



# CERVED INFORMATION SOLUTIONS

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 Information Solutions S.p.A.

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(traditional management and control model)

**2017**

Approved by the Board of Directors on 26 February 2018





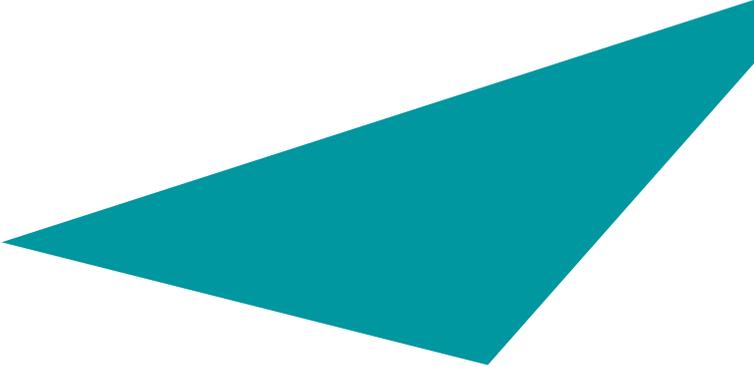
## COMPANY DATA

### REGISTERED OFFICE

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

### STATUTORY COMPANY DATA

Subscribed and paid-in share capital of 50,450,000 euros  
Milan Company Register No. 08587760961  
Milan R.E.A. No. 2035639  
Tax I.D. and VAT No. 08587760961  
Corporate website *company.cerved.com*





## INTRODUCTION

Cerved Information Solutions 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 26 February 2018 for the financial year that ended 31 December 2017.

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 Seventh Edition of the "Format for the Report on Corporate Governance and Ownership Structure" published in January 2018<sup>1</sup> – 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, as last amended in July 2015.

As specified below, the information included in this Report is updated at the date of approval of said Report by the Company's Board of Directors.

A copy of the Report is available on the Company's website <https://company.cerved.com>, in the *governance/documents and procedures/generic procedures* section.

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1. Seventh edition which, in addition to implementing certain new regulatory references, recalls the new formulation of article 123-bis of the Consolidated Law on Finance and the letter of 13 December 2017 sent from the Chairman of the Corporate Governance Committee to the Chairmen of the Boards of Directors of the Italian listed companies.

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## GLOSSARY

**231 MODEL:** the organisational, management and control model introduced by Legislative Decree 231/2001, adopted by the Board of Directors in its meeting of 13 March 2015.

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

**CERVED GROUP:** Cerved Group S.p.A., wholly owned by Cerved.

**CERVED:** Cerved Information Solutions S.p.A..

**CHIEF EXECUTIVE OFFICER:** the chief executive officer of Cerved.

**CIVIL CODE:** the Italian Civil Code.

**CODE OF ETHICS:** the code of ethics adopted by Cerved and Cerved Group companies, as last amended in March 2015.

**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](http://www.borsaitaliana.it)), as last amended in July 2015.

**COMPANY OR ISSUER:** Cerved.

**CONSOB:** the "Commissione Nazionale per le Società e la Borsa" (Italian Securities and Exchange Commission).

**CONSOLIDATED LAW ON FINANCE:** Legislative Decree no. 58 of 24 February 1998, implementing the consolidated law on finance, as subsequently supplemented and amended.

**CORPORATE GOVERNANCE COMMITTEE:** the Corporate Governance Committee established, in its current configuration, in June 2011 by associations of undertakings (ABI, ANIA, Assonime, Confindustria) and professional investors (Assogestioni), together with 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 repute requirements for the members of boards of statutory auditors of listed companies, as subsequently supplemented and amended.

**DEPUTY CHAIRMAN:** the Deputy Chairman of the Board of Directors.

**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.

**IMPLEMENTING REGULATION:** Commission Implementing Regulation (EU) 2016/347 of 10 March 2016, which imposes technical rules on the exact format of the lists of persons having access to inside information and their updating, pursuant to the MAR.

**INFORMATION MEMORANDUM:** the document related to the financial instruments-based remuneration plans prepared pursuant to article 114-bis of the Consolidated Law on Finance and article 84-bis.1 of the Issuers' Regulation and in accordance with Scheme 7 of Annex 3A to said Regulation.

**INSIDE INFORMATION PROCEDURE:** the procedure, consistent with application criterion 1.C.1., sub-paragraph j) of the Code, for internal management and external disclosure of Inside Information adopted by the Company, with a resolution by the Board of Directors on 13 July 2016, after the MAR and Implementing Regulation came into force.

**INSIDE INFORMATION:** the inside information as defined in article 7 of the MAR.

**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 13 July 2016, pursuant to article 19 of the MAR and the associated implementation regulations, and article 114.7 of the Consolidated Law on Finance.

**ISSUER OR COMPANY:** Cerved.

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

**LAW ON SAVINGS:** Law no. 262 of 28 December 2005, implementing the “Provisions to protect savings and regulations of financial markets”, as subsequently supplemented and amended.

**LEGISLATIVE DECREE 231/2001:** Legislative Decree no. 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.

**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.

**RECIPIENTS:** the persons who must comply with the Inside Information Procedure.

**RELATED PARTY COMMITTEE:** the committee for related party transactions set up in accordance with the Related Party Regulations.

**RELATED PARTY PROCEDURE:** the procedure governing related party transactions applied by the Company on 28 May 2014, and 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 COMMITTEE:** the committee for internal control and risk management set up within the Board of Directors in accordance with principle 7.P.3 and application criteria 7.C.2 and 7.C.3 of the Corporate Governance Code.

**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.

**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.

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

**SLATE 1:** the slate of 11 candidates submitted by the outgoing Board of Directors for nomination of the new members of the Board of Directors resolved by the Shareholders' Meeting on 29 April 2016.

**SLATE 2:** the slate of 3 candidates submitted by the group of institutional investors of the Company who own a total of 1.767% of the Company share capital, for nomination of the new members of the Board of Directors resolved by the Shareholders' Meeting on 29 April 2016.

**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, implemented by the then outgoing Board of Directors in 2015.

**SUPERVISORY BODY OR SB:** the supervisory body in charge of overseeing the application of and compliance with the 231 Model, set up by the Board of Directors pursuant to article 6 of Legislative Decree 231/2001.

**YEAR:** the year ended 31 December 2017 covered by the Report.

## 1. ISSUER'S PROFILE

### 1.1. 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 object<sup>2</sup>;
- 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 system<sup>3</sup>;
- the legally-required audit of the Issuer's financial statements is assigned to an audit company listed on the specific register<sup>4</sup>.

The Board of Directors acts, directly and jointly, by delegating part of its functions to the Deputy Chairman and the Chief Executive Officer, to the extent permitted by the Law and the Articles of Association<sup>5</sup>.

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<sup>6</sup>, which has been delegated the functions and tasks envisaged in the said Related Party Procedure and the Related Party Regulation;
- the Risk and Control Committee pursuant to principle 7.P.3 of the Corporate Governance Code<sup>7</sup>.

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.

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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. Considering the fact that the Company can no longer be considered a "recently listed" company, in accordance with art. 3.1, letter g), of the Related Party Regulation.

7. See paragraph 9 of this Report.

## 1.2. 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:

- 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 Cerved Group possesses information assets that are unique in terms of variety, accuracy and value in support of commercial and marketing activities. Organised into three types of offer, Marketing Solutions is composed of three verticalities: Data Providing, Market Analysis and Lead Generation. Each proposal contains a wide range of online products and services, all of which may be personalised, which make it possible to monitor companies and partners, thus contributing to filtering, segmenting and developing all markets, both new and potential.

### **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.

It should also be noted that Cerved Master Services S.p.A. ("**CMS**"), a company controlled indirectly by Cerved, obtained from the Bank of Italy, on 14 December 2017, authorisation to collect assigned credit and provide 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 for recording on the register pursuant to art. 106 of Legislative Decree no. 385 of 01 September 1993, as subsequently amended and supplemented (the “**Consolidated Law on Finance**”). At the date of this Report, CMS is still a dormant company.

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

The Issuer also points out that:

- i) on 29 September 2014, the European Council adopted Directive 2014/95/EU on disclosure of non-financial and diversity information, which had already been approved by the European Parliament at its plenary session of 15 April 2014;
- ii) in Italy, Legislative Decree no. 254 was definitively issued on 30 December 2016 (the “Decree”) and the interested parties are required to report on environmental and social issues and aspects connected with employees, respect for human rights, tackling corruption, diversity among the members of the Board of Directors and other matters associated with sustainability, for the 2017 reporting year at the latest;
- iii) the Cerved Group, which falls within the scope of application of the Decree, began activities during the Year in preparation for the aforementioned regulatory provisions concerning sustainability and launched the process which will lead to the drafting of the non-financial declaration (the “**Sustainability Report**”)

In particular, on 20 November 2017, the Company’s Board of Directors approved:

- i) activities useful and/or necessary and/or connected with, or in any case preparatory for, the adoption of the Sustainability Report by the entire Cerved Group;
- ii) the draft of the so-called “Materiality Index” of the Cerved Group, which identifies the themes to report within the Sustainability Report;
- iii) the draft contents of the Cerved Group Sustainability Report;
- iv) to assign the governance of the sustainability to the Company’s Risk and Control Committee, giving a wider mandate to the director, Ms Mara Caverni, as Chairman of the Risk and Control Committee, so that supervision of issues of sustainability will be the responsibility of the said Risk and Control Committee, including, but not limited to, supplementing and/or amending the regulations of the Company’s Risk and Control Committee<sup>8</sup>.

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

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*8. See the new regulation of the Company’s Risk and Control Committee approved by the Board of Directors on 15 February 2018, in response to a proposal from the said Risk and Control Committee in a resolution dated 29 January 2018.*

## 2. THE OWNERSHIP STRUCTURE

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

### a) Share capital

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

At the date of this Report, the subscribed and paid-in share capital of Cerved amounted to Euro 50,450,000, comprising 195,000,000 ordinary shares with no par value and carrying voting rights, as shown in Table 1 (*'Ownership structure – Share Capital'*) attached hereto.

The Shareholders' Meeting, sitting in an ordinary session, approved the Plan on 14 December 2015. The Plan provides for the granting, free of charge, of up to 2,925,000 Cerved ordinary shares to 70 beneficiaries, 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 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 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 "**First Assignment**"). The Plan's terms and conditions are described in the Information Memorandum published on 12 November 2015, available at the Company's registered office and website (<https://company.cerved.com/>, in the *governance/shareholders' meeting/ordinary and extraordinary shareholders' meeting December 14, 2015* section). 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 Plan, on 14 December 2015, during their extraordinary Meeting, the shareholders 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 Plan beneficiaries pursuant to article 2349 of the Italian Civil Code.

During the same meeting, the shareholders decided to entrust the Board of Directors, for thirty months from the date of the resolution, with the power to increase share capital against consideration, including in one or more instalments, up to Euro 5,045,000.00, issuing Cerved new ordinary shares, with no par value, up to 10% of the shares outstanding on the date such power may be exercised and, however, up to 19,500,000 new shares to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of purchase transactions, excluding the pre-emptive right pursuant to article 2441.4, paragraph two, of the Italian Civil Code and granting the Board of Directors' the power to decide, from time to time and

in accordance with the above provision, the issue price of the new shares and the related allocation to capital and share premium.

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.

#### **b) Restrictions on transfers of securities**

(pursuant to article 123-bis.1, letter b) 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.

#### **c) Significant interests in share capital**

(pursuant to article 123-bis.1, letter c) 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 3% 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.

#### **d) Securities conveying special rights**

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

No securities that convey special control rights have been issued. The Articles of Association provide for the possibility of issuing special classes of shares carrying different rights, the content of which is to be defined in the relevant issue resolution. At the date of this Report, there were no multiple-vote or loyalty shares.

#### **e) Employee ownership scheme: mechanism for exercising voting rights**

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

There is no mechanism that restricts or excludes the direct exercise of voting rights by the beneficiaries of the Plan, as described in letter a) of this paragraph 2.

#### **f) Restriction on voting rights**

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

There are no restrictions on voting rights in accordance with current legislation (article 2351 of the Italian Civil Code).

#### **g) Shareholders' Agreements**

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

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

## h) Change of control clauses and Articles of Association provisions on tender offers

(pursuant to articles 123-bis.1, letter h), 104.1-ter and 104-bis.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:

- i) the subsidiary Cerved Group is part of a loan agreement signed on 30 July 2015, which covers some assumptions which conventionally qualify as “change of control” whereby, in the event of change of control, the lender may request repayment of the 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 article 2359.1 and 2 of the Italian Civil Code; or
  - (c) the power to determine the majority of Cerved’s Board of Directors, or, prior to the envisaged merger between Cerved and Cerved Group SpA, should Cerved no longer own 100% of the shares and related economic and voting rights of Cerved Group.
  
- ii) the indirect subsidiary Cerved Credit Management Group S.r.l. (“**CCMG**”) is part of a financing agreement signed on 22 December 2017 with Cassa di Risparmio di Ravenna S.p.A. (the “**Bank**”), which stipulates, among other things, that the Bank is entitled to terminate the financing agreement in question and trigger the acceleration clause against CCMG, with no need for formal notice of default, in the event of changes or events likely to alter the current legal and administrative structure of CCMG or have an impact on its assets or financial, economic or technical position and which, in the opinion of the Bank, might cause damage to credit security.

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.2 and 3 of the Consolidated Law on Finance, applicable to restrictions on transfers of securities, voting rights and multiple-vote.

## i) Delegation of powers to increase share capital and authorisation to purchase treasury shares

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

As described in letter a) of this paragraph 2, the Shareholders’ Meeting, sitting in an extraordinary session on **14 December 2015**, 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’ decision 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 Plan pursuant to article 2349 of the Italian Civil Code; and

- for thirty months from the shareholders' decision of 14 December 2015, against consideration, including in one or more instalments, up to Euro 5,045.000, issuing Cerved new ordinary shares up to 10% of the shares outstanding on the date such power may be exercised and, however, not more than 19,500,000 new shares to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of purchase transactions, excluding the pre-emptive right pursuant to article 2441.4, paragraph two, of the Italian Civil Code.

The Shareholders' Meeting, in an ordinary session on **13 April 2017**, having examined the explanatory report of the Board of Directors and the proposals contained therein, having seen the financial statements at 31 December 2016, having confirmed the advantages of granting authorisation to purchases and sales of treasury shares, decided:

- to revoke the resolution authorising the purchase and sale of treasury shares passed by the Shareholders' Meeting, in an ordinary session, on 29 April 2016;
- to authorise the Company Board of Directors to purchase treasury shares, but within the maximum limit of 5% of Company shares, by establishing that:
  - › the purchase may be made within 18 months after the date of the resolution in question, 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;
  - › adequate notification will be provided for treasury share purchases, in compliance with applicable disclosure obligations;
  - › the minimum and maximum purchase price of each share may not be more than 10% (ten per cent) less than or greater than, respectively, the market reference price quoted for Company stock on the trading day preceding each individual purchase, and in any event at a price that does not exceed the highest price between the price of the last arm's length transaction and the highest current arm's length bid price quoted on the exchange where the purchase is made;
  - › the treasury share purchases have to be made by using the distributable earnings and available reserves reported on the last, regularly approved financial statements when the transaction is executed, by making the necessary account entries in the ways and within the limits allowed by law;
- to authorise the Company Board of Directors to sell and/or transfer, and in any event in compliance with applicable Italian and European Union statutory and regulatory provisions, and the allowed market practices in effect at any time, to be determined from time to time at the discretion of the Board of Directors without any time limits, inter alia through specialised intermediaries, the treasury shares purchased pursuant to the resolution envisaged at sub-indent a) hereinabove, by establishing that all or part of them may be sold, even before the purchases have been completed, on regulated and/or unregulated markets, or over the counter, inter alia through offers to the public and/or shareholders, institutional sales, sales of vouchers and/or warrants, or as the consideration for purchases or public offers of exchange, at a price no more than

10% (ten per cent) less than the average of official prices posted on the screen-based trading system during the five days before the sale. This price limit may be waived when treasury shares are exchanged or sold in the course of carrying out industrial and/or commercial projects and/or other projects of interest to the Company, if shares are sold in execution of incentive programs and, in any event, of plans pursuant to Article 114-*bis* of the Consolidated Law on Finance, in discharge of obligations resulting from debt instruments convertible into equity instruments and upon modification and/or substitution of the dividend distribution policy; adequate notification will be provided for treasury share purchases, in compliance with applicable disclosure obligations;

- to make all account entries as necessary and/or appropriate in relation to the treasury share transactions, in compliance with current laws and applicable accounting principles.

The Company wishes to state that it does not, as at the date of this Report, possess treasury shares in the portfolio.

### **j) Management and coordination**

(pursuant to article 2497 and following articles of the Italian Civil Code)

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

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The Issuer also points out 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*, 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).

## **3. COMPLIANCE**

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

The Issuer has constantly interposed the principles and recommendations given in the Corporate Governance Code, by updating the annual report on Corporate Governance and Ownership Structure.

In particular, including during the Year, the Company adopted the principles and application criteria most recently added to the Corporate Governance Code, as amended on 10 July 2015, available on the website of Borsa Italiana at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

This Report also covers the 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 set out in the section "Main principles and temporary regime" of the Corporate Governance Code, paragraphs III and IV.

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.

## 4. BOARD OF DIRECTORS

### 4.1. APPOINTMENT AND REPLACEMENT

(pursuant to article 123-bis.1, letter l) 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. 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, with the candidates belonging to the gender least represented accounting for at least one-third (rounded up) of the candidates<sup>9</sup>.

Upon the first renewal of the Board of Directors after the Company's Flotation Date, which took place on 29 April 2016, the slates presented comprised candidates of both genders, with the candidates belonging to the least represented gender accounting for at least one-fifth (rounded up) of the candidates.

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. Only 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

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*9. As provided for in Article 13.3 of the Articles of Association.*

by the laws or regulations in effect at any given time, are entitled to file slates of candidates. In this respect, it is noted that in its resolution no. 20273 of 24 January 2018, Consob set at 1% the percentage of investment required pursuant to article 144-*quater* of the Issuers' Regulation, for filing slates of candidates for the appointment of the Company's boards of directors and statutory auditors.

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 affidavits 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 is not ensured or at least three directors, or the 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.

Pursuant to the Articles of Association, these provisions have been applied since the first time the Board of Directors was renewed after the Flotation Date and, therefore, the ordinary session of the Shareholders' Meeting held on 29 April 2016, which appointed the current Board of Directors.

### Succession plans

During 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: *i)* elected Marco Nespolo as the new Chief Executive Officer of the Company, granting him not only the power of legal representation of the Company, but also the powers listed in Article 4.4.2 and *ii)* elected Gianandrea De Bernardis, formerly Chief Executive Officer of the Company, as Executive Deputy Chairman of the Company, while also granting him not only the power of legal representation of the Company but also the powers listed in Article 4.4.1.

Taking into account the current governance structure of the Company (i.e. the Board of Directors will remain in office until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2018) on the date of the Report, there are not yet any requirements to update the Succession Planning.

It should be understood that the Company, during the financial year 2018 and with a view to the expiry of the current composition of the Board of Directors, shall (i) update the Succession Planning regarding the Group's top management positions; and (ii) adopt<sup>10</sup> 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.

## 4.2. COMPOSITION

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

After setting the number of directors at eleven, the Shareholders' Meeting, during the ordinary session held on 29 April 2016, elected the current Board of Directors of the Company – which will hold office until approval of the separate financial statements for the year ending on 31 December 2018 – by re-electing the outgoing directors Fabio Cerchiai, Gianandrea De Bernardis, Marco Nespolo, Sabrina Delle Curti, Mara Caverni and Aurelio Regina, and electing five new members, Andrea Mignanelli, Roberto Mancini, Marco Maria Fumagalli, Valentina Montanari and Giulia Bongiorno, as Directors of the Company.

Two slates of director candidates were presented by the Shareholders' Meeting on 29 April 2016.

The Directors Fabio Cerchiai, Gianandrea De Bernardis, Marco Nespolo, Sabrina Delle Curti, Andrea Mignanelli, Roberto Mancini, Giulia Bongiorno, Mara Caverni and Aurelio Regina were drawn from Slate 1<sup>11</sup>, submitted by the outgoing Board of Directors, pursuant to Article 13.8 of the Articles of Association. Slate 1 received votes representing 62.782% of the voting shares.

The Directors Marco Maria Fumagalli and Valentina Montanari were drawn from Slate 2<sup>12</sup>, submitted by a group of institutional investors: Aletti Gestielle SGR S.p.A. manager of the fund Gestielle Cedola Italy Opportunity; Amber Capital Italia SGR S.p.A., manager of the fund Alpha UCITS Sicav/Amber Equity Fund; Arca S.G.R. S.p.A. manager of the funds: Arca Azioni Italia and Arca Economia Reale Equity Italia; Ersel Asset Management SGR S.p.A.

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*10. In accordance with the stipulations of Article 123-bis, paragraph 2, letter d-bis of the Consolidated Law on Finance and Article 4.2 of the seventh edition of Borsa Italiana's "Format for the report on governance and ownership structure".*

*11. In addition to the aforementioned individuals, Slate 1 also included: Arabella Caporella and Simona Pesce, and both meet the conditions to be considered independent pursuant to Article 148(3) Consolidated Law on Finance and the Corporate Governance Code.*

*12. In addition to the aforementioned individuals, Slate 2 also included Mr Giovanni Cavallini, who meets the conditions to be considered independent pursuant to Article 148(3) Consolidated Law on Finance and the Corporate Governance Code.*

manager of the fund Fondersel PMI; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI Italia; Eurizon Capital SA manager of the funds: Eurizon EasyFund - Equity Italy LTE; Eurizon EasyFund - Equity Italy; Fideuram Investimenti S.G.R. S.p.A. manager of the fund Fideuram Italia; Fideuram Asset Management (Ireland) Limited manager of the fund Fonditalia Equity Italy; Interfund Sicav manager of the fund Interfund Equity Italy; Mediolanum Gestione Fondi Sgr pA manager of the funds: Mediolanum Flessibile Italia and Mediolanum Flessibile Sviluppo Italia; Mediolanum International Funds Limited-Challenge Funds – Challenge Italian Equity; Pioneer Asset Management SA manager of the fund PF-Italian Equity; Pioneer Investment Management SGR pA manager of the fund Pioneer Italia Azionario Crescita, which together owned a shareholding representing 1.767% of the share capital. The shareholders who submitted Slate 2 declared that they had no relationships with the shareholders that own a controlling or relative majority stake, as defined by law and the Articles of Association. Slate 2 received votes representing 32.414% of the voting shares.

At its meeting on 3 May 2016, the Company Board of Directors then appointed Fabio Cerchiai as Chairman of the Board of Directors, Gianandrea De Bernardis as Executive Deputy Chairman of the Board of Directors, Marco Nespolo as Chief Executive Officer of the Company, and Sabrina Delle Curti, formerly General Counsel, as Secretary of the Board of Directors, insofar as she meets the mandatory prerequisites and has the requisite experience to hold that position.

The Issuer wishes to point out that, during the Year, no director relinquished his/her position and there were no changes to the composition of the Board of Directors.

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 composed exclusively of independent directors.

After ascertaining that all the directors satisfied the prerequisites imposed by the applicable laws and regulations for assuming that position, including for the Year, the Board of Directors meeting held on 15 February 2018 confirmed that the Directors Fabio Cerchiai, Mara Caverni, Aurelio Regina, Marco Maria Fumagalli, Valentina Montanari and Giulia Bongiorno 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. At its meeting on 19 February 2018 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.

Five of these directors are executive directors as defined by the Code (see paragraph 4.5 of the Report) and six directors are non-executive and independent.

The Issuer declares that, in accordance with Article 123, paragraph 2, letter *d-bis* of the Consolidated Law on Finance, no specific diversity policy was applied for the Year with

reference to the composition of the Board of Directors as regards aspects such as age, gender and educational and professional training (the “**Diversity Policy**”); this also takes into account the fact that the Board of Directors currently in office will finish their mandate with the approval of the Company’s financial statements on 31 December 2018.

During the 2018 financial year, the Company will adopt a Diversity Policy with a view to the expiry of the mandate of the current Administrative Body and also in consideration of the suggestions that the Directors currently in office provided to the Company in the self-assessment for the year 2017, as reported in paragraph 4.3 below.

In this regard, it should be noted that, based on criteria which will be shown in the Diversity Policy, the outgoing Board of Directors may: (i) submit its own slate of candidates to act as directors of the Company, as provided for in paragraph 13.8 of the Articles of Association (as was already the case with the appointment of the current Board of Directors<sup>13</sup>) as well as (ii) guide the candidacies submitted by the shareholders at the renewal of the entire Board of Directors, thus ensuring adequate consideration is taken of the benefits which may be derived from a harmonious composition of the said Board of Directors.

The Issuer, despite the failure to apply a Diversity Policy for the Year, declares that:

- i) the Cerved Articles of Association make provision, in any case, for directors to be appointed by the Shareholders’ Meeting in accordance with the gender parity regulations in effect<sup>14</sup>;
- ii) 45% of the members of the Board of Directors are aged between 30 and 50, while 55% are over 50;
- iii) the composition of the Board of Directors, in office until the approval of the annual financial statements on 31 December 2018, was updated according to the aforementioned top management Succession Planning process; in this context, an assessment had been carried out to identify the best candidate to succeed the current Chief Executive Officer, defining the expected role and assessing a shortlist of internal candidates within the Group itself in comparison with the reference benchmarks, through a clear definition of the goals and instruments, as well as the timetable of the process.
- iv) the Board of Directors’ self-assessment for 2017 showed, among other things, that (aa) the quality of the Board, in terms of mix of expertise and experience represented by the Directors, was assessed positively; (bb) the structure of the Board sub-committees currently envisaged was deemed adequate, while the composition of these committees was assessed positively as regards the expertise and experience represented, which makes it possible to appreciate the contribution provided according to specific areas of expertise.

For the purposes of adopting the Diversity Policy, since, as regards gender composition, the Company, as we have seen above, has already adopted, in the Articles of Association, a

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13. Appointed by the ordinary session of the Shareholders’ Meeting held on 29 April 2016.

14. Which resulted in 36% of the current composition being made up of female directors.

policy to ensure a gender balance in the composition of the Board of Directors and Board of Statutory Auditors, in view of the findings of the analysis subject to the aforementioned self-assessment, Crisci & Partners S.r.l. has also shared the Company's failure to adopt further diversity policies as regards the composition of the administration and supervisory boards, as stipulated in art. 123-bis, paragraph 2, letter d-bis of the Consolidated Law on Finance, in consideration: (i) of the expiry of the mandate of the current Administrative Body with the approval of the Company's financial statements as at 31/12/2018; (ii) the Company has experienced extremely rapid development from a position as a portfolio company for Private Equity funds to listing and finally to its current status as a genuine public company.

The personal and professional details of the individual members of the Company Board of Directors are illustrated as follows.

#### **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 was chairman of INA Assitalia, chairman of ANIA - Associazione Nazionale fra le Imprese Assicuratrici and chairman of UnipolSai SpA until April 2016, where he currently holds the position of Deputy Chairman.

He served on the boards of directors of important financial companies both in Italy and abroad. In addition to his position as Chairman of the Issuer, he is currently chairman of Atlantia S.p.A., of Autostrade per l'Italia S.p.A., of Arca Vita S.p.A. and Arca Assicurazioni S.p.A. and of SIAT S.p.A.. Since 18 January 2017 he has been chairman of Edizione S.r.l.. Since 2010 he has also been a member of the Italian Academy of Business Economics, deputy chairman of Diplomazia and a director of AISCAT, Associazione Italiana Società Concessionarie Autostrade e Trafori. He is a member of the management boards of Assonime, Fondazione Censis and ANSPC - Associazione Nazionale per lo Sviluppo dei Problemi del Credito. Since 2011 he has been adjunct professor at Università Cattolica del Sacro Cuore in Milan - School of Banking, Finance and Insurance.

#### **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 reengineering 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 has been chief executive officer of Cerved Group S.p.A. from June 2009 to 29 April 2016. In addition to his position as Deputy Chairman of the Issuer, he has been Chairman of the Board of Directors of the subsidiary Cerved Group S.p.A. since January 2016 and currently serves as a director for Capital For Progress 2 S.p.A..

#### **MARCO NESPOLO**

Marco Nespolo was born in Alessandria on 22 May 1973. He earned a degree in business economics from Luigi Bocconi University in Milan in 1996, after attending for a period the department of economics of the University of Warwick in the United Kingdom. After a short stint as a financial analyst at Citibank in Milan, Mr. Nespolo worked at Bain & Company between 1998 and 2005, rising to the position of senior manager, serving major clients in the Automotive, Pulp&Paper, Sportswear, Fashion & Luxury Goods sectors. Subsequently, he joined Bain Capital in London where, as an operating partner, he was responsible for overseeing all development and post-acquisition value creation activities of portfolio companies both in Europe and globally. In this capacity, he supervised the activities of TeamSystem S.p.A. (Pesaro), Lince S.p.A. (Milan); FCI (Paris); Ideal Standard (Brussels), where he served as a director between 2007 and 2009 and was Chief Executive Officer for Southern Europe in 2008; Cerved Group (where he was vice president until the sale by Bain Capital in February 2013; Styron (Philadelphia, Zurich) and Atento (Madrid, Latin America).

From July 2013 to 18 May 2016, he has been chief operating officer of Cerved Group S.p.A. He is currently member of the board of directors not only at the Issuer (of which he has been Chief Executive Officer since 3 May 2016), but also of Cerved Group (of which he is Chief Executive Officer), Cerved Credit Management Group S.r.l., Cerved Credit Management S.p.A., Cerved Rating Agency S.p.A. (Chairman of the Board of Directors).

#### **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 in the Ready-for-board women list. In 2012, she founded New Deal Advisors S.p.A. of which she is the managing partner.

She has held and continues to hold positions as independent director at several well-known companies (e.g. Snai S.p.A., holding the position of chairman of the board of directors, and ERG S.p.A., and also holding the position of member of the risk and control committee and the nomination and remuneration committee). 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.

**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 public 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). He is chairman of Manifatture Sigaro Toscano S.p.A. and Defence Tech S.p.A. and a member of the board of directors of Sisal SpA, Sisal Group SpA and Sistemi e Automazione S.r.l., and also a partner and member of the board of directors of Egon Zehnder International S.p.A..

**SABRINA DELLE CURTI**

Born in Bassano del Grappa (Vicenza) on 16 May 1975, she graduated with honours with a degree in law from the University of Parma in 2001, began her professional career at Bonelli Erede Pappalardo, 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 at the Venice Court of Appeal in 2005.

In 2008 she decided to pursue 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 of 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 member of the board of directors of Cerved Information Solutions S.p.A., a company where she also serves as secretary of the Board of Directors. 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.

#### **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 is the Chief Executive Officer of Cerved Credit Management Group Srl, 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, Cerved Credit Management Group 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 at the Issuer and also at Cerved Credit Collection S.p.A., Cerved Legal Services S.r.l., SC Re Collection S.r.l., Quaestio Cerved Credit Management S.p.A. and Codifi S.p.A..

#### **ROBERTO MANCINI**

Roberto Mancini was born on 04 May 1971 and graduated in economics and business administration from the University "Federico II" of Naples. His first professional experience was as a management consultant before joining Value Partners as a manager in 1998, handling organisation, strategy and finance projects.

In 2001 he went to work for Wind Telecomunicazioni, where he held the position of Assistant to the General Manager and then as Central Area Territorial Director, with responsibility for all sales channels and responsibility for the technological network, and finally as Outbound Manager (Outbound Consumer Channel). During this experience he developed various successful projects, allowing the Central commercial area to grow by more than 20% and the telemarketing channel to grow its sales revenue by 30% in just three months.

In April 2004 he joined BT Italia, where he worked for six years, rising to the position of Enterprise Director, coordinating and managing commercial networks targeting consumer and business customers and becoming the head of all sales channels while also holding the position of Managing Director at the company I Net acquired by BT Italia.

During his career he has also handled marketing and customer services. In October 2010 he co-founded Ener20, a firm specialising in photovoltaic cells, the leading company in Italy as measured by number of installations. Since September 2015 he has held the position of General Commercial Manager of Cerved Group S.p.A..

He is currently a member of the board of directors at the Issuer, Cerved Credit Collection S.p.A., Mancio Srl and 4.5 S.r.l..

**MARCO MARIA FUMAGALLI**

Marco Maria Fumagalli was born on 22 September 1961. He graduated with a degree in Economics and Business from the Università Cattolica del Sacro Cuore in Milan. After working for several years in the Administration and Finance departments of multinational companies, from 1993 to 2002 he was a Senior Manager of the Commissione Nazionale per le Società e la Borsa (Consob – Italian Securities and Exchange Commission), as the head of disclosure supervision of listed companies.

From 2002 to 2015 he was the head of capital market activities of Centrobanca S.p.A., while from May 2015 to December 2016 he was Chairman and Co-Chief Executive Officer of Capital For Progress 1 S.p.A..

Since 1993 he has been entered in the Register of Chartered Accountants, since 1995 in the Register of Statutory Auditors, and since 2000 as a CFA Charterholder (Chartered Financial Analyst). Since 2015 he has been a member of the Steering Committee of the Governance Forum of E&Y Italia.

Since 2002 he has been an adjunct professor of Economics and Financial Market Techniques at the Università Carlo Cattaneo LIUC in Castellanza and a speaker at conferences held by educational institutions and institutes on topics relating to financial market regulation.

Since April 2002, he has been a member of the board of directors of Leviathan S.r.l., since April 2015, he has served as Chairman of the Board of Statutory Auditors of Yoox Net-a-Porter Group S.p.A., since 2017, he has been a member of the board of directors of First Capital S.p.A., Capital For Progress 2 S.p.A. and Capital For Progress Advisory S.r.l..

**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.

Valentina Montanari held the position of Chief Financial Officer at the Gruppo 24 ORE from 1 October 2013 until December 2016 and at Gefran (a leading company in the field of industrial automation that is listed in the STAR segment of the Milan Stock Exchange) from July 2012 until September 2013.

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.

Since January 2013 she has served on the board of directors of Mediolanum Gestione Fondi S.g.r.p.A..

Since October 2015 she has also served on the board of directors of Oxfam Italia Onlus.

Since August 2017, she has been Chief Financial Officer for AC Milan.

### **GIULIA BONGIORNO**

Giulia Bongiorno was born on 22 March 1966. In 1989 she graduated with honours with a degree in law and became a criminal lawyer in July 1992. She also won the Toga d'oro ('Golden Robe') award, which is reserved to the most brilliant new lawyers. In 1995 she joined the pool of defence lawyers representing former Prime Minister Giulio Andreotti in his widely reported trials in Palermo and Perugia.

In addition to being the owner of the legal offices that bear her name in central Rome, she has been authorised to appear before the higher courts, an authorisation which she usually exercises by assisting parties in the preparation of appeals and in discussions before the Italian Supreme Court.

She specialises in criminal corporate law. She has provided consultancy and assistance in the processing of personal data, tackling money laundering and offences pursuant to articles 55 et seq. of Italian Legislative Decree 231/2007. She has also served as defence counsel in a number of trials for crimes against the public administration, against property, against public trust, against public safety and against trade, for offences committed through the press and unlawful acts connected with medical/surgical activities. She then accrued significant experience in the public security laws and criminal energy law sectors.

She also specialises in the drafting and updating of organisational and management models pursuant to Legislative Decree 231/2001 (Administrative Liability of Entities). She also specialises in sports law and cases before sports justice bodies.

Between 2006 and 2013, she served in the Italian Chamber of Deputies. During the 15th Italian Parliament, she was a member of the Justice Committee and the Jurisdiction Board.

In 2008 she was re-elected to the Chamber of Deputies (16th Parliament). She was elected Chairman of the Justice Committee and a member of the Parliamentary Committee for prosecutions, and also a member of the Appeal Board (the jurisdictional body of the Chamber of Deputies).

In 2007 she joined the actress Michelle Hunziker in founding the "Doppia Difesa" Foundation, which provides support to women who are victims of violence and abuse. "Doppia Difesa" then extended its scope of action to minors and launched a major project in collaboration with the Ospedale Fatebenefratelli hospital in Rome.

Since 2012 she has been an independent member of the Board of Directors of Juventus Football Club S.p.A., since 2013 she has been Chairman of the Supervisory Body of Terna Plus S.r.l. and in July 2016 she became Chairman of the Supervisory Body of the Ospedale Israelitico hospital (resigning in December 2017); since 2017, she has been Chairman of the Supervisory Body of Poste Italiane SpA..

She has published the works: *Nient'altro che la verità. Come il processo Andreotti ha cambiato la mia vita* (Rizzoli, 2005); *Con la scusa dell'amore* (together with Michelle Hunziker, Longanesi, 2013); *Le donne corrono da sole* (Rizzoli, 2015). Together with magistrate Roberto Garofoli, she is editor of the volume *Casi di penale. Atti e pareri* (Nel Diritto, 2007), published in the

*Avvocato* series, created to help aspiring advocates. Since 2016, alongside the magistrates Francesco Caringella and Marco Fratini, she has sat on the Scientific Committee of the face-to-face intensive preparation course for legal examinations.

### Maximum number of posts that may be held at other companies

The Corporate Governance Code<sup>15</sup> 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) although the Board of Directors decided not to adopt a specific rule governing the maximum number of posts that can be held, based on the above reasons, 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 opinion of the Board of Directors may be further discussed and assessed by the Board of Directors currently in office, also to consider the Company’s real needs and, more in general, the possible development of the practices of Italian listed companies 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, including in anticipation of the forthcoming Diversity Policy.

In accordance with the Corporate Governance Code<sup>16</sup>, 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*”).

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15. Application criterion 1.C.3.

16. See application criterion 1.C.2 of the Code.

### Induction Programme

On 05 June and 27 October 2017, the Board of Directors approved an induction programme for the Year<sup>17</sup> ("**Induction Programme 2017**"), divided into two sessions and aimed at providing the directors with adequate knowledge of the business sector in which the Company and Group operate, business dynamics and their evolution, the principles of proper risk management, and the applicable statutory, regulatory and self-regulatory framework.

In particular, during these sessions, which were held on 10 July and 20 November 2017, with the support of top management at the Group and consultants, representing both the business functions and the corporate functions, the following topics were discussed:

- follow-up concerning the business functions and the recent developments to products in every business segment, as well as an analysis of the competitive scenario;
- illustration concerning the "*data protection compliance programme 2017/2018*" i.e. adjustment to the European privacy regulation (reg. 2016/679 EU) by the Chairman of the Italian Institution for Privacy and Exploitation of Data;
- training in the use of IT tools used to support board meetings;
- illustration concerning Legislative Decree no. 254/2016 on Financial Information.

### 4.3. ROLE OF THE BOARD OF DIRECTORS

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

The Board of Directors meets on a regular basis. During the year, the Board of Directors met 19 times. In accordance with the financial calendar, it will meet 4 times in 2018. Four meetings have already been held since the end of the Year: on 09 January, 15 February, 22 February and 26 February 2018 (when this Report was approved).

Each meeting had an average duration of approximately 1 hour and 55 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 Corporate Development Director and, in general, the senior managers of the Issuer and the Group companies who are in charge of the company departments with specific responsibilities, in order to provide detailed information as relevant to the matters on the agenda, as provided for by the Corporate Governance Code<sup>18</sup>.

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17. Pursuant to application criterion 2.C.2 of the Corporate Governance Code.

18. See application criterion 1.C.6 of the Corporate Governance Code. Moreover, Article 1 of the Corporate Governance Code states: "To enhance the utility of board of directors meetings as the typical occasion when the directors (and especially the non-executive directors) can acquire adequate reports on management of the company, the chief executive officers guarantee that the senior managers in charge of the company departments responsible for the matters included on the agenda will be available to speak, if so requested, at those meetings".

In accordance with the Articles of Association<sup>19</sup>, notices of Board meetings are given by means of a registered letter, or 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<sup>20</sup>. The notice that is generally deemed adequate for providing information before the board of directors meeting is about three 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<sup>21</sup> 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 Directors have exclusive responsibility for the management of the Company and must take all actions necessary to attain the business object.

In accordance with ruling applicable legislation and in line with the recommendations of the Corporate Governance Code<sup>22</sup>, 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

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19. See paragraph 15.3 of the Articles of Association.

20. Pursuant to application criterion 1.C.5 of the Corporate Governance Code.

21. The reference to punctuality has been included in the comment on Article 1 of the Corporate Governance Code.

22. See application criterion 1.C.1 of the Code.

- 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, operating performance or financial position; to that effect, it shall establish 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 addition to exercising the powers attributed to it by the law, in accordance with the Articles of Association<sup>23</sup> the Board of Directors resolves on the following items:

- mergers and demergers, in the cases provided for by the law;
- establishing or closing secondary offices;
- designating the Directors authorised to represent the Company;
- reducing share capital due to one or more shareholders withdrawing from the Company;
- amending the Articles of Association to make them compliant with legislative changes;
- transferring the Company's registered office to a different location in Italy.

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. In its meeting of 22 February 2018, based on the information and evidence gathered with the support of the investigation work carried out by the Risk and Control Committee and considering the assumptions and the assessments of the Risk and Control Manager, the Internal Audit Manager (who also coordinates and monitors enterprise risk management) 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, concluding that there are no issues such to jeopardise the overall adequacy and effectiveness of the Cerved Group's Risk and Control System<sup>24</sup>.

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23. See paragraph 19.2 of the Articles of Association.

24. Pursuant to application criterion 1.C.1.c of the Corporate Governance Code.

It should also be noted that the Company, although not part of the FTSE-MIB index and prior to the entry into force of law no. 179 of 30/11/2017, had already initiated preliminary analyses during the Year aimed at the implementation, at Group level, of a whistle-blowing system in line with international market best practices<sup>25</sup>.

The Issuer declares that, as at the date of the Report, it is assessing the impact on its own Model 231 of the regulatory modifications introduced during 2017, with particular impact focus on the stipulations of law 179 of 30/11/2017.

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 of the risks connected with the various operating areas of the Company. Its assessments included the risks that might assume significance in view of the medium-long term sustainability of the Issuer's activity. Moreover, 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<sup>26</sup>.

Furthermore, the Board of Directors periodically checked the general performance of operations<sup>27</sup>, 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.

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, as 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.

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25. *The Comment on Article 7 of the Corporate Governance Code states: "The Committee believes that, at least in the issuers listed on the FTSE-MIB, an adequate internal control and risk management system has to include an internal whistle-blowing system that can be used by employees to report any irregularities or violations of applicable laws and regulations and internal procedures, in accordance with existing domestic and international best practices and that guarantee a specific and confidential reporting channel and the anonymity of the whistle-blower".*

26. *In the Comment on Article 1 of the Corporate Governance Code, we read "The Committee emphasises the key role played by the board of directors in assessing the effective performance of the internal control and risk management system that might assume significance in view of the medium-long term sustainability of the issuer's activity. When confronted with material circumstances, the Board of Directors acquires the necessary information and takes all appropriate measures to protect the Company and its market disclosures".*

27. *Pursuant to application criterion 1.C.1.e of the Corporate Governance Code.*

The Board of Directors has promoted, for the third consecutive year, in accordance with international best practices and the provisions of the Code<sup>28</sup>, 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<sup>29</sup>, the Board of Directors carried out a self-assessment also for the Year 2017. The self-assessment questionnaires, preceded in certain cases by interviews, were sent to all directors on 07 February 2018 and the answers to questionnaires were then collected anonymously and combined into a summary document, similar to that used internally in 2016 to ensure a homogeneous comparison of responses to individual issues, and examined by the Board of Directors during the meeting held on 26 February 2018.

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 that:

- a) the number of Directors is considered adequate and ensures that all members can make a full contribution, within the time limits permitted by the complexity and urgency of the matters being analysed;
- b) the mix of expertise currently possessed by the Board of Directors represents an adequate guarantee of the possibility of including various contributions into the

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28. Recommended by application criterion 1.C.1.g of the Corporate Governance Code.

29. Application criterion 1.C.1.g of the Code.

- matters discussed;
- c) the Company's Board of Directors believes that it operates effectively in its role providing guidance and oversight to a public company;
  - d) the work of the Committees is unanimously considered efficient and high-quality by the entire Board of Directors and the individual members of the Committees themselves;
  - e) the Board of Directors believes that it exercises proper oversight and monitoring of risks and also considers the internal control systems adequate;
  - f) the Chairman of the Board of Directors, Mr Fabio Cerchiai, demonstrates personal, concrete and constructive leadership, which is greatly appreciated. He is perceived as being always attentive and well-prepared as regards all the Company's strategic and operating issues. He is admired for his unstinting commitment, wealth of experience of listed companies and ongoing contribution to the development of debate and the role of the Board and to corporate governance;
  - g) the atmosphere during board meetings is open and marked by both cooperation and high-quality debating.

Within this positive context, certain areas for improvement have been identified that will be implemented during the 2018 financial year to ensure ever greater alignment of the corporate governance with international best practices.

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.

#### 4.4. DELEGATED BODIES

The Board of Directors performs its activities not only directly and as a body but also by delegating its functions, to the extent permitted by the law and the Articles of Association:

- al Vice Presidente; e
- all'Amministratore Delegato.

The following powers were delegated to the Deputy Chairman and the Chief Executive Officer on their election on 03 May 2016, and were subsequently modified on 13 July 2016 and 21 December 2017<sup>30</sup>.

##### 4.4.1. DEPUTY CHAIRMAN

The Deputy Chairman Gianandrea De Bernardis was granted not only powers to stand in for the Chairman in the latter's absence or impediment, 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, but also to:

- a) promote, supervise and manage the relationships and external relations of the Company and the Group with public institutions, regulatory entities, banks, financial institutions, insurance companies and Infocamere S.C.p.A.;

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*30. Only the powers assigned to the Deputy Chairman by adding the current letter e)*

- b) define and examine, inter alia on the basis of information to be provided by the Chief Executive Officer, the terms and conditions of possible transactions of significant strategic, economic, capital or financial importance to the Company and Group so that they may be proposed to the Board of Directors together with the Chief Executive Officer;
- c) partly on the basis of information to be provided by the Chief Executive Officer, conduct monthly examinations of general operating performance and implementation of the strategic, industrial and financial plans of the Company and Group, in view of providing timely and relevant information if necessary or appropriate to the Board of Directors together with the Chief Executive Officer;
- d) represent 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 250,000 and jointly with the Chief Executive Officer up to Euro 500,000 for each individual settlement and/or abandonment of claim;
- e) request the issuance and amendments 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;
- f) negotiate terms and conditions, stipulate, amend, rescind and terminate agreements for the purchase, sale, exchange or transfer of real estate, equity investments, business units or parts of businesses with independent power of signature up to the limit of Euro 250,000 per individual transaction, and with the joint signature of the Chief Executive Officer, up to the limit of Euro 500,000 per individual transaction;
- g) negotiate terms and conditions, and execute, amend, cancel and withdraw from operating leases and finance leases for movable property, including leases for more than one year, all of the above provided that the Company's total annual expense commitment does not exceed the amount of Euro 250,000 and, jointly with the Chief Executive Officer, up to Euro 500,000 per transaction;
- h) negotiate terms and conditions, stipulate, amend, rescind and terminate agreements for the acquisition of databases to be distributed to third parties and agreements to outsource the distribution of services and products of the Company inside and/or outside Italy, in all cases within the limit of Euro 250,000 per individual transaction and jointly with the Chief Executive Officer, within the limit of Euro 500,000 per single transaction;
- i) 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;
- j) negotiate the terms and conditions, stipulate, amend and rescind agreements for granting mandates to professionals; appoint and dismiss 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 enter into consulting agreements, albeit within the limit of Euro 250,000 per individual agreement and, with the Chief Executive Officer's joint signature, within the limit of Euro 500,000, per individual agreement;

- k) within the limits of the powers granted to him, issue and revoke mandates and general or limited powers of attorney for certain acts or categories of acts, by appointing procurators 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.

#### 4.4.2. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, Marco Nespolo, is responsible for:

- a) 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;
- b) representing the Company, supervising and handling the external relations of the Company and the Group to which it belongs with entities, institutions, authorities, bodies and third parties, both inside and outside Italy, public and private, including (for example), Consob, Borsa Italiana, the press, information outlets, the media in general, economic and industry associations, the financial community, the scientific community, investors and stakeholders;
- c) examining, inter alia with the Deputy Chairman's support, the terms and conditions of possible transactions having significant strategic, economic, capital or financial importance to the Company and the Group that owns it, and proposing them to the Board of Directors together with the Deputy Chairman;
- d) informing the Deputy Chairman on a monthly basis about general operating performance and implementation of the strategic, industrial and financial plans of the Company and the Group, in order to guarantee the fairness and timeliness of the disclosures to give in this regard to the Board of Directors together with the Deputy Chairman;
- e) 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 judicial and extrajudicial disputes, with independent power of signature for amounts not exceeding Euro 250,000 and jointly with the Deputy Chairman up to Euro 500,000 for each individual settlement and/or abandonment of claim;
- f) requesting the issuance and amendments of the license mandated by Article 134 of the TULPS, of commercial information, as provided by Article 5(1)(b) of Ministerial Decree 269 of 1 December 2010, and represent 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;

- g) negotiating terms and conditions, stipulating, amending, rescinding and terminating agreements for the purchase, sale, exchange or transfer of real estate, equity investments, business units or parts of businesses with independent power of signature up to the limit of Euro 250,000 per individual transaction, and with the joint signature of the Deputy Chairman, up to the limit of Euro 500,000 per individual transaction;
- h) negotiate terms and conditions, executing, amending, rescinding and terminating operating leases and finance leases for movable property, including leases for more than one year, all of the above provided that the Company's total annual expense commitment does not exceed the amount of Euro 250,000 and, jointly with the Deputy Chairman, up to Euro 500,000 per transaction;
- i) 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;
- j) 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;
- k) authorise payment of all approved expenses without amount restrictions;
- l) approve sales prices, special sales terms, distribution contracts and agency contracts;
- m) waive receivables that are uncollectible or the collection of which would be unprofitable for amounts not greater than Euro 10,000;
- n) negotiate terms and conditions, stipulating, amending, rescinding and terminating agreements for the acquisition of databases to be distributed to third parties and agreements to outsource the distribution of services and products of the Company inside and/or outside Italy, in all cases within the limit of Euro 250,000 per individual transaction and jointly with the Deputy Chairman, within the limit of Euro 500,000 per single transaction;
- o) 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;
- p) negotiating terms and conditions, executing, amending, rescinding and terminating loan agreements and otherwise assume financial debt up to the limit of total indebtedness of Euro 1,000,000 per reporting year;
- q) 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;
- r) pay the periodic remuneration to employees and the corresponding mandatory social security contributions;
- s) hire and fire employees, middle managers and senior managers within the limits of the payroll approved by the Board of Directors; setting the compensation 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, titles, remuneration, sign letters of employment and request approvals from the Employment Office of the Ministry of Labour; and exercising all powers related to the complement management of existing employment relationships; represent the Company in relations with trade unions and company organisations in general, including negotiations and making company collective bargaining agreements;
- t) delegate and revoke powers to managers or other Company employees and professionals within the limits of the powers granted to the Chief Executive Officer;
  - u) negotiating terms and conditions, stipulating, amending and rescinding agreements for granting mandates to professionals; 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, albeit within the limit of Euro 250,000 per individual agreement and, with the Deputy Chairman's joint signature, within the limit of Euro 500,000, per individual agreement;
  - v) negotiating terms and conditions, stipulating, amending, rescinding and terminating agreements for the sale and supply of goods and services produced in the course of the Company's ordinary operations, up to the limit of Euro 250,000 per individual transaction, and with the joint signature of the Deputy Chairman, up to the limit of Euro 500,000 per individual transaction;
  - w) 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;
  - x) negotiating terms and conditions, executing, amending, rescinding and terminating insurance and reinsurance contracts, executing policies with any entity or company;
  - y) handling any process aimed at obtaining licenses, authorisations and concessions;
  - z) 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 Section 4(f) of Legislative Decree 196/03 ("Data Controller"), and (ii) compliance with the related obligations imposed by current personal data protection laws, and represent the Company as the Delegate to exercise the Data Controller's data processing powers (the "Data Controller's Delegate" or "Privacy Delegate"), in relations with third parties, and to grant a limited power of attorney to represent 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, stipulate, amend, terminate and rescind personal data secrecy and confidentiality agreements and other information, or otherwise secret and confidential information held by the Company, with the power to sub-delegate some or all of the granted powers and to use other persons as deemed appropriate, including persons from outside the Company, in performing these functions, but with the obligation to report periodically to the Board of Directors, inter alia by submitting a report at least once 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;

- aa) 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;
- bb) 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:
  - (i) 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;
  - (ii) 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;
  - (iii) if he deems it will help achieve the assigned objectives, he may delegate performance of the operating obligations on the matters under his own responsibility, with the sole limit being the top management and/or corporate policy decisions and obligations that may not be delegated under the law – in regard to occupational safety and health – and particularly in regard to the limits imposed by Article 17 of Legislative Decree 81/2008 on the delegation of occupational health and safety functions;
  - (iv) 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.

- cc) 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 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, inter alia in the matters covered by this resolution;
- dd) representing the Company by voting in the name and on behalf of the Company itself, at the shareholders' meetings of subsidiaries or investees, except for those resolutions on the following matters; changes in capital, issuance of bonds, mergers or demergers; amendments to the Articles of Association; adoption of stock option plans; purchase or sale of business or business units when they are subject to authorisation by the shareholders' meeting pursuant to Article 2364(1) (5) Italian Civil Code, and listing on any regulating market;
- ee) within the limits of the powers granted to him, issuing and revoking mandates and general or limited powers of attorney for certain acts or categories of acts, by appointing procurators 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.

It is noted that, at the date of this Report, no instances of interlocking directorate exist<sup>31</sup>: indeed, Cerved's Chief Executive Officer, Marco Nespolo, does not hold any other directorships in companies, other than group companies, in which another director of Cerved acts as chief executive officer.

#### 4.4.3. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman, Fabio Cerchiai, an independent director, does not have management duties and does not have a specific role in the elaboration of business strategies. He exercises the functions envisaged in current statutory and regulatory provisions and in the Articles of Association. In particular, he:

- a) represents the Company pursuant to Article 21.1 of the Articles of Association;
- b) chairs the Shareholders' Meeting pursuant to Article 11.1 of the Articles of Association;
- c) convenes and chairs meetings of the Board of Directors, pursuant to articles 15 and 16.1 of the Articles of Association, setting the meeting's agenda, coordinates the meeting's activities and ensures that all directors are provided with adequate information about the items on the agenda;
- d) checks the implementation of the resolutions adopted by the Board of Directors.

#### 4.4.4. EXECUTIVE COMMITTEE

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

To date, the Issuer has not deemed it necessary to establish an Executive Committee.

#### 4.4.5. 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 quarterly basis and in any case in connection with any Board of Directors' meeting, about 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 impact on equity, 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.

### 4.5. OTHER EXECUTIVE DIRECTORS

In addition to the Chief Executive Officer, Marco Nespolo, and the Deputy Chairman, Gianandrea De Bernardis, another three executive directors belong to the Board of Directors<sup>32</sup>: Andrea Mignanelli, Roberto Mancini and Sabrina Delle Curti.

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31. Pursuant to application criterion 2.C.5 of the Corporate Governance Code.

32. Pursuant to application criterion 2.C.1 of the Corporate Governance Code.

Andrea Mignanelli is an executive director because he is chief executive officer of the indirect subsidiary CCMG and director of the indirect subsidiaries Cerved Credit Collection S.p.A., Cerved Legal Services S.r.l., Quaestio Cerved Credit Management S.p.A. and SC Re Collection S.r.l..

Roberto Mancini is executive director insofar as he holds the position of General Commercial Manager of the direct subsidiary Cerved Group S.p.A., and is also a director of the indirect subsidiary Cerved Credit Collection S.p.A.

Sabrina Delle Curti is executive director insofar as she is general counsel and head of the legal, institutional and corporate affairs department of the Cerved Group.

#### 4.6. INDEPENDENT DIRECTORS

In compliance with application criterion 3.C.4, the Board of Directors verifies that the directors remain in compliance with the prerequisites for independence at least once annually and on the basis of information provided by the individual directors or available to the Issuer.

At its meeting on 15 February 2018, 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 Chairman, Fabio Cerchiai, and the non-executive directors Giulia Bongiorno, Mara Caverni, Marco Maria Fumagalli, 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<sup>33</sup>. 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.

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<sup>33</sup>. See application criterion 3.C.1 of the Code.

As also envisaged by the Code<sup>34</sup>, the Board of Statutory Auditors found at its meeting on 19 February 2018 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<sup>35</sup>.

The meeting was held on 21 December 2017 and the matters addressed were connected with (i) Corporate Governance, (ii) legal and compliance oversights related to CMS (see paragraph 1.2); (iii) the contribution that the Board of Directors may make to defining the strategic plans of the Company and the Cerved Group, including in accordance with the hope<sup>36</sup> expressed in the letter of 13 December 2017 from the Chairman of the Corporate Governance Committee.

## 4.7. LEAD INDEPENDENT DIRECTOR

Since the conditions set out in the Corporate Governance Code<sup>37</sup> were not met, the Board of Directors did not appoint an independent director as the lead independent director.

## 5. TREATMENT OF CORPORATE INFORMATION

### Managing inside information

As recommended by the Corporate Governance Code<sup>38</sup>, on 23 June 2014 the Board of Directors approved a "procedure for internal management and external disclosure of inside information".

After the MAR and the Implementing Regulation came into force, the Company Board of Directors adopted the Inside Information Procedure on 13 July 2016. This procedure

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34. Application criterion 3.C.5.

35. Consistently with what is envisaged in Article 3 of the Corporate Governance Code, pursuant to which "The independent directors meet pursuant to criterion 3.C.6. by holding meetings that are convened ad hoc. The independent directors' meetings have to be construed as meetings held separately and differently from the meetings held by the Board of Directors committees".

36. The Chairman of the Corporate Governance Committee, in identifying areas for qualitative improvement, recommended that the Board of Directors include, in their assessments, the effectiveness of their operations, considering, in particular, the board's contribution to defining strategic plans and monitoring the operating performance of the internal control and risk management system.

37. Application criterion 2.C.3., paragraph 1, of the Code, according to which the board of directors designates an independent director as lead independent director in the following cases: (i) if the Chairman of the Board of Directors is chief executive officer; (ii) if the post of chairman is held by the person who controls the issuer.

38. Application criterion 1.C.1.j.

regulates the internal management and external disclosure of “inside information”<sup>39</sup> concerning the Company and Group companies, and the conduct (i) of members of the administration, management and control bodies of the Company and Group companies, and (ii) of all persons who, in consequence of their work or professional activity or the functions they perform, have regular or occasional access to inside information pertaining to the Company or Group companies ((i) and (ii), collectively, the “Recipients”).

The Inside Information Procedure was adopted in compliance with the provisions of Chapters 2 and 3 of the MAR, in the Implementing Regulation, and in Part IV, Title III, Chapter I of the Consolidated Law on Finance, and in Part III, Title II, Chapters I and II, Section I and in Part III, Title VII, Chapter I of the Issuers Regulation. It is aimed at ensuring compliance with the applicable statutory and regulatory provisions and guaranteeing preservation of the maximum privacy and confidentiality of the Inside Information, to prevent documents and information concerning the Company and Group from being disclosed selectively, i.e. to prevent them from being issued prematurely to specific individuals – for example, shareholders, journalists or analysts – or that they be issued at the wrong times, incompletely or inadequately.

In accordance with the provisions of Article 18(1)(a) of the MAR and in accordance with the Implementation Regulation, the Company has 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.

In addition, the Board of Directors, taking into account the Guidelines, decided, on 22 February 2018, to adjust the Inside Information Procedure.

### Internal Dealing

In accordance with applicable legislation and regulations<sup>40</sup>, 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.

On 13 July 2016, the Company Board of Directors adopted – pursuant to and in compliance with applicable legislative and regulatory provisions on internal dealing, in accordance with: (i) Article 19 of the MAR; (ii) the applicable implementing regulations; (iii) Article 114(7) of the Consolidated Law on Finance and the Issuers Regulation – a new Internal Dealing Procedure to regulate the disclosure obligations applying to transactions executed by

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39. Pursuant to Article 7, paragraph 1, MAR, this means: “precise information that has not been published, directly or indirectly concerning one or more issuers or one or more financial instruments and which, if published, might significantly impact the prices of those financial instruments or the prices of related derivative financial instruments.”

40. Pursuant to article 114.7 of the Consolidated Law on Finance and article 153-octies.8, letter (a) of the Issuers' Regulation.

“relevant persons”<sup>41</sup> and by closely related persons<sup>42</sup>, involving shares of the Company or derivative instruments or other financial instruments connected with the shares of the Company, to guarantee maximum transparency towards the market and competent authorities, and the limits imposed on execution of those transactions by relevant persons and the persons closely related to them.

Cerved has identified the Corporate Affairs Department as the entity in charge of receiving, handling and publishing the information covered by the Internal Dealing Procedure and the statutory and regulatory provisions applying to internal dealing. The Internal Dealing Procedure is available on the Company's website <https://company.cerved.com/it/internal-dealing>.

## 6. BOARD COMMITTEES

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

At its meeting on 3 May 2016, held after the Board of Directors was renewed, the members of the following committees were appointed:

- the 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;
- the 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 the Risk and Control System and the approval of periodic financial reporting;
- the Related Party Committee, in implementation of the provisions contained in Article 2391-bis Italian Civil Code and in the Related Party Regulation and considering the guidance and clarifications provided by Consob with memorandum no. DEM/10078683 of 24 September 2010.

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 (12 November 2015), provided for by the Code, to combine the two committees is mainly attributable to reasons of flexibility and affinities between some of the matters that the Code respectively assigns to the remuneration committee and

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41. As defined in Article 3(1)(25) of the MAR. In particular, the following persons exercising administration, control or management functions in the Company are considered “Relevant Persons”: a) the members of the management or control body of the Company; and b) the top managers who, while not being members of the bodies indicated at item a), have regular access to inside information directly or indirectly concerning the Company and have the power to take management decisions that might impact the future evolution and prospects of the Company.

42. As defined in Article 3(1)(26) of the MAR. In particular, “Closely Related Persons” are: a) a spouse or partner equivalent to a spouse pursuant to Italian law; b) a dependent child pursuant to Italian law; c) a relative who has lived in the same home for at least one year at the date of the transaction in question; or d) a legal entity, trust or partnership, whose management responsibilities are held by a person who performs administration, control or management functions or by a person envisaged at items a), b) or c), or is directly or indirectly controlled by that person, or is incorporated for its benefit, or whose economic interests are substantially equivalent to the interests of that person.

the nomination committee. Moreover, that combination has eliminated the risk of any coordination failures. The Remuneration and Nomination Committee is composed in compliance with the stricter rules applying to the composition of the remuneration committee, as all of its members are independent directors.

Reference is made to the following paragraphs of this Report for a description of the composition<sup>43</sup>, functions, tasks, resources and activities that can be associated with the aforementioned committees.

## 7. REMUNERATION AND NOMINATION COMMITTEE

### Composition

On 3 May 2016, the Board of Directors appointed the members of the Remuneration and Nomination Committee, composed of three (formerly four<sup>44</sup>) independent non-executive directors whose term of office will expire with that of the Board of Directors. Its members are:

- Aurelio Regina (Chairman of the Remuneration and Nomination Committee);
- Giulia Bongiorno<sup>45</sup>;
- Mara Anna Rita Caverni; and
- Marco Maria Fumagalli.

The Remuneration and Nomination Committee is only comprised of independent directors. Its composition complies with the principles of the Code governing the composition of the nomination committee and the remuneration committee<sup>46</sup>.

Furthermore, with respect to the requirements set out in the Code<sup>47</sup>, 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.

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43. See application criterion 4.C.1.a of the Code whereby the committees of board of directors made up of more than eight members shall be made up of at least three members.

44. On 31 March 2017, the independent director, Giulia Bongiorno, tendered her resignation from the Remuneration and Nomination Committee alone, effective from the next meeting of the said Committee; the said resignation therefore took effect on 27 October 2017; the Company's Board of Directors ruled that the Remuneration and Nomination Committee, in accordance with the provisions of Article 1 of the its regulations, would remain composed of three members.

45. See previous note.

46. Pursuant to principle 5.P.1 of the Code, the nomination committee must be made up, for the majority, of independent directors. Under principle 6.P.3, the remuneration committee shall be (exclusively) made up of independent directors or, alternatively, the committee may be made up of non-executive directors, the majority of which to be independent; in this case, the chairman of the committee is selected among the independent directors.

47. See principle 6.P.3 of the Corporate Governance Code, whereby at least one committee member shall have adequate knowledge and experience in finance or remuneration policies.

## Functions of the Remuneration and Nomination Committee

As mentioned earlier, the Remuneration and Nomination Committee performs all the tasks assigned to the remuneration committee by the Corporate Governance Code<sup>48</sup>. 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 designated 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;
- f) it performs any additional tasks that the Board of Directors may assign to it subsequently.

The Remuneration and Nomination Committee is also entrusted with the following functions which, pursuant to the Code, are the responsibility of the Nomination Committee<sup>49</sup>. Specifically:

- a) it expresses opinions to the Board of Directors regarding its size and composition and expresses recommendations with regard to the professional skills necessary within the Board as well as with regard to the topics indicated by criteria 1.C.3. and 1.C.4 of the Corporate Governance Code<sup>50</sup>;
- b) it submits the Board of Directors candidates for directors' offices in case of

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48. See, *inter alia*, principle 6.P.4 and application criteria 6.C.5 of the Corporate Governance Code.

49. See also application criteria 5.C.1 and 5.C.2 of the Corporate Governance Code.

50. That is, respectively, (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 (application criterion 1.C.3 of the Code) 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 (application criterion 1.C.4).

- co-opting, should the replacement of independent directors be necessary;
- c) it recommends, in the case of renewals, the candidates for directors' offices to be proposed, indicating their names and/or requirements;
  - d) it prepares a plan for the succession of executive directors;
  - e) 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;
  - f) it provides the Board of Directors with periodic updates on the development of corporate governance rules, while submitting proposed adjustments;
  - g) 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.

In 2017, the Remuneration and Nomination Committee met 6 times, for which minutes were regularly kept. Each meeting had an average duration of approximately 1 hour and 10 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 the Committee meetings during which proposals in respect of their remuneration are formulated to the Board of Directors.

The Issuer declares that:

- i) on 15 February 2017, the Remuneration and Nomination Committee appointed Ms Monica Magrì, Human Resources Director of the Cerved Group, as its secretary.
- ii) 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;
- iii) 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<sup>51</sup>.

On invitation from the Remuneration and Nomination Committee and in regard to certain items on the agenda<sup>52</sup>, some of its sessions were attended by the Chief Executive Officer, Marco Nespolo, the managing director of Cerved, the general counsel and head of the legal, institutional and corporate affairs department of the Cerved Group, Sabrina Delle Curti, and the Human Resources Director of the Cerved Group and Committee secretary, Monica Magrì.

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51. *Ai sensi del criterio applicativo 4.C.1 lett. d) del Codice.*

52. *Ai sensi del criterio applicativo 4.C.1.f) del Codice di Autodisciplina.*

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<sup>53</sup>.

The Chairman of the Board of Statutory Auditors<sup>54</sup>, as suggested in the "Comment" on Article 6 of the Code, has always been invited to 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:

- appointments of the secretary of the Remuneration and Nomination Committee;
- self-assessment of the Board of Directors and internal committees for the financial year 2016;
- the Company's Remuneration Report for the financial year 2016, to be submitted to the Board of Directors;
- a proposal concerning the Company's and the Cerved Group's remuneration policy for the year 2017, subject to analysis of a specific executive summary;
- annual verification of the independence and integrity requirements of the directors, pursuant to Article 3.4 (viii) of the Regulation of the Remuneration and Nomination Committee;
- determination of the Cerved Group performance bonuses;
- review of the existing incentive plans with reference to the financial year 2016 for the CEO and Strategic Directors;
- assignment of the 2017 objectives to the Chief Executive Officer and Strategic Directors;
- incentive plan for the Internal Audit Manager;
- proposal for review of the remuneration of the Chief Executive Officer, including based on an analysis of market benchmarks;
- proposal for assignment of the rights pursuant to the "2nd Cycle" indicated by the Plan;
- annual report of the Remuneration and Nomination Committee on activities conducted during the financial year 2017;
- budget proposal for the Remuneration and Nomination Committee.

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. The Remuneration and Nomination Committee, during the Year, called upon the following external consultants: (i) Crisci&Partners S.r.l. Shareholders and Board Consulting for the self-assessment of the Board of Directors and (ii) Deloitte Consulting Srl for the benchmarking of the remuneration of the Chief Executive Officer.

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53. Pursuant to application criterion 6.C.6 of the Corporate Governance Code.

54. The invitation is extended to the entire Board of Statutory Auditors.

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<sup>55</sup>. The Remuneration and Nomination Committee budget for the Year, as approved by the Board of Directors in its meeting of 13 March 2017, amounted to Euro 30,000.

Since the reporting date, the Remuneration and Nomination Committee has already met 3 times, on 13 February, 19 February and 26 February 2018.

## 8. DIRECTORS' REMUNERATION

For the information to be disclosed in this section, it is considered that all the information required is included in the Remuneration Report approved on 26 February 2018 by the Board of Directors, to which reference should be made. Pursuant to article 123-ter of the Consolidated Law on Finance, 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.

## 9. RISK AND CONTROL COMMITTEE

### Composition

The Risk and Control Committee is composed of three independent non-executive directors<sup>56</sup>.

The current members – appointed on 3 May 2016, for a term expiring at the same time as that of the Board of Directors – are:

- Mara Anna Rita Caverni;
- Aurelio Regina; and
- Valentina Montanari.

Il presidente del Comitato Controllo e Rischi, nominato dal Consiglio di Amministrazione in data 3 maggio 2016, è Mara Anna Rita Caverni.

As required by the Corporate Governance Code<sup>57</sup> and the regulation of the 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 Risk and Control Committee at the meeting on 3 May 2016, all three members of the Committee have the prerequisite knowledge and experience in accounting, financial and risk management matters.

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55. Pursuant to application criterion 4.C.1.e of the Corporate Governance Code.

56. As recommended by principle 7.P.4 of the Corporate Governance Code.

57. See principle 7.P.4. of the Code.

### Functions assigned to the Risk and Control Committee

The Risk and Control Committee has consultative and proposal making functions and, in accordance with the Corporate Governance Code<sup>58</sup>, 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 Risk and Control System and those concerning the approval of periodic financial reports.

Specifically, and in accordance with the Corporate Governance Code<sup>59</sup> and the best practices, the 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 Directors 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 no. 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 no. 254/2016 (the “**Non-Financial Declaration**”).

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58. See principle 7.P.3.a (ii) of the Code.

59. See application criterion 7.C.2. of the Code.

Furthermore, again in accordance with the provisions of the Corporate Governance Code<sup>60</sup>, the 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 no. 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 legal 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 operating regulations of the Risk and Control Committee were approved by the Board of Directors on 31 March 2014 (subsequently updated on 13 July 2016) and most recently updated through a Board resolution on 15 February 2018<sup>61</sup>.

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60. See application criterion 7.C.1 of the Corporate Governance Code.

61. This latest update is aimed at regulating the role of the Committee in the non-financial reporting process (Legislative Decree no. 254/2016), adopting the indications of the Board decision of 20 November 2017 whereby the Board of Directors assigned the Committee the duties stipulated in letters h, i, e, f and g. [see Comment on Article 4].

During the Year, the Risk and Control Committee met 8 times, for which minutes were regularly kept<sup>62</sup>. Each meeting had an average duration of approximately 1 hour 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 Risk and Control Committee in the above meetings.

The Issuer declares that:

- i) the Risk and Control Committee appointed Mr Orazio Mardente, Internal Audit Manager of the Cerved Group, as its secretary;
- ii) the meetings of the Risk and Control Committee are chaired by its Chairman and duly minuted;
- iii) the Chairman of the Risk and Control Committee, or another member in the event of his absence, during the Year, reports as soon as possible to the Board of Directors on the activities of the Committee and the topics discussed at each of its meetings<sup>63</sup>.

Furthermore, in accordance with the relevant regulation, the Risk and Control Committee invited the Chief Executive Officer and Director in charge of the Internal Control and Risk Management System of Cerved, the Chairman of the Board of Statutory Auditors and other statutory auditors<sup>64</sup>, the Manager in charge of Financial Reporting, the General Counsel, the Chief Executive Officer of CCMG, the Chief Operating Officer and Human Resources Director of the Cerved Group, the partner and reference manager of PricewaterhouseCoopers S.p.A. (the accounting firm retained as independent auditor of Cerved) and the members of the Supervisory Body of Cerved, 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.

During the meetings carried out in 2017, the 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 assessment of the independence, adequacy, efficiency and effectiveness of the internal audit department and the aspects related to the remuneration of the department manager;
- the reports (including the half-year report) on the Internal Audit department's activities in 2016 and the 2017 action plan related to the Company and the Group;
- the progress of the activities defined in the 2017 Audit Plan and the events identified, in 2017, as significant for the Company and the Group, with the involvement of the reference Management of the Cerved Group, where necessary/required;
- defining the expenses budget and activities plan for the year 2017;
- the 2016 report on corporate governance and ownership structure prepared by the Company;

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62. Pursuant to application criterion 4.C.1. of the Code.

63. Pursuant to application criterion 4.C.1.d of the Code.

64. Pursuant to application criterion 7.C.3 of the Code.

- Cerved's draft financial statements at 31 December 2016 and the half-year report at 30 June 2017;
- the investigation of the Impairment Test procedure;
- 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 the Law on Savings;
- the activities carried out by the Company in relation to Model 231;
- the listing of a company, indirect subsidiary and newly founded, on the register of non-banking financial intermediaries pursuant to Article 106 of the Consolidated Law on Finance;
- assessment of the application to the Bank of Greece (Banking Supervision Department) to obtain a licence for a new company to enable it to act as a credit recovery agency for third parties in accordance with Italian Legislative Decree no. 4354/2015 and Act 118/19.05.2017 of the Executive Committee of the Bank of Greece;
- the project of the development of the Group enterprise risk management (ERM) and the internal control and risk management initiatives.

At the date of this Report, the Risk and Control Committee has already met twice, on 29 January 2018 and 19 February 2018. In these latter meetings, in particular, considering the duties assigned<sup>65</sup> concerning the monitoring of issues of sustainability (with reference to Legislative Decree no. 254/2016 – Non-Financial Declaration), the Risk and Control Committee analysed the design methods (carried out with the support of a specialised external consultant) for drafting the 2017 Sustainability Report and examined the document submitted. The Chairman of the Risk and Control Committee has regularly 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. In this regard, consistently with the provisions of the Code and best practices, the Risk and Control Committee has also prepared specific half-year reports on the activities performed by it during the Year.

In accordance with its regulation, the 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 Risk and Control Committee budget for the Year, as approved by the Board of Directors in its meeting of 24 February 2017, amounted to Euro 30,000.

In accordance with the Corporate Governance Code<sup>66</sup>, the 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 Risk and Control Committee did not use independent consultants during the Year.

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65. Through a decision of the Company's Board of Directors, dated 20 November 2017.

66. See application criterion 4.C.1.e of the Code.

## 10. RELATED PARTY COMMITTEE

### Composition

The Related Party Committee was established on 03 May 2016, in accordance with the Related Party Regulation and Related Party Procedure.

The Related Party Committee is composed of three independent non-executive members<sup>67</sup>, all of whom were appointed on 3 May 2016 and whose term expires at the same time as that of the Board of Directors appointed by the ordinary session of the Shareholders' Meeting held on 29 April 2016. Its term will expire when the separate financial statements at 31 December 2018 are approved. The members of the Related Party Committee are:

- Fabio Cerchiai (Chairman of Related Party Committee);
- Mara Anna Rita Caverni; and
- Marco Maria Fumagalli.

### 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 and the periodically applicable regulations 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<sup>68</sup>.

During the Year, the Related Party Committee met four times; minutes were regularly kept<sup>69</sup> for all the said meetings. Each meeting had an average duration of approximately 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 Related Party Committee in the above meetings.

In regard to specific items on the agenda, the Chief Executive Officer, the Director in charge of the Internal Control and Risk Management System, the Chairman of the Board of Statutory Auditors and other statutory auditors<sup>70</sup>, the Manager in charge of Financial Reporting, the General Counsel and head of legal, institutional and corporate affairs (inter alia in her capacity as Secretary of the Related Party Committee, after she was appointed on 12 May 2016), were invited to attend some of the meetings mentioned above.

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67. As recommended by principle 7.P.4 of the Corporate Governance Code.

68. Pursuant to application criterion 7.C.3 of the Code.

69. Pursuant to application criterion 4.C.1. of the Code.

70. Pursuant to application criterion 7.C.3 of the Code.

During the meetings held during the Year<sup>71</sup>, the Related Party 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:

- Related Party Committee report on the activities carried out during 2016 and budget proposal for 2017;
- assessment of the estimate of the value of the put and call options of the shareholders' agreement signed on 28 April 2016 by Cerved Group with the so-called Minority Shareholders with regard to their holdings in the company CCMG;
- exit option: verification that the calculation criteria applied by the Cerved Group in determining the price match the stipulations in the shareholders' agreement signed on 28 April 2016 by Cerved Group with the so-called Minority Shareholders;
- agreement modifying the shareholders' agreement between the direct subsidiary Cerved Group and the so-called Minority Shareholders regarding their holdings in the share capital of CCMG;
- updating of the Related Party Procedure in consideration of the fact that the Company can no longer be considered a "recently listed" company, in accordance with art. 3.1, letter g), of the Related Party Regulation.

The main new features introduced in the modification to the Related Parties Procedure, approved on 21 December 2017, are:

- i) so-called Highly Material Transactions (as defined therein<sup>72</sup>) must be approved through a motivated opinion of the Related Parties Committee on the interest for the Company in carrying out the transaction, as well as the benefits and substantial fairness of the relevant conditions;
- ii) the Related Parties Procedure, as amended, also applies, with due alterations, to other transactions conducted by Subsidiaries.

The Related Party Committee has met once between the end of the Year and the date of this Report.

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 24 February 2017, amounts to Euro 30,000.

In accordance with the Corporate Governance Code<sup>73</sup>, 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 as independent consultants during the Year.

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*71. The Chairman of the Related Party 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.*

*72. Transactions, including uniform transactions or those conducted to implement a single strategy with the same Related Party or parties related both to the latter and to the Company which will be considered cumulatively, where at least one of the relevance indices indicated in Annex 3 to the Related Parties Regulation is exceeded.*

*73. See application criterion 4.C.1.e of the Code.*

## 11. 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 Risk and Control Committee, performs these functions.

In accordance with the Corporate Governance Code<sup>74</sup>, 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.

In the Cerved Group, risk management is carried out based on three levels of control:

- **first level control** (Management – risk owner): identifies, assesses, manages and monitors the risks under its purview, in relation to which it identifies and implements specific handling actions;
- **second level control** (Management o funzioni preposte al monitoraggio dei rischi e dell'adeguatezza dei controlli): per il quale sono presenti dei Risk/Compliance Specialist e Compliance Officer dedicati che monitorano sistematicamente i principali rischi (compresi quelli di conformità normativa) e il livello di adeguatezza e operatività dei controlli posti a presidio degli stessi, in modo da garantire un trattamento delle problematiche rilevanti efficace ed efficiente; oltre a ciò, tali figure offrono supporto al primo livello nella definizione e implementazione di adeguati sistemi di gestione dei principali rischi e dei relativi controlli;
- **third level control** (Internal Audit): provides independent and objective assurance on the adequacy and effective performance of the first and second level of control and, in general, assesses the efficiency and effectiveness of the Internal Control and Risk Management System.

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 an annual basis):

- identification and assessment of the Group's main risks;
- identification and updating of the intervention measures employed to manage the main risks;
- identification and monitoring of the implementation time frames for any improvement measures.

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<sup>74</sup>. See the principle 7.P.2 of the Corporate Governance Code.

The Group's Enterprise Risk Management model (and the related methodology), as approved by the Board of Directors on 16 March 2016, and implemented at Group level during the Year, was aimed at meeting both governance and compliance needs and management needs. The Internal Audit Manager reported the results of risk monitoring and related analyses relating to the Year at the Board of Directors meeting held on 22 February 2018.

With reference to the areas identified as important for Cerved, it should be noted that, during the year, the Group identified and monitored the following macro-issues:

- **changes to the reference context**, specifically the dual aspects of regulatory compliance and dynamics in the reference business sectors;
- **competitiveness and innovation of the offer**, involving the application of commercial policies and strategic guidelines, together with prompt innovation of products and services;
- **operational and infrastructure efficiency**, as regards management of information security, management of important and innovative products and services and the dependence on key figures and strategic suppliers;
- **governance of internal processes**, for which the Cerved Group has undertaken various monitoring activities in a number of fields:
  - › with reference to the **M&A process** (especially the **Post Merger Integration**), for the companies acquired in 2016, a check was carried out on the actions defined for ensuring the compliance of the Cerved management system and monitoring of their integration with the Group's structure;
  - › for **internal and external communication governance**, the Cerved Group has implemented monitoring of reputational risk, through analysis of particular cases which may have an impact on the image of Cerved, directly or indirectly, as well as reinforcing the internal communication procedures and instruments;
  - › lastly, the Group conducts monitoring of the **processes and oversights focused on the company's organisation**, with particular focus on the adequacy of the ownership, organisational and administrative/accounting structure.

Moreover, it is pointed out that the Enterprise Risk Management model adopted by the Company had already been found adequate for the purposes of identifying and monitoring business risks.

In consideration of the changes to the regulatory context and an in-depth assessment of the Internal Control and Risk Management System conducted during 2017, the Cerved Group will be constantly committed to continuous improvement measures, in order for the system to reach an ever greater level of maturity, with on-going alignment with national and international best practices.

In line with this approach and with reference to the identification of the main risk areas in relation to the important themes pursuant to Legislative Decree no. 254/16, the Cerved Group has already launched the mapping and monitoring of the main risks detected and, in the near future, developments to the specific focus on ESG (Environmental, Social, Governance) matters will be presented, in relation to what emerged as relevant from the materiality analysis.

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 undertaken a long-term initiative regarding the Group's risk culture, and which calls for the progressive involvement of various 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<sup>75</sup>.

On the basis of the report on the activity of the Risk and Control Committee, the Board of Directors approved the internal audit action plan for 2017 on 24 February 2017, after consulting with the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System<sup>76</sup> (who coordinated during the Year with all the participating business functions, through a constant and adequate flow of information). They found that the Company internal control and risk management system was effective, stating that it adequately matched the specific characteristics of the Company and its adopted risk profile<sup>77</sup>.

Subsequently, on 28 July 2017 and after the half-year report by the Risk and Control Committee on the activity performed by the Risk and Control Committee during the first half of 2017, 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 22 February 2018 and after the annual report by the Risk and Control Committee on the activity performed by the Risk and Control Committee, 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.

### **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. Furthermore, the system's implementation took into account the guidelines on the activities of the Manager in charge of Financial Reporting provided by sector organisations (Confindustria and Andaf).

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

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*75. Pursuant to application criterion 1.C.1.b of the Code.*

*76. Pursuant to application criterion 7.C.1.c of the Code.*

*77. Pursuant to application criterion 7.C.1.b of the Code.*

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 of financial reporting risks; b) assessment of financial reporting risks; c) identification of controls carried out in response to the identified risks; d) assessment of the controls carried out on the identified risks.

**a) Identification 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;
- › qualitative assessments, based on the knowledge of the Company's actual situation and other specific risk factors inherent in its administrative-accounting processes.

**b) Assessment of financial reporting risks**

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 documentability 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.

**c) 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 account 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.

**d) 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;
- › 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 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 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 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 and actual operation of the existing administrative-accounting procedures, as defined in the Manager in charge of Financial Reporting regulation.

## 11.1. DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In its meeting of 03 May 2016, the Board of Directors confirmed Marco Nespolo as the Director in charge of the Internal Control and Risk Management System pursuant to the Corporate Governance Code<sup>78</sup>, effective from the Flotation Date. 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 submits 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;

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*78. Specifically, pursuant to principle 7.P.3.a(i) and application criterion 7.C.4 of the Code.*

- 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 execution of business transactions, while reporting this information to the Chairman of the Board of Directors, the Chairman of the Risk and Control Committee and the Chairman of the Board of Statutory Auditors;
- e) promptly reported to the Risk and Control Committee (or the Board of Directors) on any problems or issues encountered in the course of his activity or of which he became otherwise aware, so that the Risk and Control Committee (or the Board of Directors) could take appropriate action.

## 11.2. INTERNAL AUDIT MANAGER

In its meeting of 31 March 2014, the Board of Directors, subject to the favourable opinion of the Control and Risk Committee and after hearing the Board of Statutory Auditors, appointed Orazio Mardente Internal Audit Manager pursuant to the Corporate Governance Code<sup>79</sup> 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 function reports to the Board of Directors, the Risk and Control Committee, the Director in charge of the Internal Control and Risk Management System 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 24 February 2017, the Board of Directors, upon proposal of the Director in charge, subject to the favourable opinion of the Control and Risk Committee and after hearing the Board of Statutory Auditors, set the Internal Audit manager's remuneration in line with the Company's policies and calculated 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 Subsidiaries 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),

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<sup>79</sup>. See principle 7.P.3.b and application criterion 7.C.5 of the Code.

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 periodic reports shall contain an assessment of the suitability of the Internal Control and Risk Management System.

The Internal Audit Manager reports to the Risk and Control Committee, the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System, who are informed, through periodic executive summaries, of the results of the activities carried out. The 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. 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<sup>80</sup>, 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 Risk and Control Committee and the Board of Directors

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<sup>80</sup>. Cfr. il criterio applicativo 7.C.5. del Codice.

- and the Director in charge of the Internal Control and Risk Management System;
- 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 approved 2017 plan, reporting on the outcome of the activities carried out;
- performed specific activities (the so-called special functions), based on the requests or recommendations of the Group's management;
- carried out the activities related to the Law on Savings, checking the companies (and the related processes) that were qualitatively and quantitatively relevant to compliance, through testing and specific auditing 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 management and departments tasked with monitoring risks and the adequacy of the controls (second level controls) with reference to the activities concerning Enterprise Risk Management, as regards the analysis, monitoring and assessment of the main company risks;
- 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 companies 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 switching to the 2015 (risk-based) version;
- periodically assessed the suitability of the internal control and risk management system.

### 11.3. ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/01

In its resolution dated 13 March 2015, the Board of Directors adopted a 231 Model based on 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 lastly updated in 2014.

The 231 Model was updated on 16 March 2016 as per the Board of Directors' resolution. Cerved's 231 Model is comprised of:

- a general section, whose purpose is to explain the rationale of 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;
- 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>.

The 231 Model is completed by the following documents, which are an integral and substantial part thereof:

- i. the Code of Ethics of the Cerved Group;
- ii. the disciplinary system;
- iii. the findings of the risk assessment process;
- iv. the list of offences;
- v. the organisational chart.

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;
- 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.

The Company is assessing the impact on its Model 231 of the regulatory modifications made during 2017 with particular focus on the stipulations of law no. 179 of 30 November 2017, laying down "Provisions for the protection of those who report offences or irregularities of which they become aware as part of public or private employment (whistle-blowing)".

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 24 February 2017 and will remain in office until the approval of the Company's draft financial statements at 31

December 2018. It is composed of Mara Vanzetta (a non-company member), who acts as Chairman, Orazio Mardente (Internal Audit Manager) and Emiliano Nitti (a non-company member).

#### 11.4. INDEPENDENT AUDITORS

On 25 March 2014, pursuant to articles 13 and 17 of Legislative Decree no. 39 of 27 January 2010<sup>81</sup>, 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<sup>82</sup> 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.

#### 11.5. 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 03 May 2016, 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 Giovanni Sartor, the Issuer's Chief Financial Officer effective, who meets the above requirements, Manager in charge of Financial Reporting.

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81. *Implementing directive 2006/43/EC on the legally-required audits of annual separate and consolidated accounts which modified directives 78/660/EEC and 83/349/EEC and repealed directive 84/253/EEC.*

82. *The European regulatory framework for legal auditing is composed of Directive 2014/56/EU of 16 April 2014 (the "Directive") and Regulation EU no. 537/2014 of 16 April 2014 (the "Regulation"). The Regulation and the Directive, with the latter adopted into the Italian legal system through the issuing of Legislative Decree no. 135/2016, with the resulting amendment of Legislative Decree no. 39 of 27 January 2010 (hereinafter also referred to as "Legislative Decree no.*

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

- i. setting up appropriate administrative and accounting procedures for preparation of the separate and consolidated financial statements and any other financial communications;
- ii. 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;
- iii. 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 consolidation, 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;
- alert the Chief Executive Officer and Board of Directors, including through the Risk and Control Committee, immediately of any aspects of significant relevance which it believes, where incorrect, must be reported in the declarations envisaged in Article 154-bis of the Consolidated Law on Finance;
- report to the Board of Directors, Risk and Control Committee and the Board of Statutory Auditors every six months on the activities carried out;

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 components of the internal control system 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 inform the executive director, the 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 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.

## 11.6. 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 Director in charge of the Internal Control and Risk Management System and the members of the Board of Statutory Auditors are invited to attend meetings of the Risk and Control Committee.

The calendar of Risk and Control Committee meetings has been set. This calendar envisages that six committee meetings be held during 2018. Extraordinary meetings may also be held as required by the Company. Other parties that are not members of the 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 Risk and Control Committee, acting as secretary.

## 12. 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.

The main new features introduced through the modification to the Related Party Procedure<sup>83</sup> are:

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*83. The modification of the Related Party Procedure was also adopted in consideration of the fact that the Company can no longer be considered a "recently listed" company, in accordance with art. 3.1, letter g), of the Related Party Regulation.*

- i) so-called Highly Material Transactions (as defined therein<sup>84</sup>) must be approved through a motivated opinion of the Related Parties Committee on the interest for the Company in carrying out the transaction, as well as the benefits and substantial fairness of the relevant conditions;
- ii) the Related Parties Procedure, as amended, also applies, with due alterations, to other transactions conducted by Subsidiaries.

The Related Party Procedure and its subsequent amendments were adopted by the Board of Directors, subject to the approval of the Related Party Committee.

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.

### 13. 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 Shareholders, in accordance with the statutory and regulatory requirements set forth in article 148 of the Consolidated Law on Finance and article 144-*quinquies* et seq. of the Consob 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 candidate listed in each of the two sections must be selected from among the statutory auditors listed in the special register established in accordance with 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 standing 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.

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. The equity ownership threshold for Cerved was determined by Consob pursuant to article 144-*quater* of the Issuers' Regulation with resolution no. 20273 of 24 January 2018, and is equal to 1%. Each

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*84. Transactions, including uniform transactions or those conducted as to implement a single strategy with the same Related Party or parties related both to the latter and to the Company which will be considered cumulatively, where at least one of the relevance indices indicated in Annex 3 to the Related Parties Regulation is exceeded; in the Related Party Procedure, as amended, so-called Highly Material Transactions are contrasted with so-called Transactions of Minor Value, i.e. where the amount, or unit value, is no greater than Euro 200,000.*

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. Slates shall consist of two sections: one for candidates to the post of standing auditor and one for candidates to the post of alternate auditor. 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 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.

## **14. COMPOSITION AND ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS**

(pursuant to article 123-bis.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 set forth in 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 appointed. 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.

The Issuer reports that, during the ordinary session of the 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 lists of candidates were submitted, on 17 March 2017 and 20 March 2017, respectively, as follows:

- 1) a slate submitted jointly by the following shareholders: Aletti Gestielle SGR S.p.A., Arca Fondi SGR S.p.A., Eurizon Capital SGR S.p.A., Eurizon Capital SA, Fil Investment Management Limited (Fidelity Funds - Italy Pool), Fideuram Asset Management (Ireland), Fideuram Investimenti SGR S.p.A., Interfund Sicav (Interfund Equity Italy), Kairos Partners SGR S.p.A., Mediolanum Gestione Fondi SGR S.p.A., Mediolanum International Funds Limited (Challenge Funds - Challenge Italian Equity), Pioneer Investment Management SGRPA, Pioneer Asset Management SA, jointly holders of 4,585,325 shares, representing 2.35% of the Company's share capital; **this slate was labelled no. 1<sup>85</sup>**;
- 2) a second slate submitted jointly by the following shareholders: The Antares European Fund Limited and The Antares European Fund L.P., jointly holders of 3,204,184 shares, representing 1.64% of the Company's share capital; **this list was labelled no. 2<sup>86</sup>**;

The Issuer specifies that:

- i) the shareholders submitting the aforementioned slates declared that they had no relationships with the shareholders that own a controlling or relative majority stake, as defined by law and the Articles of Association, taking into account the relevant recommendations in Consob Communication no. DEM/9017893 of 26 February 2009;
- ii) the slates of candidates submitted were all accompanied by: (aa) information on the identity of shareholders who submitted the slates, with an indication of the total percentage that they own (along with communications issued by intermediaries showing the ownership of the holding); (bb) a curriculum vitae for each candidate that sets out their personal and professional details; (cc) a declaration from each candidate accepting their candidacy and certifying, under their own responsibility, that there are no grounds for finding them ineligible.

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<sup>87</sup>.

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85. The slate which included BIENTINESI ANTONELLA in the Standing Auditors section and MELE ANTONIO in the Alternate Auditors section;

86. The slate which included LUDOVICI PAOLO and BONELLI COSTANZA in the Standing Auditors section and ACQUADRO LAURA in the Alternate Auditors section.

87. Pursuant to application criterion 7.C.3 of the Code.

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<sup>88</sup>, as analysed and recorded by the Board of Statutory Auditors in the meeting held on 09 May 2017 (the positive outcome of which was reported during the Board meeting held on 05 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<sup>89</sup>.

During the year, the Board of Statutory Auditors met 11 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 one hour and 50 minutes.

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, in a broader interpretation of the suggestions in the ‘Comment’ on Article 6 of the Code, is duly invited to attend the meetings of the Company's Remuneration and Nomination Committee.

The Board of Statutory Auditors, during the Year and within the European regulatory framework concerning legal auditing<sup>90</sup>, monitored the various tasks other than legal auditing that the Company or its subsidiaries entrusted to the auditing firm 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.

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88. Application criterion 8.C.1. of the Code, pursuant to which: “The statutory auditors are selected according to whether they can be qualified as independent, inter alia on the basis of the criteria established in this Code as applicable to the directors”.

89. Application criterion 8.C.1. of the Code was amended in July 2015 as follows: “The statutory auditors are selected according to whether they can be qualified as independent, inter alia on the basis of the criteria established in this Code as applicable to the directors”. The board of statutory auditors verifies the satisfaction of these criteria after they are appointed and then once annually thereafter, transmitting the results of these reviews to the board of directors, which publishes them after they are appointed, by issuing a press release to the market and then, in the corporate governance report, in ways consistent with those imposed on directors”.

90. Composed of Directive 2014/56/EU of 16 April 2014 (the “Directive”) and Regulation EU no. 537/2014 of 16 April 2014 (the “Regulation”). The Regulation and the Directive, with the latter adopted into the Italian legal system through the issuing of Legislative Decree no. 135/2016, with the resulting modification of Legislative Decree no. 39 of 27 January 2010 (hereinafter also referred to as “Legislative Decree no. 39/2010”).

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.

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. Since May 2005, she has carried out her professional activities independently within the framework of the Studio Legale Tributario. 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 practical 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 April 1999, she has been a partner of the Studio Associato Legale Tributario (which later became 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. (controlled by the Enel Group) and Ala Assicurazioni S.p.A. (controlled by the Sara Assicurazioni Group). Currently Chairman of the Board of Statutory Auditors of the Issuer, and also of Unicredit S.p.A, Enel Energia S.p.A. and Enel Trade S.p.A., Società Subalpina di Imprese Ferroviare S.p.A. and Acer Sede S.p.A.. Also Chairman of the Board of Auditors of Fondo Ambiente Italiano, Fondazione il Faro and AMREF Italia. She is also an Alternate Auditor of Sara Assicurazioni S.p.A., Sara Vita S.p.A., Enel Distribuzioni S.p.A. and Enel Sole S.r.l.

#### **PAOLO LUDOVICI**

Paolo Ludovici was born in Rome on 9 July 1965 and graduated 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. Since 2014 he has been a partner of

Ludovici & Partners, of which he is the founding member. Between 1991 and 2014 he worked at Maisto e Associati, becoming a partner in 2000. 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. 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) and STEP (Society of Trust and Estate Practitioners). He is currently chairman, member of the board of statutory auditors or sole auditor, depending on the case, of several companies, namely Alpitour S.p.A., Alpitour World Hotels & Resorts S.p.A., Blumarini Hotels Sicilia S.p.A., Netrade S.p.A., Associazione Italiana Private Banking, Asset Italia S.p.A., Atlantic Investments S.p.A., Cerved Group, CMS, Quaestio Cerved Credit Management S.p.A., Decalia Asset Management SIM S.p.A., Elle 52 Investimenti S.r.l., Ethica Investment Club S.p.A., Faster S.p.A., Flos S.p.A., Gotha Cosmetics S.r.l., Kartell S.p.A., Italmobiliare S.p.A., Juliet S.p.A., Ospedale San Raffaele S.r.l., Ospedale San Raffaele Resnati S.p.A., Genenta Science S.r.l., Sintonia S.p.A., Vitale & Co S.p.A., Vodafone Servizi e Tecnologie S.r.l., Vodafone Gestioni S.p.A., White Bridge Investments S.p.A. and Brunelleschi S.p.A.. Lastly, he is 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. From 1992 to 1997, she carried out a professional apprenticeship at the offices of Lucio Bertoluzzi, a Chartered Accountant in Milan. From January to July 1998, she worked with the offices of Paolo Luppi, a Chartered Accountant in Milan. Since September 1998, she has owned her own business, providing accounts 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 has been 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 has also been an Auditor in the Order of Chartered Accountants and Accounts Experts of Milan and an Auditor for the Chartered Accountants Foundation of Milan. She is currently a member of the boards of statutory auditors of the Issuer and of IGV Group S.p.A., S.I.R.T. Monte Pora S.p.A. and Azimut Holding S.p.A.; she is a director of Fondazione Pro-Familia, Fondazione Casa of the “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 Chairman of the Auditors of Fondazione Caritas Ambrosiana and Sole Auditor of Fondazione per la famiglia Profumo di Betania Onlus, Comelt S.p.A. and Associazione Paolo Pini.

### **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., Spig S.p.A., Jcoplastic S.p.A., Alem S.p.A., Safim 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., Venturi S.p.A., Metalimmobiliare S.p.A., Associazione Teatri di Milano and Fondazione VIDAS. She also serves as a director in Società Finanziamenti Vari S.r.l., Immobiliare Tibaldi S.r.l., Edilnovanta S.p.A., T.P.2 S.r.l., Residenza Galeno S.r.l. and Società Immobiliare Tangenziale Pauledese S.r.l..

### **ANTONIO MELE**

Born in Galatina on 05 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 Banca ITB S.p.A., Polaris Real Estate SGR S.p.A., Shine Sim S.p.A., Alisarda S.p.A., Meridiana Fly S.p.A., Air Italy Holding S.p.A. and Air Italy S.p.A. 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 BPER Banca S.p.A., TAS Tecnologia avanzata dei sistemi S.p.A., OWL S.p.A. and FB5 Investments S.r.l.. He is also a member of the Board of Statutory Auditors of the Issuer, along with Value Investments S.p.A., Fire Group S.p.A., Fire Resolutions S.p.A. and Bancomat S.p.A.. He is also a member of the board of directors of Yarpa Investimenti SGR S.p.A.

The Board of Statutory Auditors, as a body, possesses an adequate knowledge of the sector in which the Issuer operates, of the Company's dynamics and their evolution, the principles of proper risk management, and the applicable statutory, regulatory and self-regulatory framework.<sup>91</sup>

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<sup>91</sup> In accordance with the application criterion 2.C.2 of the Corporate Governance Code.

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.<sup>92</sup>

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 Risk and Control Committee (also by participating in their meetings), the Director in charge of the Internal Control and Risk Management System and the Manager in Charge of Financial Reporting.

Since the end of the Year, the Board of Statutory Auditors has already met twice, on 13 February 2018 and 19 February 2018.

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 forthcoming diversity policy, as indicated in paragraph 4.2, will also cover the composition of the Board of Statutory Auditors.

## 15. 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's Board of Directors, 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 corporate development and investor relations manager.<sup>93</sup>

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92. Pursuant to application criterion 8.C.4 of the Corporate Governance Code.

93. Pursuant to application criterion 9.C.1 of the Code.

The Investor Relations Manager 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@cervedinformationsolutions.com](mailto:ir@cervedinformationsolutions.com)

## 16. SHAREHOLDERS' MEETINGS

(pursuant to article 123-*bis*.2, letter c) of the Consolidated Finance Act)

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' Meetings, 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 object.

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.

The Company does not 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 implementing EC Directive no. 2007/36/EC ("Shareholders' Rights Directive") and the recommendations set forth in the Corporate Governance Code.<sup>94</sup>

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

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94. See application criterion 9.C.3 of the Code.

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 13 April 2017; 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.<sup>95</sup>

## 17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

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

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

## 18. 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.

Purely for reasons of completeness, is it hereby reported that the Company's Board of Directors, on 09 January 2018, adopted, in accordance with Article 2505, paragraph 2 and Article 2505-bis, paragraph 2 of the Italian Civil Code, the decision on the merger by incorporation of Cerved Group S.p.A., the entire share capital of which is held by the Company ("**Cerved Group**", with this merger referred to as the "**First Merger**"), and on the merger by incorporation of Consit Italia S.p.A., 94.33% of which is owned by the Cerved Group ("**Consit**", with this merger referred to as the "**Second Merger**" and, together with the First Merger, as the "**Operation**"), to be carried out after the effectiveness of the First Merger.

Also on 09 January 2018, the Board of Directors of the Cerved Group and the shareholders' meeting of Consit adopted the merger decision with regard to the First Merger and Second Merger, respectively.

The deeds of merger concerning the First Merger and Second Merger may be signed once 60 days have passed from the later of the two recordings (which took place on 12 January 2018) on the business and trade register of the decisions concerning the approval of the Draft Terms of Merger and the creditors of the Company, Cerved Group and Consit may file an objection within this time frame.

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<sup>95</sup>. Recommended by application criterion 9.C.2 of the Corporate Governance Code.

The conclusion of the deed of merger concerning the Second Merger will, in any case, occur after the effectiveness of the First Merger, in order to enable the Company to hold the stake in Conisit directly.

## 19. CONSIDERATIONS CONCERNING THE LETTER OF 13 DECEMBER 2017 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The seventh edition of Borsa Italiana's Format stipulates that, when drafting the Report, this Section should contain the Company's strategies concerning the recommendations contained in the letter from Ms Patrizia Grieco, Chairman of the Corporate Governance Committee, sent on 13 December 2017 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 from the Chairman of the Corporate Governance Committee, 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", 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, competent pursuant to art. 3.4(vii) of the regulation to provide the Company's Board of Directors with periodic updates of developments to corporate governance roles, while also formulating adjustment proposals, analysed the Letter on 19 February 2018, while the Board of Directors analysed it on 22 February 2018.

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

- i) the Corporate Governance Committee highlights the opportunity of ensuring full transparency as regards the timeliness, completeness and usability of the pre-board meeting briefing, by providing prompt details on the actual observance of the time frames identified as suitable for the sending of the documentation; in this regard, the Issuer reports that the Company's management, during the Year, undertook intense activities aimed at improving company practices concerning the sending of pre-board meeting documentation, providing for the sending of the documentation at least 5 days in advance (compared with the current 3 days). Clearly, the digital platform introduced in early 2018 for sending documentation is a step in the right direction.
- ii) the second critical area highlighted by the Corporate Governance Committee continues to concern certain aspects linked to the clarity and completeness of remuneration policies. In this regard, the Corporate Governance Committee recommends that issuers assign a greater weight in their policies to long-

term variable components, introduce claw-back clauses and define criteria and procedures for assigning any end-of-office indemnity; the Issuer reports that the policy adopted by the Company as regards remuneration of the members of the Board of Directors and Key Managers of the Company, establishes claw-back clauses enabling the Company to request the full or partial return of variable components (short- and long-term, whether monetary or paid through financial instruments) of the remuneration (*aa*) if paid to parties guilty of negligence and/or gross misconduct, or (*bb*) should it be ascertained that the extent to which the performance objectives were achieved was determined on the basis of manifestly incorrect or false calculations.

- iii) the third area of improvement for greater observance of the Code contained within the Letter concerns the establishment and functioning of the nomination committee (as already mentioned in previous recommendations). In this regard, the Corporate Governance Committee recommends that all issuers, including those characterised by more concentrated ownership structures, establish a nomination committee, and clearly distinguish the functions of that committee, in the event that it should have been combined with the remuneration committee, providing separate reports of the activities performed. With regard to the final point, the Issuer reports that: (*aa*) the Board of Directors has already assigned, from 12 November 2015, the nomination committee functions to the pre-existing remuneration committee; (*bb*) the Company's Remuneration and Nomination Committee is composed exclusively of independent directors; (*cc*) as already indicated in detail in paragraph 7 above, the Remuneration and Nomination Committee combines the typical duties and functions of both a remuneration committee and a nomination committee; (*dd*) the annual report of the Remuneration and Nomination Committee specifically indicates the activities which it carries out as the nomination committee and those performed as the remuneration committee, respectively.

The Corporate Governance Committee has also identified some governance areas, which, despite high degree of compliance by the issuers with the recommendations of the Code, could be improved in terms of quality. Regarding these matters, the Committee also intends to assess a development to the Code, considering how they draw the attention of institutional investors and, last but not least, the opportunity of adjusting to international best practices.

These areas for qualitative improvement are:

- i) succession plans for executive directors. Although there is a high level of compliance with the sole 'binding' recommendation of the Code, which concerns assessing the suitability of adopting a plan, the Corporate Governance Committee highlights the importance of drafting succession plans for executive directors, to ensure continuous and stable management, and greater transparency of the plans adopted. In this regard, the Issuer states that the composition of the Board of Directors, in office until the approval of the annual financial statements on 31 December 2018, was updated according to the aforementioned top management Succession Planning process; in this context, an assessment had been carried out to identify the best candidate to succeed the current Chief Executive Officer, defining the expected role and assessing a shortlist of internal candidates within the Group

itself in comparison with the reference benchmarks, through a clear definition of the goals and instruments, as well as the timetable of the process.

- ii) the quality of the independent directors. Considering the major role played by the independent directors in the decision-making process, the Corporate Governance Committee underlines the importance of reinforcing assessments of their independence by providing adequate explanations in the event of non-application or material application of the criteria, which should represent limited exceptions. In this regard, the Issuer indicates that the current Board of Directors is composed of a majority of independent directors.
- iii) content of the board review. The Corporate Governance Committee, while adhering to the recommendations of Code to a high degree, underlines the importance of implementing structured procedures for the board review and recommends that boards of directors include, in their assessments, the effectiveness of their operations, considering, in particular, the board's contribution to the definition of strategic plans and monitoring performance and the adequacy of the internal control and risk management system. In this regard, the Issuer reiterates what has already been reported about the independent directors, concerning the contribution that they, and the Board of Directors in general, may make to defining the strategic plans of the Company and the Cerved Group, including in accordance with the hopes expressed in the Letter.

The Board of Directors, at the end of the meeting on 22 February 2018, after analysing the recommendations concerning areas for qualitative improvement contained in the Letter (and shown in this paragraph), highlighted, in addition to the above, certain areas for improvement that will be implemented during the 2018 financial year to ensure ever greater alignment of the corporate governance with international best practices.

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On behalf of the Board of Directors

San Donato Milanese,  
26 February 2018

The Chairman  
Fabio Cerchiari



TABLE 1 – THE OWNERSHIP STRUCTURE

SHARE CAPITAL				
	No. of shares	% of share capital	Listed (state the markets)/ unlisted	Rights and obligations
Ordinary shares	195,000,000	100%	Mercato Telematico Azionario organised and managed by Borsa Italiana	Ordinary rights/ obligations (equity, administrative, control, disposal, contribution)
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 earmarked for conversion/exercise	No. of shares servicing the conversion/
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
<b>MASSACHUSETTS FINANCIAL SERVICES COMPANY</b>	MFS Heritage Trust Company	0.190	0.190
	MFS Investment Management Canada Limited	0.008	0.008
	MFS Institutional Advisors Inc	0.131	0.131
	MFS International Singapore Pte. Ltd	0.135	0.135
	MFS Investment Management KK	0.004	0.004
	MFS International (UK) Limited	0.142	0.142
	Massachusetts Financial Services Company	4.487	4.487
	<b>TOTAL</b>	<b>5.097</b>	<b>5.097</b>
<b>WELLINGTON MANAGEMENT GROUP LLP</b>	Wellington Management International Ltd	0.420	0.420
	Wellington Management Company LLP	9.498	9.498
	<b>TOTAL</b>	<b>9.918</b>	<b>9.918</b>
<b>NORGES BANK</b>	Norges Bank	3.004	3.004
	<b>TOTAL</b>	<b>3.004</b>	<b>3.004</b>
<b>AVIVA INVESTORS GLOBAL SERVICES LIMITED</b>	Aviva Investors Global Services Limited	3.956	3.956
	<b>TOTAL</b>	<b>3.956</b>	<b>3.956</b>

TABLE 2 – STRUCTURE OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS <sup>1</sup>												
Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. of other posts held ***	(*)	
<b>Fabio Cerchiai</b>	1944	25/03/2014	29/04/2016	Approv. FS at 31/12/18	BoD	***	X	X	X	12	17/19	
<b>Gianandrea De Bernardis</b>	1964	25/03/2014	29/04/2016	Approv. FS at 31/12/18	BoD	X				2	15/19	
<b>Marco Nespolo •</b>	1973	25/03/2014	29/04/2016	Approv. FS at 31/12/18	BoD	X				4	19/19	
<b>Sabrina Delle Curti</b>	1975	22/09/2015	29/04/2016	Approv. FS at 31/12/18	BoD	X				1	19/19	
<b>Andrea Mignanelli</b>	1969	29/04/2016	29/04/2016	Approv. FS at 31/12/18	BoD	X				6	16/19	
<b>Roberto Mancini</b>	1971	29/04/2016	29/04/2016	Approv. FS at 31/12/18	BoD	X				3	19/19	
<b>Mara Caverni</b>	1962	30/04/2014	29/04/2016	Approv. FS at 31/12/18	BoD		X	X	X	2	17/19	
<b>Aurelio Regina</b>	1963	30/04/2014	29/04/2016	Approv. FS at 31/12/18	BoD		X	X	X	8	17/19	
<b>Giulia Bongiorno</b>	1966	29/04/2016	29/04/2016	Approv. FS at 31/12/18	BoD		X	X	X	3	12/19	
<b>Marco Maria Fumagalli</b>	1961	29/04/2016	29/04/2016	Approv. FS at 31/12/18	m		X	X	X	5	17/19	
<b>Valentina Montanari</b>	1967	29/04/2016	29/04/2016	Approv. FS at 31/12/18	m		X	X	X	2	18/19	
<b>Number of meetings held during the reporting year: 19</b>				<b>Risk and Control Committee: 8</b>			<b>Related Party Committee: 4</b>		<b>Remuneration and Nomination Committee: 6</b>			
<b>Quorum required to file minority slates by minorities for the appointment of one or more members (article 147-ter Consolidated Law on Finance): 2.5% or the percentage set by Consob regulation</b>												

N.B.

• This symbol designates the director in charge of the internal control and risk management system.

\* 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. A detailed list of the posts held is provided in the Corporate Governance Report.

(\*) 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 should have attended (e.g., 6/8; 8/8; etc.).

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

Componenti	RISK AND CONTROL COMMITTEE		RELATED PARTY COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	(*)	(**)	(*)	(**)	(*)	(**)
Fabio Cerchiai			P	4/4		
Gianandrea De Bernardis						
Marco Nespolo •						
Sabrina Delle Curti						
Andrea Mignanelli						
Roberto Mancini						
Mara Caverni	8/8	P	4/4	M	5/6	M
Aurelio Regina	7/8	M			6/6	P
Giulia Bongiorno					3/4	M
Marco Maria Fumagalli			3/4	M	4/6	M
Valentina Montanari	8/8	M				

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	13/04/2017	Approv. FS at 31/12/19	m	X	6/6	8
Standing auditor	Costanza Bonelli	1968	13/04/2017	13/04/2017	Approv. FS at 31/12/19	M	X	6/6	10
Standing auditor	Paolo Ludovici	1965	14/03/2014	13/04/2017	Approv. FS at 31/12/19	M	X	1/6	27
Alternate auditor	Laura Acquadro	1967	28/05/2014	13/04/2017	Approv. FS at 31/12/19	M	X	-	26
Alternate auditor	Antonio Mele	1968	13/04/2017	13/04/2017	Approv. FS at 31/12/19	m	X	-	9

SINDACI CESSATI DURANTE L'ESERCIZIO DI RIFERIMENTO									
Chairman	Paolo Ludovici	1958	14/03/2014	14/03/2014	Approv. FS at 31/12/16	N/A	X	5/5	28
Standing auditor	Ezio Simonelli	1958	14/03/2014	14/03/2014	Approv. FS at 31/12/16	N/A	X	5/5	18
Standing auditor	Laura Acquadro	1967	28/05/2014	28/05/2014	Approv. FS at 31/12/16	N/A	X	5/5	26
Alternate auditor	Lucia Foti Belligambi	1972	14/03/2014	14/03/2014	Approv. FS at 31/12/16	N/A	X	-	7
Alternate auditor	Renato Colavolpe	1953	28/05/2014	28/05/2014	Approv. FS at 31/12/16	N/A	X	-	23

**Number of meetings held during the reporting year: 11**

*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. 19856 of 25 January 2017.*

\* 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 should 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	Other companies where they hold a post	Post held at the company or equity interest held
Name and Surname		
Fabio Cerchiai	ATLANTIA S.P.A.	Chairman of the Board of Directors
	AUTOSTRADE PER L'ITALIA S.P.A.	Chairman of the Board of Directors
	EDIZIONE S.R.L.	Chairman of the Board of Directors
	SIAT – SOCIETÀ ITALIANA ASSICURAZIONE E RIASSICURAZIONE S.P.A.	Chairman of the Board of Directors
	UNIPOLSAI ASSICURAZIONI S.P.A.	Deputy chairman of the board of directors
	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	Deputy Chairman
	ACCADEMIA ITALIANA DI ECONOMIA AZIENDALE	Director
Gianandrea De Bernardis	CENSIS – FONDAZIONE CENTRO STUDIO INVESTIMENTI SOCIALI	Member of the Steering Committee
	ASSONIME	Member of the Steering Committee
	CERVED GROUP S.P.A.	Chairman of the Board of Directors
Mara Anna Rita Caverni	CAPITAL FOR PROGRESS 2 S.P.A.	Director
	ERG S.P.A.	Independent director, member of the risk and control committee, member of the remuneration and nomination committee
Marco Nespolo	SNAI S.P.A.	Chairman of the Board of Directors
	CERVED GROUP S.P.A.	Chief Executive Officer
	CERVED CREDIT MANAGEMENT GROUP S.R.L.	Director
	CERVED CREDIT MANAGEMENT S.P.A.	Director
	CERVED RATING AGENCY S.P.A.	Chairman of the Board of Directors
Sabrina Delle Curti	MASSIMO ZANETTI BEVERAGE GROUP S.P.A.	Independent Director
	CERVED CREDIT MANAGEMENT GROUP S.R.L.	Chief Executive Officer
Andrea Mignanelli	SC RE COLLECTION S.R.L.	Director
	CERVED LEGAL SERVICES S.R.L.	Director
	CERVED CREDIT COLLECTION S.P.A.	Director
	CODIFI S.P.A.	Director
	QUAESTIO CERVED CREDIT MANAGEMENT S.P.A.	Chairman of the Board of Directors

Follows ANNEX 1

Directors	Other companies where they hold a post	Post held at the company or equity interest held
Name and Surname		
Marco Maria Fumagalli	YOOX NET-A-PORTER GROUP S.P.A.	Chairman of the Board of Statutory Auditors
	LEVIATHAN S.R.L.	Director
	FIRST CAPITAL S.P.A.	Director
	CAPITAL FOR PROGRESS ADVISORY S.R.L.	Director
	CAPITAL FOR PROGRESS 2 S.P.A.	Director
Roberto Mancini	4.5 S.R.L.	Director
	CERVED CREDIT COLLECTION S.P.A.	Director
	MANCIO S.R.L.	Sole director
Giulia Bongiorno	JUVENTUS FOOTBALL CLUB S.P.A .	Independent Director
	TERNA PLUS S.R.L.	Chairman of the Supervisory Board
	POSTE ITALIANE S.P.A.	Member of the Supervisory Board
Aurelio Regina	FONDAZIONE MUSICA PER ROMA	Chairman of the Board of Directors
	CENTRO STUDI AMERICANI	Deputy Chairman
	DEFENCE TECH S.P.A.	Chairman
	EGON ZEHNDER INTERNATIONAL S.P.A.	Director
	MANIFATTURE SIGARO TOSCANO S.P.A.	Chairman of the Board of Directors
	SISTEMI E AUTOMAZIONE S.R.L.	Director
	SISAL S.P.A.	Director
	SISAL GROUP S.P.A.	Director
Valentina Montanari	OXFAM ITALIA ONLUS	Director
	MEDIOLANUM GESTIONE FONDI SGR P.A.	Director

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