R.L.	Standing auditor
	TEKNOTUBI S.R.L.	Sole statutory auditor
	AVI S.R.L.	Sole statutory auditor
	INOXHP S.R.L.	Sole statutory auditor
	NUTRILINEA S.R.L.	Standing auditor
	NUTKAO S.R.L.	Chairman of the Board of Statutory Auditors
	CLAIRE S.R.L.	Sole statutory auditor
	WHITE BRIDGE INVESTMENTS II S.P.A.	Standing auditor
	FRATTIN AUTO S.R.L.	Sole statutory auditor
	TECHNOGEL ITALIA S.R.L.	Sole statutory auditor
Aurelio Regina	FONDAZIONE MUSICA PER ROMA	Chairman of the Board of Directors
	ASPEN INSTITUTE ITALIA	Board member
	CENTRO STUDI AMERICANI	Deputy Chairman
	DEFENCE TECH S.P.A.	Chairman
	EGON ZEHNDER INTERNATIONAL S.P.A.	Director
	MANIFATTURE SIGARO TOSCANO S.P.A.	Deputy Chairman of the Board of Directors
	SISTEMI E AUTOMAZIONE S.R.L.	Director
	SISAL S.P.A.	Chairman of the Board of Directors
Valentina Montanari	SISAL GROUP S.P.A.	Chairman of the Board of Directors
	NEXT S.P.A.	Chairman of the Board of Directors
Andrea Casalini	NEWLAT FOOD S.P.A.	Amministratore Indipendente
	MEDIOLANUM GESTIONE FONDI SGR P.A.	Director
Andrea Casalini	AMPLIFON S.P.A.	Independent Director
	ASSIST DIGITAL S.P.A.	Director
	ENGAGIGO S.R.L.	Director





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