Cerved Group S.p.A
Registered office at Via dell'Unione Europea, 6A/6B, San Donato Milanese
Share Capital EUR 50,521,142.00 fully paid in
Milan Companies' Register, Tax Code and VAT Number: 08587760961
Economic and Administrative Index Number (REA) MI-2035639
Institutional Company website: http://company.cerved.com

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

Courtesy Translation

ITEM NO. 4 ON THE AGENDA OF THE ORDINARY PORTION

2022-2024 INCENTIVE PLAN INVOLVING COMMON SHARES OF CERVED GROUP S.P.A. NAMED "2022-2024 PERFORMANCE SHARE PLAN" RESERVED FOR THE MANAGEMENT AND DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

under Article 114-*bis* of Italian Legislative Decree No. 58 of 24 February 1998, as amended (Italian Consolidated Law on Finance, "**TUF**"), we hereby submit for your approval an incentive and loyalty plan entitled "2022-2024 Performance Share Plan" (the "**Plan**") reserved for the management and directors of Cerved Group S.p.A. (" **Cerved**" or the "**Company**") and its subsidiaries (the "**Subsidiaries**" and, together with the Company, the "**Group**"), to be implemented: (a) by conferring a delegation to the Board of Directors to increase, for no consideration, the share capital under Article 2443 of the Italian Civil Code (the "**Authorisation**"), which may be exercised divisibly, by granting for no consideration newly-issued common shares of the Company resulting from a capital increase under Article 2349, paragraph 1 of the Italian Civil Code (the "**Capital Increase**") and (b) by granting treasury shares already in the portfolio or to be purchased on the market.

The proposal relating to the granting of the Authorisation explained in a special report drafted under the regulation regarding issuers adopted by the CONSOB (Italian National Companies and Stock Exchange Commission) in its Resolution No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"), will be submitted for review and approval as the only item on the agenda for the extraordinary portion of the Company's Shareholders' Meeting (hereinafter the "**Extraordinary Shareholders' Meeting**").

For additional information about the Authorisation, see the explanatory report mentioned above and the summary explanation below.

The disclosure document for the Plan, drafted under Article 84-*bis* and in accordance with Annex 3A to the Issuers' Regulation, will be made available to the public as required by law and can be reviewed under the Governance section of the Company's website, http://company.cerved.com, , along with this report.

1. The rationale underlying adoption of the Plan

The Plan falls within the Group's remuneration policy and seeks to accomplish the following objectives:

- improve the alignment between Beneficiaries' interests and Shareholders' interests, by tying management remuneration to specific performance targets determined based on each Plan Cycle, the achievement of which is closely associated with improving the Company's performance and increasing its value;
- supporting the Company's ability to retain key personnel by aligning the Group's remuneration policy to best market practices, which typically provide long-term incentive arrangements.

In developing the Plan, with the assistance of outside consultants, Cerved's Board of Directors and the Remuneration and Nominations Committee performed an in-depth benchmarking analysis of best practices being used in Europe regarding management compensation over the long term. Therefore, the Board of Directors and the Remuneration and Nominations Committee deem that the Plan reflects best international practice by encouraging loyalty and incentivising retention of the Plan beneficiaries within the Group.

Moreover, for the individuals who serve in strategic roles that are determinative for the Company's and the Subsidiaries' success, the Plan represents an ongoing incentive to maintain high managerial standards and to improve the Group's performance by adhering to the Company's targets, thereby increasing the Group's competitiveness and enhancing value for shareholders.

With regard to remunerating directors who are also officers and managers with strategic responsibilities, we point out, *inter alia*, that the adoption of stock-based remuneration plans is in line with the recommendations in Article 6 of the Corporate Governance Code of Borsa Italiana S.p.A.

The motion regarding the adoption of the Plan was developed by the Board of Directors, as recommended by the Remuneration and Nominations Committee.

2. Scope and method of implementing the Plan

The Plan provides for the awarding, for no consideration, to each of the beneficiaries identified from among the category of covered persons listed in Section 3 below (the "**Beneficiaries**"), of rights to receive CG common shares (the "**Rights**") with the view, *inter alia*, to achieving specified performance targets. Those performance targets reflect the most important variables associated with creating value within the Group.

The awards of those Rights for no consideration will be made during the three-year period 2019-2021: 2019 (1st Cycle), 2020 (2nd Cycle) and 2021 (3rd Cycle).

The shares will be granted for each of the contemplated three Cycles based on the achievement, *inter alia*, of specific performance targets.

It is proposed that the maximum total number of the Company's common shares to be granted under the Plan will be 4,881,874, which will come from the Capital Increase (for awards to Beneficiaries who are employees of the Company or the Subsidiaries) and/or from treasury shares (that were previously outstanding and now in the Company's portfolio or subsequently purchased) (the "**Shares**").

In terms of the impact on the Company's share capital subscribed and paid for to date, the maximum dilution resulting from the Plan is 2.5% of the share capital with the granting of the Shares until the beginning of 2024, with an average dilution level of 0.833% for each year starting in 2019.

To implement the Plan, as indicated above, the proposal is being submitted to shareholders at the Extraordinary Shareholders' Meeting as the sole item on the agenda, to delegate to the Board of Directors, under Article 2443 of the Italian Civil Code, for a period of five years from the date of the resolution, the power to increase the share capital, for no consideration and which may be exercised divisibly under Article 2349 of the Italian Civil Code, for a maximum of EUR 1,263,028.43 to be attributed entirely to capital, by issuing a maximum of 4,881,874 new Cerved common shares without par value, to be awarded to Plan Beneficiaries.

For additional information about the delegation proposal for the capital increase to service the Plan and the authorisation to purchase treasury chares, see the related explanatory reports drafted under Article 125-*ter* of the TUF and Article 72 of the Issuers' Regulation, which are available to the public as required by law and can be reviewed on the Company's website at http://company.cerved.com (Governance section). The Company will provide the common shares each Beneficiary is entitled to upon the exercise of the Rights by the deadlines and in the manner stated in the Plan.

The common shares of the Company granted to a Beneficiary (upon exercise of the Rights) will have all the rights of Company common shares on the date of issuance and thus will include dividends accrued as of that date.

The Plan will receive no support from the Special Fund to Incentivise Worker Participation in Companies under Article 4, paragraph 112 of Law No. 350 of 24 December 2003.

3. Individuals covered by the Plan

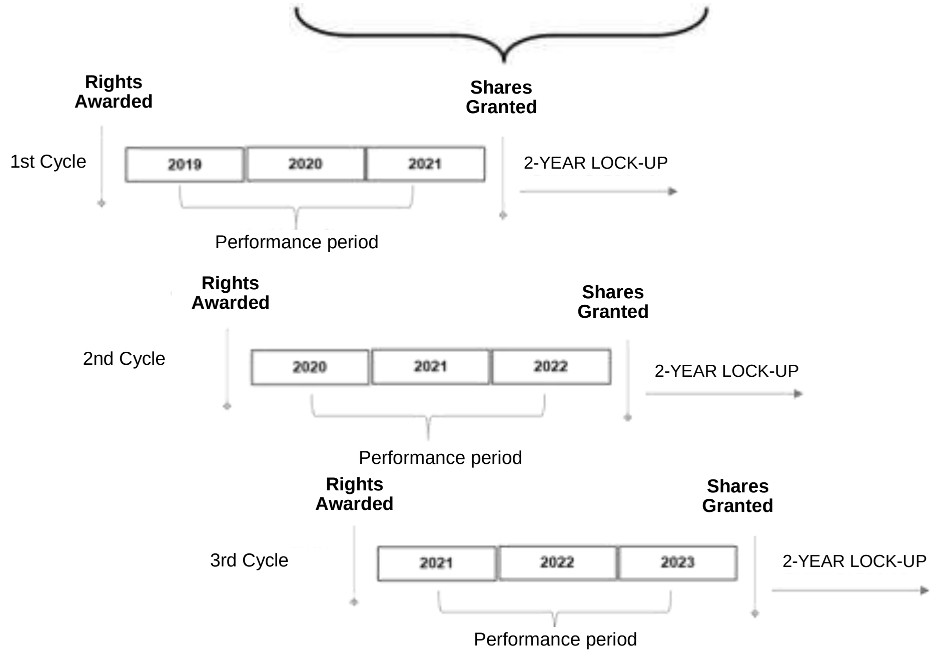
The Plan is reserved to certain key personnel and directors of the Group, identified from among managers, directors and other senior individuals (approximately 80 beneficiaries), as identified by the governing body consistently with the Group's strategic objectives in terms of value creation and the purposes of the remuneration policy set forth in the Remuneration Report.

Beneficiaries will be named individually by the Board of Directors, after being recommended by the Remuneration and Nominations Committee and as suggested by the Chief Executive Officer. The Beneficiaries may vary for each of the three Plan Cycles.

The Remuneration and Nominations Committee performs an advisory function and develops proposals in relation to the implementation of the Plan under the Corporate Governance Code of Borsa Italiana S.p.A.

4. Duration of the Plan and exercise of Rights

The Plan is divided into three cycles (2019, 2020 and 2021), each of which has a three-year duration, as shown in the following graphic:



For each Plan Cycle, there is a three-year period from the date the Rights are awarded until the Shares vest.

The exercise of the Rights (and thus the actual grant of the Shares to the Beneficiaries) is subject to a determination by the Board of Directors that the following conditions for exercise have been met, considered individually (each a "**Vesting Condition**" and collectively the "**Vesting Conditions**"):

(a) First Vesting Condition: Performance Targets

The Board of Directors set the Performance Targets for each Plan Cycle, upon the recommendation of the Remuneration and Nominations Committee ("**Performance Targets**").

Each of the Performance Targets is associated with an incentive curve that connects the numbers of Shares that can be granted in accordance with the Performance Target achieved based on the various levels of performance:

- a minimum performance level (threshold), below which no Shares will be granted;
- a maximum performance level (cap), achievement of which will result in the Beneficiary being granted the maximum number of Shares.

The Performance Targets for the 1st Plan Cycle are: (i) growth in 2019-2021 Adjusted Profit Before Taxes per Share ("**PBTA Target**"), (ii) the Company's Total Shareholder Return, compared with the companies included in the FTSE Italia Mid Cap Index ("**Mid Cap TSR Target**") and (iii) the percentage variance between the Company's Total Shareholder Return and the Total Shareholder Return of Borsa Italiana's FTSE Italia Industry ("**Sector TSR Target**"). The actual number of Shares that will be granted to each Beneficiary will be the weighted average of the results of the PBTA Target (weight 70%), the Mid Cap TSR Target (weight 15%) and the Sector TSR Target (weight 15%) within their performance range.

As to the Performance Targets for the 2nd and 3rd Plan Cycles, the Board of Directors may set them in its discretion, which may entail making changes to those for the 1st Cycle. Beneficiaries will be sent information informing them of those Performance Targets.

The number of Rights to be awarded to the Beneficiaries for each Plan Cycle will be determined by the Board of Directors upon the Chief Executive Officer's recommendation, with the advice of the Remuneration and Nominations Committee, based upon the extent to which the Performance Targets were met as shown in the Group's consolidated financial statements as approved at the Company's Shareholders' Meeting and, with regard to the results of the Total Shareholder Return Performance Targets, after giving due consideration to the analysis provided by the Company's finance department or by an outside company engaged to certify the results obtained.

(b) <u>Second Vesting Condition: continued relationship as employee, independent contractor or service as a director, also without delegated powers</u>

The granting of Shares will be subject, *inter alia*, to the condition that the Beneficiary continues to be an employee, independent contractor or director (also without delegated powers) of the Group. The Regulation will set forth the various consequences of any termination of employee, independent contractor or director status, considering the cause and timing of that termination.

The Plan will conclude in 2024 with the final granting of Shares contemplated by the Plan Regulation. The lock-up conditions set forth in the Plan will continue to apply thereafter.

5. Limits on the transfer of Rights

Rights to receive Shares for no consideration may not be transferred or encumbered, except upon death.

By transfer is meant any transaction which has the direct or indirect effect of conveying the awarded Rights to third parties, including transfers for no consideration, exchanges and contributions. Any attempted sale, assignment, pledge or transfer made in violation of this provision will be invalid, will not be enforceable against the Company and will void the Rights that were awarded.

The Regulation implementing the Plan sets forth additional information about restrictions on disposing of the Shares, which may not be sold, contributed, exchanged, sold forward, or subject to other *inter vivos* dispositions until the deadlines set forth in the Plan have elapsed. For purposes of further alignment with Shareholders' interests in the long term, the Plan provides that 50% of the shares granted (net of shares that can be sold/are sold to cover social security contributions and/or taxes payable) for executive directors and strategic managers, and 20% (net of Shares that can be sold/are sold to cover social security contributions and/or taxes payable) for other Beneficiaries are subject to a lock-up period until the end of their term for executive directors and two years for other Beneficiaries, which begin to run on the date they were granted. Claw-back provisions are also included.

* * *

Now, therefore, the Board of Directors submits the following **motion for resolution** for your approval:

"The Shareholders of Cerved Group S.p.A., convened at an annual Shareholders' Meeting:

- *having examined the Board of Directors' Explanatory Report drafted under Articles 114*-bis *and 125*-ter *of Italian Legislative Decree No. 58 of 24 February 1998; and*
- *having examined the disclosure document drafted under Article 84*-bis *of CONSOB Regulation No. 11971/99;*

hereby resolves

1. *to approve, under Article 114*-bis *of Italian Legislative Decree No. 58 of 24 February 1998, the adoption of the incentive and loyalty plan entitled "2022-2024 Performance Share Plan" (the "**Plan**") with the features (including conditions and requirements for application) set forth in the Board of Directors' Explanatory Report and the related disclosure document;*
2. *to grant to the Board of Directors, with the power to sub-delegate the same, all necessary and appropriate powers to implement the Plan, specifically, including but not limited to, all powers to draft and adopt the regulation implementing that Plan and amend and/or supplement it, identify the Beneficiaries and determine the number of Rights to award to each of them, award the Rights and grant the Shares to the beneficiaries (and to decide whether to use for that purpose newly-issued shares from the Capital Increase or treasury shares in the Company's portfolio from time to time) and take all actions, fulfil obligations, observe formalities and make all communications necessary or appropriate to manage and/or implement the Plan, with the ability to delegate its powers, tasks and responsibilities with regard to implementing and applying the Plan to the Chief Executive Officer, provided that all decisions relating and/or pertinent to any award of Rights to the Chief Executive Officer as a beneficiary (as well as all other decisions relating and/or pertinent to the management and/or implementation of the Plan in his regard) shall be made by the Board of Directors;*
3. *to grant to the Chief Executive Officer, with the power to sub-delegate the same, all powers to comply with laws and regulations made necessary by the resolutions adopted."*

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Milan, 5 March 2019

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