



Cerved Group S.p.A

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

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

ITEM NO. 1 ON THE AGENDA OF THE EXTRAORDINARY PART

PROPOSAL TO ENTRUST THE BOARD OF DIRECTORS, PURSUANT TO ARTICLE 2443 OF THE ITALIAN CIVIL CODE, FOR FIVE YEARS FROM THE DATE OF THE RESOLUTION, WITH THE POWER TO INCREASE THE SHARE CAPITAL, FREE OF CHARGE AND INCLUDING IN ONE OR MORE TRANCHES, IN ACCORDANCE WITH ARTICLE 2349 OF THE ITALIAN CIVIL CODE, FOR A MAXIMUM AMOUNT OF EURO 1,263,028.43, TO BE ALLOCATED ENTIRELY TO THE CAPITAL, TO BE ASSIGNED TO THE BENEFICIARIES OF THE 2022-2024 INCENTIVE PLAN CONCERNING ORDINARY SHARES OF CERVED GROUP S.P.A. ENTITLED “PERFORMANCE SHARE PLAN 2022-2024”; CONSEQUENTIAL AMENDMENT TO ARTICLE 5 OF THE CURRENT ARTICLES OF ASSOCIATION; RELATED AND CONSEQUENT RESOLUTIONS.

Shareholders,

the Board of Directors, meeting on 5 March 2019 resolved, *inter alia*, to submit to the analysis and approval of the Shareholders’ Meeting, in accordance with Article 114-bis of Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”), as the fourth point on the agenda of the ordinary part, the approval of an incentive and loyalty plan entitled “*Performance Share Plan 2022 – 2024*” (the “**Plan**”) reserved for the management and directors of Cerved Group S.p.A. (“**Cerved**” or the “**Company**”), and its subsidiaries, pursuant to Article 93 of the Consolidated Law on Finance (the “**Subsidiaries**” and, with the Company, the “**Group**”) described in the relevant explanatory report and the information document drafted in accordance with Article 84-*bis* of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as amended (the “**Issuers Regulation**”), made available to Shareholders for analysis of the aforementioned fourth point on the agenda of the ordinary part of the Meeting.

In the explanatory report of the Plan and the information document, which should be referred to for more information, criteria are laid down for identifying the eligible parties and the characteristics of the Plan and detailed illustration is provided of the reasons behind its adoption. The Plan provides for the allocation, free of charge, of ordinary shares of the Company to the beneficiaries. These shares, at the discretion of the Board of Directors, may be (i) issued from a capital increase to be achieved through the use, pursuant to Article 2349 of the Italian Civil Code, of profits or reserves formed from profits and/or (ii) treasury shares held by Company on the date of allocation. The right to receive shares will be granted to the parties eligible for the Plan, *inter alia*, on achievement of economic/financial objectives for all three cycles from 2022 to 2024.

In order to ensure a sufficient supply of shares to allocate to the beneficiaries, should the maximum economic/financial targets have been achieved and the other conditions laid down by the Plan be satisfied, the Board of Directors intends to submit for your approval the proposal to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital for a period of five years from the date of the resolution, free of charge and including in one or more tranches, in accordance with Article 2349 of the Italian Civil Code, for a maximum amount of Euro 1,263,028.43, to be allocated entirely to the capital, through the issue of a maximum of 4,881,874 new Cerved shares without par value.

The power will be exercised one or more times within five years from the date of the proposed resolution, in accordance with the conditions laid down in the Plan, before the final deadline of 15 April 2024, through the issue of a maximum of 4,881,874 Cerved ordinary shares, without par value, reserved for certain key figures of the Group.

The increase in share capital for the Plan, in the event of full execution thereof, will result in a maximum dilution for the shareholders of the Company of 2.5% of the share capital, for all three cycles of the Plan, giving an average annual level of dilution of 0.833%.

For reasons of completeness, it should be noted that, should all rights not be assigned or exercised in accordance with the terms of the Plan and, consequently, not all the shares are issued – the share capital will be increased free of charge through the allocation of profits and/or reserves formed from profits – for an amount corresponding to the rights actually exercised and therefore the shares actually issued.

1. Reasons for and allocation of the share capital increase

The Company, in accordance with common practice, including internationally, and in compliance with the recommendations of the Corporate Governance Code of listed companies as regards remuneration, believes that the Plan represents a tool suitable for involving the resources who hold key positions within the Group in pursuing strategic objectives, as well as bringing into line the interests of the management, employees and shareholders over the medium/long term.

Therefore, the proposal to increase the share capital submitted to you for approval is aimed at creating a sufficient supply of shares necessary for the Plan, to be achieved, at the discretion of the Board of Directors, through the free assignment of ordinary shares of the Company in accordance with Article 2349 of the Italian Civil Code and/or through the free assignment of its own shares.

In this regard, it should be noted that the proposal to adopt the Plan and is illustrated in a suitable report drafted in accordance with the law, and submitted to analysis and approval by the Shareholders' Meeting of the Company as the fourth point on the agenda of the ordinary part.

The Plan is reserved for around 80 persons selected from among the managers, directors and other senior executives, not yet identified by name, who belong to the Group's various operating units (the "**Beneficiaries**").

The Plan provides for the assignment, free of charge, to each of the Beneficiaries of rights to receive Cerved ordinary shares (the "**Rights**") according to the achievement of specific performance targets. These performance targets reflect the most important variables connected with the Group's value creation.

The rights will be allocated for free in the three-year period 2019-2021: 2019 (Cycle 1), 2020 (Cycle 2) and 2021 (Cycle 3).

In each of the three scheduled Cycles, the shares will be assigned based on the achievement of specific performance targets and the satisfaction of set conditions.

The Beneficiaries will therefore be identified individually by the Board of Directors, on proposal from the Remuneration and Nomination Committee and based on instructions from the Chief Executive Officer.

For more details on the proposal to adopt the Plan, refer to the explanatory report of the Plan drafted in accordance with Article 114-bis of the Consolidated Law on Finance and Article 84-ter of the Issuers' Regulation and the associated information document.

2. Characteristics of the capital increase reserved for beneficiaries of the Plan

To execute the free capital increase for the Plan, it is therefore proposed to grant to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital, free of charge and including in one or more tranches, by drawing on the profits or reserves obtained from profits to be used for the purpose, in accordance with Article 2349 of the Italian Civil Code, for a maximum amount of Euro 1,263,028.43 to be used entirely for capital, through the issue of a maximum of 4,881,874 Cerved new ordinary shares without par value, with the same characteristics as those outstanding, regular dividend,

to be assigned free of charge to the Beneficiaries of the Plan who are employees of the Company or the Subsidiaries.

The Plan is structured into three Cycles (2019, 2020 and 2021), each of a duration of three years; each Cycle provides for:

- the Assignment to the Beneficiaries of a certain number of Rights, conditional on the achievement of specific performance targets;
- the definition, on Assignment, of performance targets;
- the Assignment of Shares subject to verification of the Conditions;
- the Issuing of the Shares to the Beneficiaries.

The number of shares to be assigned to the Beneficiaries, for each of the three Cycles of the Plan, will be determined by the Board of Directors.

The subscribed and paid-in share capital of Cerved currently totals Euro 50,521,142.00, divided into 195,274,979 ordinary shares, without indication of their par value.

It should be noted that, pursuant to Article 2443 of the Italian Civil Code and Article 5 of the Articles of Association (an amendment to which is proposed), the Shareholders' Meeting may grant the Board of Directors the power to increase the share capital up to a set amount and for the maximum period of 5 years from the date of the resolution.

The share capital increase in accordance with Article 2349(1) of the Italian Civil Code must make use of profits and/or reserves obtained from profits, as shown on the latest financial statements approved from time to time. For this reason, and in consideration of the fact that the free assignment of shares to the beneficiaries will take place in three instalments for each of the three cycles, it is deemed that the most technically efficient tool for the purpose is the granting to the Board of Directors, in accordance with Article 2443 of the Italian Civil Code, of the option to increase the share capital, free of charge, for the purposes of the Plan.

The Board of Directors will also be granted the power to identify, in due time and from time to time, the profits and/or reserves obtained from profits to be used for the purpose, with a mandate to make all appropriate accounting entries resulting from the issuing operations, in accordance with the legal provisions and accounting standards applicable from time to time.

3. Characteristics of the newly-issued shares

The Company shall make available to the Beneficiaries, free of charge, the newly-issued ordinary shares according to the provisions of the Plan. The ordinary shares of the company assigned to the Beneficiaries will enjoy the same entitlement as the ordinary shares of the Company on the date of issue and will thus come with the coupons valid on that date.

4. Amendments to Article 5 of the Articles of Association

Given the proposed resolution that we submit to your approval, Article 5 of the current Articles of Association shall be amended by including a provision on the shareholders' meeting resolution approving the granting of the power to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital, free of charge, in accordance with Article 2349 of the Italian Civil Code.

The proposed amendment to the Articles of Association does not entitle the dissenting Shareholders with the right of withdrawal as this does not meet the criteria necessary to exercise the right of withdrawal under Article 2437 of the Italian Civil Code. or other legal provisions.

The current text of Article 5 of the Articles of Association of CG is given below compared with the text proposed by the Board of Directors (by including a new sentence at the end of the third paragraph subject to amendment as part of the discussions on the first point on the agenda of the extraordinary part of the Shareholders' Meeting):

Text preceding the resolution in relation to the first item on the agenda of the extraordinary part of the Shareholders' Meeting (1)	Proposed text
Article 5	Article 5

<p>5.1 The share capital amounts to Euro 50,521,142 and is comprised of 195,274,979 ordinary shares with no par value. It may be increased as resolved by the Shareholders, including by issuing shares with different rights other than ordinary shares and with contributions other than cash, to the extent permitted by the law. When approving share capital increases against consideration, the pre-emptive right may be excluded up to 10% of the existing share capital, provided that the issue price is equal to the share market value as confirmed by a specific report prepared by an independent auditor or independent audit company.</p>	Unchanged
<p>5.2 The Shareholders' Meeting may grant the Board of Directors the power to increase share capital one or more times.</p>	Unchanged
<p>As of <u>9 April 2018</u>, the Directors have thirty months to increase share capital against consideration for a maximum nominal amount of Euro 5,045,000, by issuing a number of new ordinary shares, with no par value, 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 professional investors or the Company's strategic 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, again in accordance with Article 2441.4, second sentence, of the Italian Civil Code, the issue price of the new shares.</p>	Unchanged
<p>5.3 It is permitted, according to the methods and forms stipulated by law, to assign profits and/or reserves obtained from profits to employees who are employees of the Company or subsidiaries, through the issue of shares in accordance with Article 2349(1) of the Italian Civil Code.</p>	Unchanged
<p>The Directors are granted the power, for five years from 14 December 2015, to increase the share capital for the execution of the incentive and loyalty plan called "Performance Share Plan 2019 – 2021", for a maximum amount of Euro 756,750.00 (to be used entirely for the capital) through the issuing of a maximum of 2,925,000</p>	Unchanged

<p>new ordinary shares without par value, with the same characteristics as those outstanding, regular dividend, through the allocation of the corresponding maximum amount of profits and/or reserves obtained from profits as shown on the latest financial statements approved from time to time in accordance with Article 2349 of the Italian Civil Code, in accordance with the terms, conditions and procedures laid down by the said Plan.</p>	<p>The Directors are also granted the power, for five years from 16 April 2019, to increase the share capital for the execution of the incentive and loyalty plan called “<i>Performance Share Plan 2022 – 2024</i>”, for a maximum amount of Euro 1,263,028.43 (to be used entirely for the capital) through the issuing of a maximum of 4,881,874 new ordinary shares without par value, with the same characteristics as those outstanding, regular dividend, through the allocation of the corresponding maximum amount of profits and/or reserves obtained from profits as shown on the latest financial statements approved from time to time in accordance with Article 2349 of the Italian Civil Code, in accordance with the terms, conditions and procedures laid down by the said Plan.</p>
<p>5.4 Shares are registered and freely transferable; each share carries the right to one vote. The arrangement for the issue and circulation of shares is subject to current legislation.</p>	<p>Unchanged</p>
<p>5.5 The capacity of shareholder constitutes, in itself, adherence to these Articles of Association.</p>	<p>Unchanged</p>

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

“The Shareholders’ Meeting of Cerved Group S.p.A., having assembled as an extraordinary meeting, having examined the Explanatory Report of the Board of Directors and the proposals made therein, and having seen the proposals to adopt the plan entitled “Performance Share Plan 2022 – 2024”,

resolves

1. *to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for five years from the date of this resolution, the right to increase the share capital, free of charge and in several tranches, for the execution of the incentive and loyalty plan called “Performance Share Plan 2022 – 2024”, for a maximum amount of Euro 1,263,028.43 (to be used entirely for the capital) through the issuing of a maximum of 4,881,874 new ordinary Cerved Group S.p.A. shares without par value, with the same characteristics as those outstanding, regular dividend, through the allocation of the corresponding maximum amount of profits and/ or reserves obtained from profits as shown on the latest financial statements approved from time to time in accordance with Article 2349 of the Italian Civil Code, in accordance with the terms, conditions and procedures laid down in the said “Performance Share Plan 2022 – 2024”;*
2. *to amend **Article 5** (five) of the Articles of Association through the introduction of a new sentence to the third paragraph, as follows: “The Directors are also granted the power, for five years from 16 April 2019, to increase the share capital for the execution of the “Performance Share Plan 2022 – 2024”, for a maximum amount of Euro 1,263,028.43 (to be used entirely for the capital) through the issuing of a maximum of 4,881,874 new ordinary Cerved Group S.p.A. shares without par value, with the same characteristics as those outstanding, regular dividend, through the allocation of the corresponding maximum amount of profits and/ or reserves obtained from profits as shown on the latest financial statements approved from time to time in accordance with Article 2349 of the Italian Civil Code, in accordance with the terms, conditions and procedures laid down by the said Plan;*
3. *to grant the Board of Directors and through it the pro tempore legal representatives, including severally, any and all power to amend from time to time Article 5 (five) of the Articles of Association in order to reflect the changes resulting from the resolutions, to carry out and complete the capital increase, thereby fulfilling all obligations and applicable disclosure requirements, and carry out all the formalities necessary for the adopted resolutions to be recorded in the competent Companies Register, and to introduce any amendments, changes or additions which may be necessary or however required by the competent authorities in said resolutions, as well as any power to fulfil the statutory and regulatory compliance obligations resulting from the adopted resolutions.”*

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San Donato Milanese, 5 March 2019

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