

# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

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Pursuant to article 123-*bis* of Legislative decree no. 58 of 24 February 1998  
(Traditional administration and control model)

Cerved Information Solutions S.p.A.

2015

Report approved by the Board of Directors on 16 March 2016

*<https://company.cerved.com/>*

Cerved Information Solutions S.p.A. – Registered office in via San Vigilio 1, 20142 Milan – Milan company registration and VAT no. 08587760961 – REA no. MI-2035639 – Share capital € 50,450,000

## INTRODUCTION

Cerved Information Solutions S.p.A. ("**Cerved**" or the "**Issuer**" or the "**Company**") has been listed on the Italian Equities Market ("**Mercato Telematico Azionario**" or "**MTA**") organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"), since 24 June 2014 (the "**Flotation Date**").

This report (the "**Report**") has been prepared in accordance with article 123-*bis* of Legislative decree no. 58 of 24 February 1998 (the "**TUF**" or the "**Consolidated Finance Act**") and approved by the Company's Board of Directors on 16 March 2016. It covers the year ended 31 December 2015 (the "**Year**").

Specifically, as required by applicable legislation and regulations and in line with Borsa Italiana's guidelines and recommendations – including those set out in the Fifth Edition of the "*Format for the Report on Corporate Governance and Ownership Structure*" published in January 2015 – 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 (the "**Corporate Governance Code**" or the "**Code**").

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>, section *governance/documents and procedures/procedures*.

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## GLOSSARY

**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.

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

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

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

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

**Chopin Holdings:** Chopin Holdings S.à r.l. (a Luxembourg-based company owned by some funds assisted by companies related to CVC Capital Partners SICAV-FIS S.A.).

**Code/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.

**Italian Civil Code or C.C.:** the Italian Civil Code.

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

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

**Board of Directors:** Cerved's Board of Directors.

**Board of Statutory Auditors:** Cerved's Board of Statutory Auditors.

**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.

**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.

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

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

**Decree 162/2000:** the Ministry of Justice decree no. 162 of 30 March 2000, issued pursuant to article 148 of the Consolidated Finance Act 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.

**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 Finance Act and article 19 of the Articles of Association.

**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.

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

**Issuer or Company:** Cerved.

**Year:** the year ended 31 December 2015 covered by the Report.

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

**Inside Information:** the inside information as defined in article 181 of the Consolidated Finance Act.

**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.

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

**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.

**Supervisor 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.

**Plan:** the incentive and loyalty plan called "*Performance Share Plan 2019-2021*" approved by the shareholders in their ordinary meeting on 14 December 2015.

**Related Party Procedure:** the procedure governing related party transactions applied by the Company on 28 May 2014, in implementation of article 2391-*bis* of the Italian Civil Code and the Related Party Regulation.

**Inside Information Procedure:** the procedure governing the internal management and external disclosure of Inside Information adopted by the Company, with the Board of Directors' resolution dated 23 June 2014, in line with application criterion 1.C.1, letter j) of the Code.

**Internal Dealing Procedure:** the procedure adopted by the Company's Board of Directors with resolution dated 23 June 2014, pursuant to article 114.7 of the Consolidated Finance Act and article 152-*octies*.8, letter a) of the Issuers' Regulation.

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

**Shareholders' Meeting Regulation:** the regulation approved by the Board of Directors on 25 March 2014 and, subsequently, by the Shareholders' Meeting on the same date, effective subject to the commencement of trading of the Company's shares on the Mercato Telematico Azionario.

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

**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).

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

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

**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.

**Risk and Control System:** Cerved's internal control and risk management system.

**Company or Issuer:** Cerved.

**Articles of Association:** Cerved's articles of association, as last amended following the resolution passed by the shareholders in their extraordinary Meeting of 21 December 2015, available on the Company's website [https://company.cerved.com](https://company.cerved.com/), section [governance/documents and procedures/documents](#).

**TUF or Consolidated Finance Act:** Legislative decree no. 58 of 24 February 1998, implementing the consolidated law on finance, as subsequently supplemented and amended.

# 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* and following 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>1</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>2</sup>;
- the legally-required audit of the Issuer's financial statements is assigned to an audit company listed in the specific register<sup>3</sup>.

The Board of Directors acts, directly and jointly, by delegating part of its functions to the Chairman and the Chief Executive Officer, to the extent permitted by the Law and the Articles of Association<sup>4</sup>.

The Board of Directors also set up:

- a remuneration and nomination committee (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 (see paragraph 7 of this Report);
- a risk and control committee pursuant to principle 7.P.3 of the Corporate Governance Code (the “**Risk and Control Committee**”<sup>5</sup>).

The powers and operating procedures governing the Company's bodies and the Board of Directors' committees 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.

## 1.2. THE CERVED GROUP AND ITS MISSION

The Issuer is the holding company that controls Cerved Group S.p.A. (“**Cerved Group S.p.A.**”) and the latter's direct and indirect subsidiaries or associates (“**Cerved Group**”).

The Cerved Group operates through individual divisions specialised in the analysis, design, implementation and management of services, products and processes concerning economic/financial information and credit management.

The Cerved Group's activities may be classified into three main business segments:

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<sup>1</sup> See paragraph 4 of this Report.

<sup>2</sup> See paragraph 13 of this Report.

<sup>3</sup> See paragraph 10.4 of this Report.

<sup>4</sup> See paragraph 4.4 of this Report.

<sup>5</sup> See paragraph 9 of this Report.

- *Credit Information* – data and information processing and distribution services for financial institutions, businesses, insurance companies, public authorities, professionals and private individuals;
- *Marketing Solutions* – market and competitors analysis, customised project solutions for the growth of the business and identification of new customers;
- *Credit Management* – credit assessment and recovery services, asset management and remarketing.

Cerved is also one of the main European rating agencies.

### 1.3. SOCIAL RESPONSIBILITY

The Issuer adopted a Code of Ethics, last amended in March 2015 (the “**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.

## 2. THE OWNERSHIP STRUCTURE

(pursuant to article 123-*bis*.1 of the Consolidated Finance Act)

### a) Share capital

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

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

In their ordinary Meeting of 14 December 2015, the shareholders approved an incentive and loyalty plan called “*Performance Share Plan 2019-2021*” reserved to the Cerved Group's managers and directors (the “**Plan**”). 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. The Plan's terms and conditions are described in the Information Memorandum prepared pursuant to article 114-*bis* of the Consolidated Finance Act and article 84-*bis* of the Issuers' Regulation published on 12 November 2015, available at the Company's registered office and website (<https://company.cerved.com/>, section governance/shareholders' meeting/ordinary and extraordinary shareholders' meeting - December 14, 2015). In this respect, reference should also be made to the remuneration report prepared and published pursuant to article 123-*ter* of the Consolidated Finance Act and article 84-*quater* of the Issuers' Regulation (the “**Remuneration Report**”), available at the Company's registered office and website [https:// company.cerved.com/](https://company.cerved.com/), section governance/documents and procedures/procedures).

With respect to the Plan, on 21 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, 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, 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 Finance Act)

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 Finance Act)

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 Finance Act, the parties who, directly or indirectly, hold equity interests greater than 2% 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.

On 21 May 2015, Chopin Holdings S.à r.l. (a Luxembourg-based company owned by some funds assisted by companies related to CVC Capital Partners SICAV-FIS S.A.; "**Chopin Holdings**") sold 32 million ordinary shares, equal to 16.41% of the Company's share capital, reducing its interest in Cerved from 55.72% to 39.31%.

On 8 September 2015, through an accelerated bookbuilding process reserved to Italian and foreign qualified and institutional investors, completed on 11 September 2015, Chopin Holdings subsequently sold an additional 29 million ordinary shares, equal to approximately 14.87% of the Company's share capital, reducing its interest in the Issuer's share capital to about 24.438% (47,655,000 ordinary shares).

On 27 November 2015, Chopin Holdings notified the Company, pursuant to article 120 of the Consolidated Finance Act, that, on 23 November 2015, it had sold the residual 47,655,000 Cerved ordinary shares held, equal to 24.438% of the Company's share capital. According to that notified to Cerved, the interest held by Chopin Holdings was entirely sold through the accelerated bookbuilding process, with payment of the related consideration on 26 November 2015.

**d) Securities conveying special rights**

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

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 Finance Act)

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

**f) Restriction on voting rights**

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

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 Finance Act)

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

At the date of approval 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.

The forward start loan agreement signed by the subsidiary Cerved Group S.p.A. on 30 July 2015 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:

- (i) an equity investment in Cerved such to require launching a tender offer;
- (ii) control over Cerved pursuant to article 2359.1 and 2 of the Italian Civil Code; or
- (iii) the power to appoint the majority of Cerved's Board of Directors,

or, should Cerved no longer own 100% of the shares and related economic and voting rights of Cerved Group S.p.A..

The Articles of Association provide no exceptions to the provisions of article 104.1 and 2 of the Consolidated Finance Act regarding the passivity rule (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 Finance Act, applicable to restrictions on transfers of securities, voting rights and multiple-vote.

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

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

As described in letter a) of paragraph 2, pursuant to article 2443 of the Italian Civil Code and article 5 of the Articles of Association, the Board of Directors may increase share capital:

- for a five-year period from the shareholders' authorisation of 21 December 2015, on a free basis and in one or more instalments, up to Euro 756,750, 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' authorisation of 21 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.

Furthermore, in their Meeting of 27 April 2015, the shareholders, after cancellation of the previous authorisation to purchase own shares resolved by the shareholders in their meeting of 25 March 2014, authorised the purchase, in one or more tranches, of the Company's treasury shares for a period of not more than 18 (eighteen) months of the resolution date.

At present, the Issuer does not own any treasury shares.

## **i) Management and coordination**

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

On 30 November 2015, following the transfer of 47,655,000 Cerved shares held by Chopin Holdings, equal to 24.438% of the Issuer's share capital, the Board of Directors confirmed that

Chopin Holdings no longer manages and coordinates Cerved pursuant to article 2497-*bis* of the Italian Civil Code and the Company's shareholding structure is highly fragmented, as is typical of public companies. Consequently, the above management and coordination regulation that the Board of Directors adopted on 10 February 2015 no longer applies.

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Finally, the following should be noted:

- the information required by article 123-*bis*.1, letter i) of the Consolidated Finance Act regarding *“agreements between the Company and Directors [...] calling for indemnities in the event of resignation or dismissal without cause or if the employment relationship were to end due to a tender offer”* is provided in the Remuneration Report available at the Company's registered office and website [https:// company.cerved.com/](https://company.cerved.com/), section governance/documents and procedures/procedures;
- the information required by article 123-*bis*.1, letter l) of the Consolidated Finance Act 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 Finance Act)

The Issuer adopted the principles and recommendations of the Corporate Governance Code, available on Borsa Italiana's website <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2015.pdf>

This Report also covers the principles and application criteria of the Corporate Governance Code which the Company, at present, 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.

On 16 March 2016, the Company had already implemented the Risk and Control Committee regulation and the office assigned to the internal audit manager (the "**Internal Audit Manager**"), adjusting, where necessary, the Corporate Governance Code in July 2015 in relation to the Risk and Control System. Cerved will consider the opportunity to comply with the other new principles of the Code, within the stipulated deadlines<sup>6</sup>

Cerved and its direct and indirect subsidiaries (the "**Subsidiaries**") having strategic importance are not subject to laws other than Italy's laws which influence the Issuer's corporate governance system.

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<sup>6</sup> In accordance with the introduction to the Corporate Governance Code, section "Main principles and temporary regime", paragraph IX, issuers are invited to apply the changes to the Code approved in July 2015 by the end of the year beginning in 2016, informing the market thereof through the corporate governance report to be published in the subsequent year. With respect to the changes implemented by article 8 of the Code ("Statutory Auditors"), the Code invites issuers to implement said changes as of the first renewal of the control body after the end of the year beginning in 2015. The office of Cerved's current Board of Statutory Auditors will expire on the day the shareholders are called in a Meeting to approve the financial statements at 31 December 2016.

## 4. BOARD OF DIRECTORS

### 4.1. APPOINTMENT AND REPLACEMENT

(pursuant to article 123-bis.1, letter l) of the Consolidated Finance Act)

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.

Upon the first renewal of the Board of Directors after the Company's Flotation Date, the slates shall be comprised of candidates from 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 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. 19449 of 28 January 2016, 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 are not appointed, i.e., any higher minimum number required by the laws and regulations in effect, that meet the independence requirements, the relevant candidate 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. Lastly, 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.

In accordance with the Articles of Association, these provisions become applicable from the first renewal of the Board of Directors following the Flotation Date, i.e. the expected renewal of the Board of Directors during the ordinary Shareholders' Meeting called to approve the Company's financial statements at 31 December 2015.

## **Succession plans**

In accordance with the Corporate Governance Code<sup>7</sup>, during the year, the Board of Directors launched a succession plan for some top managers of the Company. Furthermore, following the resignation of five of the eleven members of the current Board of Directors on 11 January 2016, during its meeting of 12 January 2016, the Board of Directors, also considering Chopin Holdings' recent exit from Cerved's shareholding structure, decided not to co-opt new directors to replace the outgoing ones, pursuant to article 2386 of the Italian Civil Code and paragraph 13.11 of the Articles of Association.

During the same meeting, all the other directors also resigned from their post effective from the date of the next Shareholders' Meeting in order to enable the shareholders to appoint the entire Board of Directors. Moreover, the Board of Directors granted the Chairman of the Board of Directors and the Chief Executive Officer the power to carry out, each separately, all acts necessary to call a Shareholders' Meeting to appoint the new Board of Directors. With respect to the renewal of the Board of Directors, in accordance with the Articles of Association, the Board of Directors, assisted by the Remuneration and Nomination Committee, carried out preliminary valuations for filing any slates. In accordance with current regulations, the Board of Directors will file a slate of candidates pursuant to paragraph 13.8 of the Articles of Association. Any further observation on the opportunity to adopt a succession plan for executive directors will therefore rest with the Board of Directors to be appointed in the next Shareholders' Meeting being called.

## **4.2. COMPOSITION**

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

The Board of Directors currently in office is comprised of 11 members. With the sole exception of Sabrina Delle Curti – co-opted by the Board of Directors during the year to replace an outgoing director – all directors currently in office were appointed in 2014, before the Flotation Date, therefore, before application of the above provisions of the Articles of Association governing directors' appointment through the slate voting process.

On 14 March 2014, when the Issuer was incorporated, Giorgio De Palma, Andrea Ferrante, Giampiero Mazza and Federico Quitadamo were appointed directors until the date of the shareholders' meeting called to approve the Company's financial statements at 31 December 2016.

Subsequently, on 25 March 2014, the Shareholders Meeting resolved to increase from four to nine the number of directors and filled the resulting vacancies of the Board of Directors, naming the following five directors: Fabio Cerchiai (chairman of the Board of Directors), Gianandrea De Bernardis, Marco Nespolo, Edoardo Francesco Maria Romeo and Francisco Javier De Jaime Guijarro. The Shareholders Meeting decided that the new directors would have remained in office until the end of the term of office of the four directors initially appointed, i.e., until the Shareholders' Meeting called to approve the Company's financial statements at 31 December 2016.

Gianandrea De Bernardis was appointed Cerved's Chief Executive Officer on 31 March 2014<sup>8</sup>.

In the next meeting held on 30 April 2014, the shareholders decided to increase from nine to eleven the members of the Board of Directors, appointing the remaining two directors: Mara Anna Rita Caverni and Aurelio Regina.

On 26 August 2015, the director Edoardo Romeo resigned from his post effective from 31 August

<sup>7</sup> See application criterion 5.C.2 of the Code.

<sup>8</sup> See paragraph 4.4.1 of this Report.

2015. Consequently, on 22 September 2015, the Board of Directors co-opted a director to replace the outgoing director, pursuant to article 2386.1 of the Italian Civil Code and paragraph 13.11 of the Articles of Association, appointing Sabrina Delle Curti, the Company's former general counsel, until the first Shareholders' Meeting after the co-optation. Sabrina Delle Curti was subsequently confirmed as director until the end of the term of office of the other directors in office set by the shareholders in their Meeting of 14 December 2015.

As mentioned in paragraph 4.1, on 11 January 2016, the directors Giampiero Mazza, Giorgio De Palma, Andrea Ferrante, Francisco Javier De Jaime Guijarro and Federico Quitadamo resigned from their post in the Company and the Subsidiary Cerved Group S.p.A., effective from the next Shareholders' Meeting. On 12 January 2016, the Board of Directors decided not to co-opt new directors to replace the outgoing ones, pursuant to article 2386 of the Italian Civil Code and paragraph 13.11 of the Articles of Association and entrusted the chairman of the Board of Directors, Fabio Cerchiai, and the Chief Executive Officer, Gianandrea De Bernardis, with the calling of a Shareholders' Meeting to appoint the entire Board of Directors through the slate voting mechanism.

A brief curriculum vitae is provided below for each director showing the competencies and expertise developed in the field of business management.

### **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. Mr. Cerchiai served as chairman of INA Assitalia and ANIA – National Association of Insurance Companies. He served on the boards of directors of important financial companies both in Italy and abroad. He is currently chairman of Cerved (Cerved Group S.p.A. until June 2014), Atlantia S.p.A., Autostrade per l'Italia S.p.A., Arca Vita S.p.A. and Arca Assicurazioni S.p.A., Unipolsai S.p.A. as of January 2014 (Fondiarina – Sai S.p.A. Milano Assicurazioni S.p.A. until December 2013), SIAT S.p.A. and Fest Fenice Servizi teatrali. Since 2010 he has also been a member of the Italian Academy of Business Economics, deputy chairman of ANSPC – Associazione Nazionale per lo Sviluppo dei Problemi di Credito and a director of AISCAT – Associazione Italiana Società Concessionarie Autostrade e Trafori. He is a member of Assonime's and Fondazione Censis' Management Boards. He is also a director of Edizione S.r.l. and Quadrivio Group S.p.A.. 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 summa cum laude 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. since June 2009 and of Cerved since 2014. In this capacity he oversees the growth strategy of the Cerved Group.

### **Giampiero Mazza**

Giampiero Mazza was born in Rome on 21 May 1969. He earned a summa cum laude degree in economics from Rice University (Houston, Texas, USA) in 1991 and a master's degree in business administration from the Harvard Business School (Boston, Massachusetts, USA) in 1996. He began his career as a business strategy consultant at the Dallas (Texas, USA) office of Bain & Company, later joining James D Wolfensohn Inc. (New York, New York, USA), a company specialized in M&A. From 2005 to 2010, he was a Partner at BC Partners (London, U.K.), a private equity firm. He has been at CVC Capital Partners since 2010, where he is currently a senior managing director in charge of activities in Italy.

### **Giorgio De Palma**

Giorgio De Palma was born in Milan on 28 August 1974. He earned a summa cum laude degree in nuclear engineering from the Polytechnic University in Milan and an engineering degree from the École Centrale de Paris. He began his career at Morgan Stanley, where he worked for more than four years in the M&A team. In 2005, he joined CVC Capital Partners, where he currently holds the position of managing director. Mr. De Palma has been a member of the board of directors of Lecta S.A. since December 2009 and is currently a member of Sub Lecta 1 S.a., Sub Lecta 2 S.a., Sub Lecta 3 S.a. and Sub Lecta 4 S.a. board of directors.

### **Federico Quitadamo**

Federico Quitadamo was born in Rome on 9 December 1984 and earned a degree in business economics from the LUISS Guido Carli University in Rome in 2006. From 2007 to 2010, Mr. Quitadamo worked at the investment banking division of Bank of America Merrill Lynch in Milan and London, focusing on M&A and Corporate Finance. In 2010, he joined the private equity team at CVC Capital Partners, where he currently serves as investment director.

### **Andrea Ferrante**

Andrea Ferrante was born in Martina Franca (TA) on 24 April 1979. He earned a summa cum laude degree in economics from the LUISS Guido Carli University in Rome. From 2004 to 2007, he worked at Lehman Brothers in London. He then worked at Cinven, in Milan, Hong Kong and London from 2007 to 2013, and served as a non-executive director of Avio S.p.A. from 2009 to 2013. Mr. Ferrante has worked at CVC Capital Partners in Milan since 2013. He is Debussy S.r.l. sole director.

### **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 followed 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). Since July 2013, he has been chief operating officer of Cerved Group S.p.A. He is currently a director of Cerved, and of subsidiaries Cerved Group S.p.A., Cerved Credit Management Group S.r.l., Cerved Credit Management S.p.A., Cerved Rating Agency S.p.A., Consit Italia S.p.A. and Spazio Dati S.r.l..

### **Francisco Javier De Jaime Guijarro**

He was born in Madrid on 26 September 1964 and holds a law degree from Icade University in Madrid and a master's degree in business administration from the University of Houston (Texas, USA). He began his career in 1991 as an investment controller at 3I Group Plc. where he was named regional director at the Madrid office in 1992. From 1997 to 2002, he worked in the capacity as joint general director at CVC Capital Partners, where he was appointed managing partner in 2003, a capacity in which he continues to serve today. He is currently a director of Cortefiel S.a., Eurofiel Confeccion S.a.u., Mep Retail Espana S.l.u., Lecta S.a., Sub Lecta 1 S.a., Cortefiel Servicios S.a., Deoleo, Torraspapel S.a., Idcsalud Holding S.l.u. and Desarrollos Empresariales Piera S.l.u.

### **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. She began her professional career in Paris at PricewaterhouseCoopers 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 currently holds several positions as independent director at several well-known companies (such as Snai S.p.A., Anima Holding S.p.A. (acting as chairwoman of the risk and control committee), Anima SGR S.p.A. and, since May 2015, ERG S.p.A.). Until 2010, she was a visiting professor at the Master's Program in Merchant Banking at Carlo Cattaneo University – LIUC in Castellanza (VA) and, since 2011, has been a member of the Executive Committee of the Master Program (FINBANK) at Università Cattolica del Sacro Cuore in Milan. 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 summa cum laude degree 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 Latium. 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 2013, he has been 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, a company for Unioncamere Lazio's internationalisation. Since 2011 he has been chairman of the Rome Fondazione Musica and deputy chairman of the American Study Centre (association), a member of the board of Aspen Institute Italia (association), and deputy chairman of Credit Suisse Italy S.p.A., chairman of Manifatture Sigaro Toscano S.p.A. and partner and a member of the board of directors of Egon Zehnder International S.p.A..

### **Sabrina Delle Curti**

Sabrina Delle Curti was born in Bassano del Grappa (Vicenza) on 16 May 1975 and earned a summa cum laude degree in law from the Parma University in 2001. She has been registered to the Bar Association of Milan since 2005. Ms. Delle Curti achieved and consolidated her legal experience working at Bonelli Erede Pappalardo law firm and, since 2008 until 2010 at Sopaf S.p.A., a listed financial company, working mainly on domestic and cross-border mergers & acquisitions and capital markets IPOs. Furthermore, she has cooperated with the Private Law Department of the Milan Bicocca University. From 2011 to July 2015, she covered the role of director of legal and corporate affairs of Green Hunter S.p.A., active in the renewable energy sector, covering the position of secretary to the Board of Directors. Since July 2015 she has been Cerved Group's general counsel.

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

The Corporate Governance Code<sup>9</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 did not express its opinion;
- b) in motivating 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) the Board of Directors' opinion may be further discussed and assessed by the Board of Directors being elected, also to consider the Company's real needs and, more in general, the possible development of the Italian listed companies' practice on this point;
- d) although the Board of Directors decided not to adopt a specific rule governing the

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<sup>9</sup> Application criterion 1.C.3.

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.

In accordance with the Corporate Governance Code<sup>10</sup>, the posts of directors currently held by some directors of Cerved at third party companies, at the date of approval of this Report, are summarised in Table 2 (“Structure of the Board of Directors and Committees”) attached hereto and listed in detail in Annex 1 (“List of Directors’ offices”).

## Induction Programme

On 12 May 2015, the Board of Directors decided to implement an induction programme for 2015<sup>11</sup> (the “**Induction Programme 2015**”), which included a session, held on 30 July 2015, about the market in which the Cerved Group operates (Cerved Rating Agency S.p.A. and Cerved Credit Management S.p.A. operate in the business information sector) and operational general management. The second session covering the business plan for Cerved Credit Management S.p.A. and Finservice S.p.A. did not take place given the resignations of all directors in office. The induction programme is expected to be resumed once the new board of directors has been appointed.

## 4.3. ROLE OF THE BOARD OF DIRECTORS

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

The Board of Directors meets on a regular basis. During the year, the Board of Directors met 11 times. In accordance with the financial calendar, it will meet 6 times in 2016. At the date of this Report, 3 meetings had already been held, specifically on 12 January 2016, 13 January 2016 (these were not originally included in the calendar) and 16 March 2016.

Board meetings had an average duration of about 70 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.

Parties external to the Board of Directors (including, in particular, the financial reporting manager, appointed pursuant to article 154-*bis* of the Consolidated Finance Act and article 19 of the Articles of Association (the “**Financial Reporting Manager**”), and the investor relator and the Subsidiaries’ chief executive officers) were invited to attend Board meetings in connection with specific issues discussed by the Board of Directors.

In accordance with the Articles of Association<sup>12</sup>, notices of Board meetings were 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 listed 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 that timely and

<sup>10</sup> See application criterion 1.C.2 of the Code.

<sup>11</sup> Pursuant to application criterion 2.C.2 of the Corporate Governance Code.

<sup>12</sup> See paragraph 15.3 of the Articles of Association.

complete pre-meeting information is sent at least two days before the date of the Board meeting, 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; this period of time was generally complied with during the year.

When, in specific cases, also in order to preserve the confidentiality of the supplied information and data, the necessary pre-meeting information cannot be sent well in advance, the Chairman must ensure that adequate and accurate information is provided during the Board's meeting.

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 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>13</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 that is compatible with the Issuer's strategic objectives;
- 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 internal control and risk management system (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 the length of their service on the Board.

In addition to exercising the powers attributed to it by the law, in accordance with the Articles of Association<sup>14</sup> the Board of Directors resolves on the following items:

<sup>13</sup> See application criterion 1.C.1 of the Code.

<sup>14</sup> See paragraph 19.2 of the Articles of Association.

- 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 16 March 2016, 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 manager in charge of the Risk and Control System (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>15</sup>.

Furthermore, the Board of Directors periodically checked the general performance of operations<sup>16</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, opting for assessments on a case-by-case basis.

- Finally, the Board of Directors promoted an annual self-assessment process<sup>17</sup> that involves the directors filling out special questionnaires prepared by an independent third party, the lawyer Emiliano Nitti, who also holds the following offices at the Cerved Group: Chairman of the Board of Statutory Auditors of Consit Italia S.p.A. and Recus S.p.A.;
- Standing Auditor at Finservice S.p.A., Cerved Credit Management Group S.r.l., Cerved Credit Management S.p.A. and Cerved Rating Agency S.p.A.;
- Chairman of the Supervisory Body of Cerved Rating Agency S.p.A. and Consit Italia S.p.A.;
- Member of the Supervisory Body of Cerved Group S.p.A., Finservice S.p.A., Cerved Credit Management S.p.A., Cerved Legal Services S.r.l. and Cerved Information Solutions S.p.A..

<sup>15</sup> Pursuant to application criterion 1.C.1(c) of the Corporate Governance Code.

<sup>16</sup> Pursuant to application criterion 1.C.1(e) of the Corporate Governance Code.

<sup>17</sup> Recommended by application criterion 1.C.1(g) of the Corporate Governance Code.

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>18</sup>, the Board of Directors carried out a self-assessment also for the year under review. The self-assessment questionnaires were sent to all directors on 26 February 2016 (in English for non-Italian Directors) and the answers to questionnaires were then collected anonymously and aggregated into a summary document which was examined by the Board of Directors during the meeting held on 16 March 2016.

The results of the self-assessment process showed the following:

- a) an overall positive self-assessment;
- b) the Company's management availability and open-minded approach to independent directors and management's ability to adopt suggestions;
- c) the need, sometimes, to send pre-meeting documentation sufficiently in advance;
- d) the possibility of implementing further induction programmes;
- e) the interest in organising an informal strategic retreat of the Board to discuss the business' future developments and/or market scenarios.

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:

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<sup>18</sup> Application criterion 1.C.1(g) of the Code.

- to its Chairman;
- to the Chief Executive Officer.

The powers assigned to the Chief Executive Officer, on the date of his appointment on 31 March 2014, and the Chairman, as per the Articles of Association, are described below.

#### 4.4.1. Chief Executive Officer

The Chief Executive Officer, Gianandrea De Bernardis, 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, with the right to execute, in his capacity as negotiating representatives, 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 in any type of court proceedings, including enforcement and composition with creditors proceedings, both as plaintiff and defendant, before any jurisdiction of any type and level, and agreeing to settlements or waivers within the context of judicial and extra-judicial litigation;
- c) requesting the issuance, as well as amendments to and/or integrations of the licence pursuant to art. 134 of Royal Decree no. 773 of 18 June 1931, implementing the Consolidated Public Security Act (so-called TULPS), of commercial information, as required by article 5.1, letter b) of the related implementing regulation (Ministry of the Interior Decree no. 269 of 1 December 2010), providing him with all of the power of ordinary and extraordinary administration concerning the management of the above license, and representing the Company for the purpose of handling the activities for which the above license was issued;
- d) pursuing or approving the purchase, sale, exchange or contribution of real estate, equity investments, business units or lines involving amounts not greater than Euro 250,000 for each individual transaction and for amounts of up to Euro 500,000 with the joint signature of one of the directors Giampiero Mazza or Giorgio De Palma;
- e) negotiating and executing operating and finance leases for movable property, including leases for more than one year, all of the above provided the Company's total annual expense commitment is not greater than Euro 250,000, and up to Euro 500,000, for each individual transaction, with the joint signature of one of the directors Giampiero Mazza or Giorgio De Palma;
- f) buying, selling and trading-in vehicles, in general and by means of finance leases, with the power to exempt from liability the Registrars;
- g) negotiating and executing supply contracts with suppliers of electric power, telephone service, gas, water and similar utilities, making and signing any and all declarations that may be necessary and appropriate, including applications for transfer and cancellation of registration;
- h) authorising payment of all approved expenses without amount restrictions;
- i) approving sales prices, special sales terms, distribution contracts and agency contracts;

- j) waiving receivables that are uncollectible or the collection of which would be unprofitable for amounts not greater than Euro 10,000;
- k) approving contracts to buy databases for distribution to third parties, within the limit set forth in point d), and contracts by which the distribution in Italy and/or abroad of the Company's product and services is entrusted to third parties;
- l) executing 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 and using those funds without limitations as to amount by means of payment orders and/or by drawing checks; operating these accounts using any overdraft facilities within the limits of the available credit; authorising cash management transactions;
- m) executing loan agreements and otherwise assume financial debt up to the limit of total indebtedness of Euro 1,000,000 per reporting year;
- n) demanding and collecting, 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;
- o) paying the periodic remuneration to employees and the corresponding mandatory social security contributions;
- p) hiring and dismissing white collars, junior managers and managers within the workforce approved by the Board of Directors and define employees' remuneration in accordance with the guidelines established by the Board of Directors;
- q) delegating powers to managers or other Company employees and professionals within the limits of the powers granted to the Chief Executive Officer;
- r) awarding professional assignments, and appointing and dismissing legal consultants and lawyers to represent and defend the Company in out-of-court and/or judicial litigation, including arbitration and enforcement and composition with creditors proceedings, both as plaintiff and defendant, before any jurisdiction, in Italy and abroad, of any type and level;
- s) 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;
- t) executing, terminating and cancelling insurance and reinsurance contracts, executing policies with any entity or company;
- u) conducting any activity required to obtain licenses, authorisations and concessions;
- v) representing the Company and casting votes in its name and on its behalf at shareholders' meetings of subsidiaries and investees.

It is noted<sup>19</sup> that, at the date of this Report, no instances of interlocking directorate exist: indeed, Cerved's Chief Executive Officer, Gianandrea De Bernardis, does not hold any other directorships

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<sup>19</sup> Pursuant to application criterion 2.C.5 of the Corporate Governance Code.

in companies, other than group companies, in which another director of Cerved acts as chief executive officer.

#### **4.4.2. Chairman of the Board of Directors**

The Chairman, Fabio Cerchiai, exercises the functions attributed to him pursuant to the law. Specifically, he:

- a) has the power to represent the Company;
- b) chairs ordinary and extraordinary Shareholders' Meetings;
- c) convenes and chairs meetings of the Board of Directors, 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.

As described in paragraph 4.3 of the Report, the Chairman is also responsible for:

- a) ensuring, also assisted by the Secretary to the Board of Directors, that timely and complete pre-meeting information is sent, adopting the necessary procedures 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;
- b) when, in specific cases, the necessary pre-meeting information cannot be sent well in advance, ensuring that adequate and accurate information is provided during the Board's meetings; and
- c) ensuring that sufficient time is devoted to each item on the agenda to allow a constructive discussion, encouraging directors to provide their contribution during the meetings.

#### **4.4.3. Executive Committee**

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

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

#### **4.4.4. 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 about any transaction with a material impact on the Company's financial position and results of operations, or transactions that are otherwise highly material because of their size or characteristics executed by the Company and the Subsidiaries. More specifically, they shall report on transaction in which they may have an interest, directly or on behalf of third parties, or which are influenced by the party that exercises guidance and coordination, if any.

## **4.5. OTHER EXECUTIVE DIRECTORS**

In addition to the Chief Executive Officer, the Board of Directors includes two other executive

directors: Giampiero Mazza and Giorgio De Palma, who have been separately empowered, with joint signature of the Chief Executive Officer,

- a) to dispose of or approve the purchase, exchange or conveyance of real estate, equity investments and business units or lines exceeding Euro 250,000 per transaction and up to Euro 500,000 per transaction;
- b) to negotiate and execute 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 up to Euro 500,000 per transaction.

In addition, Marco Nespolo, as Chairman of Cerved Rating Agency S.p.A. and Operations General Manager of Cerved Group S.p.A. and a member of the boards of directors of Cerved Credit Management S.p.A., Cerved Credit Management Group S.r.l., Consit Italia S.p.A. and Spazio Dati S.r.l. is an executive director. Until his effective resignation from his post of director of Cerved (31 August 2015), Edoardo Romeo was also deemed to be an executive officer being chairman and chief executive officer of Finservice S.p.A. and a member of the boards of directors of Cerved Credit Management Group S.r.l. and Cerved Credit Management S.p.A. and commercial general manager of Cerved Group S.p.A. Starting from 22 September 2015, the date he was co-opted in the Board of Directors, Sabrina Delle Curti, general counsel of the Cerved Group, is also an executive director.

## 4.6. INDEPENDENT DIRECTORS

In its meeting of 2 May 2014, the first available meeting subsequent to the integration of the number of Directors to 11 members, the Board of Directors, based on the information provided by each director, checked that the Chairman Fabio Cerchiai and the non-executive directors Mara Anna Rita Caverni and Aurelio Regina met the independence requirements pursuant to article 147-ter.4 of the Consolidated Finance Act and the Corporate Governance Code<sup>20</sup>. All of the criteria set forth in application criterion 3.C.1 were applied in determining whether the above Directors did meet the independence requirements pursuant to the Corporate Governance Code.

Pursuant to the Corporate Governance Code<sup>21</sup>, the results of this assessment process were disclosed to the public by means of an information memorandum dated 6 June 2014 related to the sale and subscription and admission to trading of the Company's shares on the MTA. Furthermore, pursuant to the Code<sup>22</sup>, the Board of Statutory Auditors determined that the criteria and procedures adopted by the Board of Directors to assess the independence of the Directors were correct.

In 2015, the independent directors did not meet outside the meetings held by the Risk and Control Committee and the Remuneration and Nomination Committee, of which all three of them are members. The independent directors have already met once, on 10 February 2016.

Finally, 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, 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.

<sup>20</sup> See application criterion 3.C.1 of the Code.

<sup>21</sup> Application criterion 3.C.4.

<sup>22</sup> Application criterion 3.C.5.

## 4.7. LEAD INDEPENDENT DIRECTOR

Since the conditions set out in the Corporate Governance Code<sup>23</sup> were not met, the Board of Directors did not appoint an independent director as the lead independent director.

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<sup>23</sup> Application criterion 2.C.3, paragraph 1 of the Code, whereby the Board of Directors shall appoint an independent director as a lead independent director in the following cases: (i) the chairperson of the board of directors is chief executive officer; (ii) the position of chair is held by the person that controls the issuer.

## 5. TREATMENT OF CORPORATE INFORMATION

### *Managing inside information*

In accordance with the recommendations of the Corporate Governance Code<sup>24</sup>, on 23 June 2014, the Board of Directors approved a “Procedure for the internal management and external communication of inside information” (the “**Inside Information Procedure**”). This procedure governs the treatment of inside information with regard both to the internal management and external communication of documents and information, as defined in article 181 of the Consolidated Finance Act; the (“**Inside Information**”) related to the Company and its Subsidiaries, and the creation and maintenance of the register of parties with access to Inside Information pursuant to article 115-*bis* of the Consolidated Finance Act (the “**Inside Information Register**”).

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

The parties to whom the provisions of the Inside Information Procedure are applicable are:

- the members of administration, management and control bodies and the employees of the Company and its Subsidiaries;
- any parties who, by virtue of their employment or professional activity have access, on a regular or occasional basis, to Inside Information concerning the Company or the Subsidiaries.

With regard to the internal management and external disclosure of Inside Information, Cerved S.p.A.'s Chief Executive Officer and the Investor Relations Manager shall comply with the recommendations provided by Borsa Italiana S.p.A. in the “Market Information Guide” and by Consob's recommendations and clarifications set out in communication DME/6027054 of 28 March 2006 on information to be provided to the public on significant events and circumstances and compliance with measures to prevent market abuse. The Chief Executive Officer and the Investor Relations Manager shall also be responsible for relations with the press and other communication media and institutional investors, as well as for the dissemination of information through the Internet. The managers of company departments and the chief executive officers of Subsidiaries shall promptly inform the Issuer's Chief Executive Officer of any information concerning the Company and/or the Subsidiaries that could potentially constitute inside information or of significant events of which they became aware by virtue of their employment or professional activity, or as a result of the functions they perform.

The assessment as to whether information qualifies as inside information, triggering the need to disclose it to the market, is performed by the Issuer's Chief Executive Officer, with the support of the managers of the Company's departments from which the information or the significant events originated, as well as with the assistance of the chief executive officers of the Subsidiaries, when the information or significant events concerned a specific Subsidiary.

The Company established an Inside Information Register, in a computer-readable form, which is the responsibility of the Manager in charge of Financial Reporting.

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<sup>24</sup> Application criterion 1.C.1.(j).

## Internal Dealing

In accordance with applicable legislation and regulations<sup>25</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 ("**Internal Dealing Procedure**"). The Internal Dealing Procedure is available on the Company's website <https://company.cerved.com/>, section governance/internal dealing.

The main purpose of the Internal Dealing Procedure is to govern the disclosure obligations applicable to transactions that involve purchases, sales, subscriptions and exchanges of Cerved's shares or other financial instruments based on the Issuer's shares executed by the so-called "relevant persons"<sup>26</sup> and by persons closely related to them<sup>27</sup>. The Internal Dealing Procedure identifies Cerved's relevant persons and defines both the disclosure requirements and the procedure for communicating the information to the Company. The latter has the right to ask each relevant person to provide any information, clarification and/or additional data that may be necessary and/or useful for the purpose of implementing the provisions of the Internal Dealing Procedure.

Cerved designated the Manager in charge of Financial Reporting as the internal dealing officer responsible for receiving, managing and communicating to the market significant information, available on the above website.

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<sup>25</sup> Pursuant to article 114.7 of the Consolidated Finance Act and article 153-*octies*.8, letter (a) of the Issuers' Regulation.

<sup>26</sup> Pursuant to article 152-*sexies*.1, letter (c) of the Issuers' Regulation. Specifically: (i) the members of the board of directors and the internal control body of a listed issuer; (ii) the general managers of a listed issuer and the managers who have regular access to inside information and are authorised to take management decisions that can influence the development and prospects of the listed issuer; (iii) the members of the board of directors and the internal control body, the general managers and the managers who have regular access to inside information and are authorised to take management decisions in a company directly or indirectly controlled by a listed company that can influence the development and prospects of such company if the book value of the holding in the subsidiary represents more than 50% of the listed issuer's assets as shown by the latest approved annual financial statements; and (iv) any other person who holds an interest, calculated pursuant to article 118 of the Consolidated Finance Act, equal to at least 10% of the share capital of the listed issuer represented by voting shares and any other person who controls the listed issuer.

<sup>27</sup> Pursuant to article 152-*sexies*.1, letter (d) of the Issuers' Regulation.

## 6. BOARD COMMITTEES

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

In its meeting of 31 March 2014, the Board of Directors established:

- a remuneration committee, pursuant to principle 6.P.3 of the Corporate Governance Code, with inquiry duties, consultative and advisory functions, in the evaluations and decisions related to the remuneration of the Issuer's directors and key managers;
- a 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.

In its subsequent meeting of 12 November 2015, the Board of Directors entrusted the remuneration committee with the functions of the nomination committee, pursuant to principle 5.P.1 of the Corporate Governance Code, and renamed it "Remuneration and Nomination Committee". As permitted by the Code<sup>28</sup>, the Board of Directors decided to distribute differently or delegate to a smaller number of committees than that required, the functions to be assigned to different committees, in compliance with the respective guidelines on composition and achievement of pre-determined objectives. The Board's decision 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 the nomination committee.

In accordance with the Code<sup>29</sup>, each committee is comprised of at least three members.

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<sup>28</sup> See application criterion 4.C.1(c) of the Code and the comment thereon, clarifying that the combination or distribution of functions may be due to organisational needs and making explicit reference to the possibility of "*establishing one remuneration and nomination committee which complies with the requirements of both committees*".

<sup>29</sup> 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.

## 7. REMUNERATION AND NOMINATION COMMITTEE

### *Composition*

On 31 March 2014, the Board of Directors established a remuneration committee comprised of three independent non-executive directors appointed on 2 May 2014 and whose term of office will expire with that of the Board of Directors. Its members are:

- Fabio Cerchiai (Chairman of the Board of Directors);
- Mara Anna Rita Caverni; and
- Aurelio Regina.

The director Aurelio Regina was appointed chairman of the remuneration committee with the board's resolution dated 28 May 2014.

As described in paragraph 6 of this Report, on 12 November 2015, the Board of Directors – having acknowledged the opportunity to establish a nomination committee pursuant to principle 5.P.1 of the Corporate Governance Code – decided to entrust the remuneration committee with the functions of the nomination committee, and renamed it “Remuneration and Nomination Committee” (the “**Remuneration and Nomination Committee**”).

The above independent directors that already formed part of the remuneration committee were confirmed as members of the Remuneration and Nomination Committee until the end of their term of office as Company's directors. 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>30</sup>.

Furthermore, with respect to the requirements set out in the Code<sup>31</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.

### *Functions of the Remuneration and Nomination Committee*

As mentioned earlier, since its establishment, the Remuneration and Nomination Committee has performed all the tasks assigned to the remuneration committee by the Corporate Governance Code<sup>32</sup>. Specifically:

- a) periodically assessing the adequacy, overall consistency and actual implementation of the directors' and key managers' remuneration policy, based on the information provided by

<sup>30</sup> 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.

<sup>31</sup> 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.

<sup>32</sup> See, inter alia, principle 6.P.4 and application criteria 6.C.5 of the Corporate Governance Code.

the chief executive officer, and formulating proposals in this regard for the Board of Directors;

- b) presenting proposals or expressing 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; monitoring 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, providing 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, submitting proposals to the Board of Directors regarding the incentive system that it deems most appropriate and monitoring the evolution and implementation of the incentive plans over time;
- d) submitting 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) reporting, 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) perform any additional tasks that the Board of Directors assigned 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>33</sup>. Specifically:

- a) to express opinions to the Board of Directors regarding its size and composition and express 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>34</sup>;
- b) to submit the Board of Directors candidates for directors offices in case of co-opting, should the replacement of independent directors be necessary;
- c) to recommend, in the case of renewals, the candidates for directors offices to be proposed, indicating their names and/or requirements;
- d) to prepare a plan for the succession of executive directors;
- e) to oversee 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, to express opinions to the Board of Directors about the size and composition of the Board;

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<sup>33</sup> See also application criteria 5.C.1 and 5.C.2 of the Corporate Governance Code.

<sup>34</sup> 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).

- f) to express recommendations regarding the professional and management skills necessary within the Board of Directors as well with regard to the topics indicated by criteria 1.C.3. and 1.C.4. of the Corporate Governance Code;
- g) to provide the Board of Directors with periodic updates on the development of corporate governance rules, while submitting proposed adjustments;
- h) to prepare 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 2015, the Remuneration and Nomination Committee met 5 times, for which minutes were regularly kept. Each meeting had an average duration of approximately 1 hour and 46 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.

The Remuneration and Nomination Committee invited the Chief Executive Officer, the Chairman of the Board of Statutory Auditors and other Statutory auditors<sup>35</sup>, Cerved's corporate development & investor relations manager, Piero Masera, Cerved's director and the Group's general counsel, Sabrina Delle Curti, the human resources and industrial relations manager, Daniele Pozza, to participate in some meetings and with respect to some items on the meeting's agenda<sup>36</sup>, and in relation to specific issues, advisers who were not in situations such to compromise the independence of judgement<sup>37</sup>.

Following the assignment of the functions typical of a nomination committee to the pre-existing remuneration committee, which was subsequently renamed, on 12 November 2015, the Board of Directors approved a new regulation for the Remuneration and Nomination Committee, upon the proposal of said 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:

- checking achievement of the 2014 short-term incentive objectives for the Cerved Group's managers, junior managers and employees;
- the Company's and the Cerved Group's remuneration policy;
- the 2014 Remuneration Report;
- its budget for 2015;
- the 2015 meeting schedule;
- the review of the performance bonus scheme reserved to managers of the Cerved Group for 2015;
- some analyses on the remuneration positioning of the Cerved Group;
- the long-term Incentive Plan and, specifically, the progress of the relevant assessment and its implementation;
- the Chief Executive Officer's non-competition agreement;
- the proposed change to the committee's regulation.

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. In

<sup>35</sup> As recommended in article 6 of the Corporate Governance Code, whereby the chairman of the board of statutory auditors or another statutory auditor designated by this chairman shall participate in the committee meetings, without prejudice to the fact that other statutory auditors are also allowed to participate.

<sup>36</sup> Pursuant to application criterion 4.C.1(f) of the Corporate Governance Code.

<sup>37</sup> Pursuant to application criterion 6.C.7 of the Corporate Governance Code.

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>38</sup>. The Remuneration and Nomination Committee budget for the Year, as approved by the Board of Directors in its meeting of 13 March 2015, amounted to Euro 30,000.

At the date of this Report, the Remuneration and Nomination Committee has already met twice, on 22 February 2016 and 16 March 2016.

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<sup>38</sup> Pursuant to application criterion 4.C.1(e) of the Corporate Governance Code.

## 8. DIRECTORS' REMUNERATION

For the information to be disclosed in this section, reference should be made to the Remuneration Report approved by the Board of Directors on 16 March 2016. Pursuant to article 123-ter of the Consolidated Finance Act, the Remuneration Report is available at the Company's registered office and website <https://company.cerved.com/>, section governance/documents and procedures/procedures.

## 9. RISK AND CONTROL COMMITTEE

### **Composition**

The Risk and Control Committee, which was established on 31 March 2014 within the Board of Directors, is comprised of 3 independent<sup>39</sup>, non-executive directors, appointed on 2 May 2014, whose term of office ends concurrently with that of the Board of Directors. The members of the Risk and Control Committee are as follows:

- Fabio Cerchiali (Chairman of the Board of Directors);
- Mara Anna Rita Caverni; and
- Aurelio Regina.

The Risk and Control Committee is chaired by Mara Anna Rita Caverni, appointed by the Board of Directors on 28 May 2014.

As required by the Corporate Governance Code<sup>40</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.

### **Functions of 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>41</sup> and the related committee regulation, 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>42</sup>, the Risk and Control Committee, in assisting the Board of Directors:

- a) shall assess, 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) shall review the periodic reports on the assessment of the Risk and Control System and those addressing particularly significant issues prepared by the Internal Audit Manager;
- d) shall monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit department;

<sup>39</sup> As recommended by principle 7.P.4 of the Corporate Governance Code.

<sup>40</sup> See principle 7.P.4 of the Code.

<sup>41</sup> See principle 7.P.3(a).(ii) of the Code.

<sup>42</sup> See application criterion 7.C.2 of the Code.

- 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) shall report to the Board of Directors, at least once every six months, in connection with the approval of the annual and half-year financial report, about the work it performed and the adequacy of the Risk and Control System; and
- g) shall support, with an adequate preparatory activity, 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.

Furthermore, again in accordance with the provisions of the Corporate Governance Code<sup>43</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 Risk and Control 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 Risk and Control System, vis-à-vis the Company's characteristics and the relevant risk profile;
- c) the 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 Risk and Control System, and the rules coordinating the parties involved, while providing an assessment of the system's adequacy;
- e) 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;
- f) 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.

On 31 March 2014, the Board of Directors entrusted the Risk and Control Committee also with the functions typical of the Related Party Committee (the "**Related Party Committee**") as defined in the Related Party Regulation approved by Consob with resolution no. 17221 of 12 March 2010, as subsequently supplemented and amended (the "**Related Party Regulation**")<sup>44</sup>.

In its role of Related Party Committee, the Risk and Control Committee, pursuant to the Related Party Regulation, is responsible for providing the Board of Directors with its opinion on:

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<sup>43</sup> See application criterion 7.C.1 of the Corporate Governance Code.

<sup>44</sup> This possibility was clearly established by Consob, commenting on article 7.1 of the Related Party Regulation, in its communication no. DME/10078683 of 24 September 2010.

- a) the resolutions concerning the Related Party Procedures and relevant changes; and
- b) minor and most significant related party transactions<sup>45</sup>.

The regulation governing the Risk and Control Committee that assigned the above functions to the committee was approved by the Board of Directors on 31 March 2014 and subsequently amended, lastly on 16 March 2016.

During the Year, the Risk and Control Committee met 7 times, for which minutes were regularly kept<sup>46</sup>. Each meeting had an average duration of approximately 1 hour and 45 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.

Furthermore, in accordance with the relevant regulation, the Risk and Control Committee invited 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>47</sup>, the Manager in charge of Financial Reporting and PricewaterhouseCoopers S.p.A.'s reference director of audit and manager (the company in charge of the legally-required audit of Cerved), the Company's accounting and financial statements manager and group managers to attend the meetings in connection with specific issues on the agenda. Furthermore, the Internal Audit Manager also participated in the meetings as secretary.

During the meetings carried out in 2015, 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:

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- the assessment of the independence, adequacy, efficiency and effectiveness of the internal audit department and the Risk and Control System 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 2014 and the 2015 action plan related to the Company and the Group;
- the progress of the activities defined in the 2015 Audit Plan and the events identified, in 2015, as significant for the Company and the Cerved Group;
- the proposed changes to this regulation and the definition of its budget and the 2015 action plan;
- the 2014 report on corporate governance and ownership structure prepared by the Company;
- Cerved's draft financial statements at 31 December 2014 and the half-year report at 30 June 2015;
- the Manager in charge of Financial Reporting's periodic report on the Risk and Control System covering the financial reporting process developed within the Group, specifically in relation to compliance with Law no. 262 of 28 December 2005, implementing the “Provisions to protect savings and regulations of financial markets” (the “**Law on Savings**”);
- the activities related to the adoption and subsequent implementation of an organisational, management and control model pursuant to Legislative decree 231/2001 (the “**231 Model**”);

<sup>45</sup> Pursuant to articles 4.3, 7 and 8 of the Related Party Regulation.

<sup>46</sup> Pursuant to application criterion 4.C.1 of the Code.

<sup>47</sup> Pursuant to application criterion 7.C.3 of the Code.

- the Group enterprise risk management (ERM) project and the internal control and risk management initiatives.

Finally, in its role as related party committee, the Risk and Control Committee discussed and resolved on the preliminary opinions to be provided to the Board of Directors on the above transactions.

At the date of this Report, the Risk and Control Committee has already met twice, on 10 February 2016 and 16 March 2016.

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 13 March 2015, amounted to Euro 30,000.

In accordance with the Corporate Governance Code<sup>48</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, in accordance with the terms specified by the Board of Directors.

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<sup>48</sup> See application criterion 4.C.1(e) of the Code.

## 10. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

### *Introduction*

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

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

- first-level controls, consisting of the control activities carried out by the individual operating units of the Cerved Group (so-called “risk owners”);
- second-level controls, entrusted to specific company functions;
- Internal Audit activities, designed to check the structure and functionality of the Risk and Control System as a whole (third level controls).

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, launched a process to identify, measure, manage and monitor business risks called “Enterprise Risk Management” (the “**ERM Process**”).

As part of the ERM Process, the following activities were carried out:

- updated identification and assessment of the Group's main risks;
- risk assessment by Risk Owners;
- identification of the remedial actions agreed-upon with management and the respective implementation timetables.

The Group's Enterprise Risk Management model (and the related methodology and outcome), as approved by the Board of Directors on 16 March 2016, was aimed at meeting both governance and compliance needs and management needs.

The internal control and risk management model adopted by the Cerved Group has been developed in line with the provisions of the CoSO Internal Control – Integrated Framework.

The aim of the model is to provide management with an organic tool to rely on to (i) understand and assess the risk profile adopted to pursue the strategic objectives defined and (ii) periodically assess the adequacy and effectiveness of the risk management and the internal control systems.

With respect to management needs, the Enterprise Risk Management Model of the Cerved Group provides management with a tool to express and assess the risks and opportunities factors inherent to the Company's decision to support and strengthen the decision-making process.

With respect to the Year under review, on 13 March 2015 the Board of Directors approved the 2015 Internal Audit Plan, based on the report on the activities of the Risk and Control Committee, with the input of the Board of Statutory Auditors and the Director in charge of the Internal Control

and Risk Management System during the preliminary phase.

### ***Main characteristics of the existing internal control and risk management system as it applies to the financial reporting process***

The Risk and Control 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 some 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 Risk and Control System over time related to the financial reporting process and the assessment of its adequacy and effectiveness. The control model applied comprises the following activities:

- a) identification of financial reporting risks;
- b) assessment of financial reporting risks;
- c) identification of the controls vis-à-vis the risks identified;
- d) assessment of the controls vis-à-vis the risks identified.

#### ***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 Risk and Control System for financial reporting.

**d) *Assessment of the controls vis-à-vis the risks identified***

The Risk and Control 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 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.

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

In its meeting of 31 March 2014, the Board of Directors appointed Marco Nespolo as the Director in charge of the Internal Control and Risk Management System pursuant to the Corporate

Governance Code<sup>49</sup>, effective from the Flotation Date. The Director in charge of the Internal Control and Risk Management System:

- a) identifies 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) implements the guidelines defined by the Board of Directors, handling the design, implementation and management of the Risk and Control System and constantly checks its adequacy and effectiveness;
- c) updates the system in response to changes in operating conditions and the legislative and regulatory framework;
- d) may request 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 reports 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) may take appropriate action.

## 10.2. INTERNAL AUDIT MANAGER

In its meeting of 31 March 2014, the Board of Directors, at the proposal of the Director in charge of the Internal Control and Risk Management System and subject to the favourable opinion of the Risk and Control Committee, appointed Orazio Mardente Internal Audit Manager pursuant to the Corporate Governance Code<sup>50</sup> and effective from the Flotation Date. In order to ensure its independence, the Internal Audit department reports functionally to the Risk and Control Committee, the Director in charge of the Internal Control and Risk Management System and the Board of Statutory Auditors. Hierarchically, the Internal Audit department reports to the Chief Executive Officer, with the Board of Directors retaining jurisdiction over the appointment and dismissal of the Internal Audit Manager and the decisions concerning his remuneration and the adequacy of the resources provided to him to discharge his duties.

On 16 March 2016, the Board of Directors, again at the proposal of the Director in charge of the Internal Control and Risk Management System, subject to the favourable opinion of the Risk and Control Committee and the Board of Statutory Auditors, changed the office previously assigned to the Internal Audit manager, including to align its content with the new provisions of the Corporate Governance Code introduced in July 2015. Furthermore, it 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 the 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), compliance with international standards for the practice of internal auditors and other applicable best practices or codes

<sup>49</sup> Specifically, pursuant to principle 7.P.3(a)(i) and application criterion 7.C.4 of the Code.

<sup>50</sup> See principle 7.P.3(b) and application criterion 7.C.5 of the Code.

(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 Risk and Control 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 safeguards adopted by the Company for the physical, logistic and organisational security of the Company's information system. The Internal Audit department performs an 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>51</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 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:

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<sup>51</sup> See application criterion 7.C.5 of the Code.

- performed the audits set out in the approved 2015 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 activities, the operating effectiveness of the controls over the accounting administrative risks and monitoring the progress of the implementation of improvement actions;
- coordinated and monitored Enterprise Risk Management-related activities;
- 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;
- assisted Cerved's personnel with the formalisation of new procedures or the updating of existing ones 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 9001:2008 quality system;
- periodically assessed the suitability of the internal control and risk management system;

### 10.3. 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 Model was updated on 16 March 2016 as per the Board of Directors' resolution.

Specifically, the 231 Model reflects the principles most recently introduced by Confindustria with regard to administrative liability within the framework of groups of companies, and provides useful suggestions for avoiding the risk of the involvement of multiple companies from the same group for a crime committed by only one of those companies. Furthermore, all companies of the Cerved Group adopted their own 231 Models, tailored to their own specific needs, and appointed their own supervisory body responsible for monitoring the implementation of the 231 Model and its effective application.

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 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 crimes;
- 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 public the administration;
- computer crimes and unlawful processing of data;
- crimes 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 injury and extremely serious injury caused by violation of occupational safety laws;
- environmental crimes.

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 13 March 2015 and will remain in office until the approval of the Company's financial statements at 31 December 2016. It is comprised of Davide Mantegazza (a non-company member), who acts as Chairman, Orazio Mardente (Internal Audit Manager) and Emiliano Nitti (a non-company member).

## 10.4. INDEPENDENT AUDITORS

On 25 March 2014, pursuant to articles 13 and 17 of Legislative decree no. 39 of 27 January 2010<sup>52</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

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<sup>52</sup> 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.

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..

## 10.5. 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 31 March 2014, upon a proposal by its Chairman and based on a favourable opinion of the chairman of the Board of Statutory Auditors on behalf of the Board of Statutory Auditors, as required by the provisions of article 154-*bis* of the Consolidated Finance Act 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, effective from the Flotation Date.

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

- developing adequate administrative and accounting procedures for the preparation of the half-year report, the separate and consolidated financial statements, and any other separate communication of a financial nature (article 154-*bis*.3 of the Consolidated Finance Act)
- ensuring that the documents are consistent with the applicable international financial reporting standards endorsed by the European Community pursuant to EC Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002 ("IAS/IFRS");
- ensuring that the documents are consistent with the data in the accounting books and accounting records;
- ensuring that the documents are suitable for providing a true and fair view of the financial position and results of operations of the Issuer and the companies included in the consolidation scope;
- ensuring the reliability, with regard to specific issues, of the content of the report on operations and the interim reports on operations.

The Board of Directors of Cerved Group S.p.A. 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 Risk and Control 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's 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 in the performance of certain obligations arising from the Law on Savings is assisted by the Internal Audit department. Specifically, assistance is required for the following activities:

- assistance with corporate self-diagnosis of the Risk and Control 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.

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

Coordination among the parties involved in the Risk and Control System is ensured by ongoing information flows between them. 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 required to attend meetings of the Risk and Control Committee. 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.

## 11. 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. 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 Company qualifies as a “recently listed company” pursuant to article 3.1, letter g), of the Related Party Regulation and intends to avail itself of the option permitted by article 10 of the Related Party Regulation with regard to highly material transactions (as defined therein), it being understood that, in accordance with the provisions of the Related Party Regulation, the Company shall no longer qualify as “recently listed” as of the date of approval of the financial statements for the second reporting year after the year of listing (i.e., the current year which will end on 31 December 2016).

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 administration and finance 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/>, section governance/documents and procedures/documents.

The Board of Directors places particular emphasis on the identification, within the scope of its jurisdiction, of the cases in which a director has a personal interest or on behalf of third parties and adopted operating solutions that facilitate management of such cases.

## 12. 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 Finance Act and article 144-*quinquies* and following articles of the Consob's Issuers' Regulation, in which candidates must be listed in sequential numerical order and their number must not be greater than the number of members to be appointed. Each slate shall be comprised of two sections: one for the appointment of standing auditors and one for the appointment of alternate auditors. The first 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. 19499 of 28 January 2016, and is equal to 1%. Each shareholder may file or participate in the filing of only one slate and each candidate may be listed only on one slate, on penalty of becoming ineligible.

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

The presentation, filing and publication of the slates shall be governed by the provisions of laws and regulations in effect at any given time. 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 Finance Act, 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.

These provisions shall be applicable upon the first appointment of a new Board of Statutory Auditors after the Flotation Date.

## 13. COMPOSITION AND ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS

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

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 1.2, letters b) and c), of the Ministry of Justice Decree no. 162 of 30 March 2000, which specifies the professionalism and integrity requirements for the members of the boards of statutory auditors of listed companies (the "Decree 162/2000"), 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 Board of Statutory Auditors currently in office was appointed on 14 March 2014, upon the Issuer's incorporation, and integrated on 28 May 2014 following the resignation of the standing auditor Fabio Oneglia, replaced by Laura Acquadro and the alternate auditor Andrea Alberico, replaced by Renato Colavolpe. The term of office of the current Board of Statutory Auditors, comprised of the standing auditors Paolo Ludovici (Chairman), Ezio Simonelli and Laura Acquadro and the alternate auditors Lucia Foti Belligambi and Renato Colavolpe will end with the approval of Cerved's financial statements at 31 December 2016.

The members of the Board of Statutory Auditors meet the independence requirements set out in article 148.3 of the Consolidated Finance Act and the Corporate Governance Code<sup>53</sup>, as described in the information memorandum related to the public offer for the sale and subscription and Cerved shares' admission to trading on the MTA, published on 6 June 2014. 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. The Company has also defined and formalised the Related Party Procedure which also applies to individual statutory auditors.

During the year, the Board of Statutory Auditors met five 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.

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

### Paolo Ludovici

Paolo Ludovici was born in Rome on 9 July 1965 and graduated summa cum laude 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

<sup>53</sup> Application criterion 8.C.1 of the Code.

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. He currently serves as chairman, member of the board of statutory auditors and sole statutory auditor of several companies, including, Necta Vending group companies, Vitale & Co. S.p.A., Vodafone Servizi e Tecnologie S.r.l., Alpitour group companies (including Alpitour S.p.A.), Kairos group companies, Kenergy S.p.A., Ospedale San Raffaele S.r.l., H San Raffaele Resnati S.p.A., Sintonia S.p.A., White Bridge Investments S.p.A., Brunelleschi S.p.A., Faster S.p.A., Flos S.p.A., Elle 52 Investimenti S.r.l., Genenta Science S.r.l. and Franco Tosi S.r.l. Finally, he is Elleffe S.r.l.’s sole director, chairman of the board of directors of Luchi Fiduciaria S.r.l. and director of Varallo Re Divisione Milano S.r.l..

### **Ezio Simonelli**

Ezio Simonelli was born in Macerata on 12 February 1958 and graduated summa cum laude in economics and business administration from the University of Perugia in 1980. He has been registered with the Milan Register of Chartered Accountants since 1982 and is a member of the Register of Chartered Auditors pursuant to Ministerial Decree of 12 April 1995 – OJ 31 *bis* of 1995, and publicist since 1997. Under the government of Canada's measure, acknowledged by the Italian Ministry for Foreign Affairs in March 2013, he has been appointed honorary consul of Canada in Milan. Since June 2014, he has been deputy secretary to the Milan and Lombardy consular corps. He is managing partner at Studio Legale e Tributario Simonelli Associati, a legal and tax firm of over 20 professionals based in Milan. He is also chairman and statutory auditor of listed and non-listed companies, specifically Alba Leasing S.p.A., MARR S.p.A., Mediaset S.p.A., Alisarda S.p.A., Società per Azioni Esercizi Aeroportuali, Cerved Group S.p.A.. Furthermore, he is Lega Calcio Professionisti's liquidator. Finally, he is the author or co-author of several tax, audit and corporate finance monographs.

### **Laura Acquadro**

Laura Acquadro was born in Milan on 1 December 1967 and earned a summa cum laude degree in economics from Luigi Bocconi university in Milan in 1991 and a summa cum laude law degree 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 SIM S.p.A., Spig S.p.A., Jcoplastic S.p.A., Alem S.p.A., Manco S.p.A., Metalcolor S.p.A, Fonderia Carroccio S.p.A., Finbot S.p.A., Ferrari Meccanica S.p.A., Diltom S.p.A., Enfab S.p.A., Immobiliare Cavour Corsica S.p.A., Carsil S.p.A., Crocus S.p.A., Metalimmobiliare S.p.A., Pronto Service Jolly S.p.A. in liquidation, Dom 2000 S.p.A., Espressocap S.p.A. and Fondazione VIDAS. She also serves as a director in Società Finanziamenti Vari S.r.l, Immobiliare Tibaldi S.r.l., Trenova S.p.A., Edilnovanta S.p.A., Centro Alto Milanese S.r.l., T.P.2 S.r.l., Commerciale Velo S.r.l., Fenicia S.r.l. and Società Immobiliare Tangenziale Pauledese S.r.l.

### **Lucia Foti Belligambi**

Lucia Foti Belligambi was born in Catania on 19 July 1972 and earned a degree in economics and business administration from the University of Catania in 1997 and a master’s degree in law and

tax practice from Il Sole 24 Ore in 1998. She was admitted to the Milan Register of Chartered Accountants in 2001 and is a Chartered Auditor pursuant to Ministerial Decree of 18 December 2001 – OJ no. 1 of 2002. Lucia Foti Belligambi is a partner of Studio Legale e Tributario Simonelli Associati in Milan, where her activities involve mainly providing consulting support in the tax and corporate areas to multinationals and groups of publicly traded companies in Italy. She has been featured speaker at tax-related conventions and master programmes. She served as statutory auditor at companies of the Enerpoint Group, Intersider Group, Whitford S.r.l., BDO Remittance Italia S.p.A., Noto S.p.A., CFX S.p.A., Visibilia Pubblicità S.r.l. and Corio Italia Group companies.

### **Renato Colavolpe**

Renato Colavolpe was born in Naples on 7 February 1953 and earned a law degree from Milan's Università Cattolica del Sacro Cuore in 1978. He began his professional career in 1977 as an employee of the Office of the Public Prosecutor of Milan, where he worked until 1979, when he joined the tax department at the head office of Banco Ambrosiano S.p.A.. In 1982, he moved to Bastogi I.R.B.S. S.p.A. where he worked in the tax department, and, in 1984, to SNIA BPD S.p.A., where he was an officer in the taxation and corporate affairs department, where he remained until 1988. From 1989 to 1994, he collaborated with Studio di Consulenza Tributaria e Legale Pirola Pennuto Zei & Associati. From 1994 to 1997, he was a partner of Studio Tributario e Societario Borioli & Colombo Associati. Since 1997, he is the owner of Studio Legale Avv. Renato Colavolpe. He is a member of the Milan Bar and the Register of Supreme Court Lawyers. He is also a Chartered Auditor, Tax Judge, Technical Court Consultant and Criminal Expert. He served in the past and serves currently as statutory auditor at several companies, including, A2A Energia S.p.A., Edison Energia S.p.A. and other companies of the Edison group, Bocoge S.p.A., Cartelli Segnalatori S.r.l., Elster S.r.l., Ergosud S.p.A. and companies of the group Cerved Credit Management S.p.A., Cerved Credit Management Group S.r.l. and Cerved Rating Agency S.p.A.

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 Finance Act and Decree 162/2000.

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

On 12 May 2015, the Board of Directors approved the Induction Programme 2015 for the Board of Statutory Auditors, in addition to ordinary reporting activities in favour of the latter. Moreover, during the meetings of the Board of Statutory Auditors, the chairman provides the other statutory directors with any information and updates relevant to the Company's performance, while regularly providing information about the main updates of the applicable legislative framework and their impact on the Company. 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 and the reference legislative framework.

Any member of the Board of Statutory Auditors holding a personal or third party interest in a specific Issuer's transaction shall promptly and exhaustively inform the other statutory auditors and

the Chairman of the Board of Directors about the nature, terms, origin and extent of their interest.<sup>54</sup>

As explained in paragraphs 10 and 12 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.

At the date of this Report, the Board of Statutory Auditors has already met once, on 9 March 2016.

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<sup>54</sup> Pursuant to application criterion 8.C.4 of the Corporate Governance Code.

## 14. RELATIONS WITH 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: <http://company.cerved.com/>. In this section shareholders can access all relevant information, including financial information (financial statements, interim and quarterly 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 Masera (Investor Relations Manager, appointed by the Board of Directors on 31 March 2014), who serves as the Company's corporate development and investor relations manager<sup>55</sup>.

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 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 <http://company.cerved.com/it/contatti-investitori>) are as follows:

Telephone +39 02 77 54 624

Address: Via San Vigilio, 1 – 20142 Milan

E-mail: [ir@cervedinformationsolutions.com](mailto:ir@cervedinformationsolutions.com)

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<sup>55</sup> Pursuant to application criterion 9.C.1 of the Code.

## 15. SHAREHOLDERS' MEETING

(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 Board of Directors 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, should the Chairman be absent or incapacitated, 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 a specific shareholders' meeting

regulation approved by the Board of Directors on 25 March 2014 and subsequently by the Shareholders' Meeting held on the same date, with effectiveness conditional on the start of trading of the Company's shares on the Mercato Telematico Azionario (the "**Shareholders' Meeting Regulation**")

The Shareholders' Meeting Regulation is available at the Company's registered office and website <https://company.cerved.com/>, section governance/documents and procedures/documents. 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 (so-called Shareholders' Rights Directive) and the recommendations set forth in the Corporate Governance Code<sup>56</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, asking questions and submitting proposals. A request to take the floor may be put forth from the moment the Shareholders' Meeting is called until the Chairman closes discussions about the item on the agenda. In order to guarantee the orderly and effective progress of the Shareholders' Meeting, the Chairman may determine a term for submitting requests to take the floor at the beginning or during the discussion of individual issues.

Again in accordance with the Shareholders' Meeting Regulation, the Chairman shall determine the manner by which shareholders may ask to take the floor and address the Shareholders' Meeting and the order in which this will occur as well as 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, and 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.

Six of the eleven directors in office participated in the Shareholders' Meeting of 27 April 2015, while four directors attended each of the Shareholders' Meeting on 14 and 21 December 2015. During the Meeting of 27 April 2015, 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>57</sup>. During the same Meeting, the Chairman Fabio Cerchiai, as chairman of the Remuneration and Nomination Committee also informed the shareholders about the operating procedures of said committee<sup>58</sup>.

As described in paragraph 2c), on 21 May 2015, Chopin Holdings sold 32 million ordinary shares, equal to 16.41% of the Company's share capital, reducing its interest in Cerved from 55.72% to 39.310%.

On 8 September 2015, through an accelerated bookbuilding process reserved to Italian and foreign qualified and institutional investors, completed on 11 September 2015, Chopin Holdings subsequently sold an additional 29 million ordinary shares, equal to approximately 14.87% of the Company's share capital, reducing its interest in the Issuer's share capital to about 24.438% (47,655,000 ordinary shares).

On 27 November 2015, Chopin Holdings notified the Company, pursuant to article 120 of the Consolidated Finance Act, that, on 23 November 2015, it had sold 47,655,000 Cerved ordinary shares held, equal to 24.438% of the Company's share capital. According to that notified to

<sup>56</sup> See application criterion 9.C.3 of the Code.

<sup>57</sup> Recommended by application criterion 9.C.2 of the Corporate Governance Code.

<sup>58</sup> As recommended in note to article 6 of the Corporate Governance Code.

Cerved, the interest held by Chopin Holdings was entirely sold through the accelerated bookbuilding process, with payment of the related consideration on 26 November 2015.

## **16. ADDITIONAL CORPORATE GOVERNANCE PRACTICES**

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

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

## 17. 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.

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Milan, 16 March 2016

On behalf of the Board of Directors  
The Chairman  
Fabio Cerchiai

## **TABLES**

**TABLE 1 - THE OWNERSHIP STRUCTURE**

<b>SHARE CAPITAL</b>				
	<b>No. of shares</b>	<b>% of share capital</b>	<b>Listed (state the markets)/unlisted</b>	<b>Rights and obligations</b>
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.			

<b>OTHER FINANCIAL INSTRUMENTS (assigning the right to acquire newly issued shares through subscription)</b>				
	<b>Listed (state the markets)/unlisted</b>	<b>No. of securities outstanding</b>	<b>Class of shares earmarked for conversion/exercise</b>	<b>No. of shares servicing the conversion/exercise</b>
Convertible bonds	N.A.			
Warrants	N.A.			

<b>SIGNIFICANT INTERESTS IN SHARE CAPITAL</b>			
<b>Reporting party</b>	<b>Direct shareholder</b>	<b>% interest in common share capital</b>	<b>% interest in voting share capital</b>
<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>OCEANWOOD CAPITAL MANAGEMENT LLP</b>	Oceanwood Capital Management LLP	3.017	3.017
<b>NORGES BANK</b>	Norges Bank	2.122	2.122
<b>WELLINGTON MANAGEMENT GROUP LLP</b>	Wellington Management Group LLP	7.990	7.990
<b>CAPITAL RESEARCH AND MANAGEMENT COMPANY</b>	Capital Group International Inc.	0.963	0.963
	Capital Research and Management Company	5.162	5.162
	<b>TOTAL</b>	<b>6.125</b>	<b>6.125</b>
<b>VANGUARD INTERNATIONAL EXPLORER FUND</b>	Vanguard International Explorer Fund	2.080	2.080
<b>AVIVA INVESTORS GLOBAL SERVICES LIMITED</b>	Aviva Investors Global Services Limited	3.956%	3.956%

TABLE 2 – STRUCTURE OF THE BOARD OF DIRECTORS

Board of Directors <sup>1</sup>												Risk and Control Committee		Remuneration and Nomination Committee	
Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. of other posts held ***	(*)	(*)	(**)	(*)	(**)
Fabio Cerchiai	1944	25/3/2014	25/3/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A		X	X	X	13	10/11	7/7	M	4/5	M
Gianandrea De Bernardis	1964	25/3/2014	31/03/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A	X				1	10/11				
Mara Anna Rita Caverni	1962	30/04/2014	30/04/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A		X	X	X	4	8/11	7/7	P	5/5	M
Francisco Javier De Jaime Guijarro <sup>1</sup>	1964	25/3/2014	25/3/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A		X			10	2/11				
Sabrina Delle Curti <sup>2</sup>	1975	22/09/2015	22/09/2015	Approv. FS at 31/12/16 <sup>1</sup>	N/A	X				0	4/11 <sup>2</sup>				
Giorgio De Palma <sup>1</sup>	1974	14/03/2014	14/03/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A	X				5	9/11				
Andrea Ferrante <sup>1</sup>	1979	14/03/2014	14/03/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A		X			1	8/11				
Giampiero Mazza <sup>1</sup>	1969	14/03/2014	14/03/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A	X				1	9/11				
Marco Nespolo •	1973	25/3/2014	25/3/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A	X				6	10/11				
Federico Quitadamo <sup>1</sup>	1984	14/03/2014	14/03/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A		X			0	9/11				
Aurelio Regina	1962	30/04/2014	30/04/2014	Approv. FS at 31/12/16 <sup>1</sup>	N/A		X	X	X	5	10/11	5/7	M	4/5	P
<b>DIRECTORS WHO LEFT THEIR OFFICE DURING THE REPORTING YEAR</b>															
Edoardo Francesco Maria Romeo	1965	25/3/2014	25/3/2014	31/08/2015	N/A	X				5	5/11				
<b>Number of meetings held during the reporting year: 11</b>						<b>Risk and Control Committee: 7</b>					<b>Remuneration Committee: 5</b>				
<b>Quorum required to file minority slates by minorities for the appointment of one or more members (article 147-ter Consolidated Finance Act): 2.5% or the percentage set by Consob regulation</b>															

## NOTES

<sup>1</sup> On 11 January 2016, the Directors Francisco Javier De Jaime Guijarro, Giorgio de Palma, Andrea Ferrante, Giampiero Mazza and Federico Quitadamo stepped down from their post as directors with effect from the date of the next Shareholders' Meeting. On 12 January 2016, the Board of Directors decided not to co-opt new directors to replace the outgoing directors. In fact, it called a Shareholders' Meeting to appoint the entire Board.

<sup>2</sup> The Director Sabrina Delle Curti was co-opted by the Board of Directors replacing the outgoing Director Edoardo Francesco Maria Romeo on 22 September 2015 and confirmed as director by the shareholders in their Meeting of 15 December 2015. She participated in all the meetings of the Board of Directors held after co-opting.

• 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.

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(\*) 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.

**TABLE 3 – STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

<b>Board of Statutory Auditors</b>									
<b>Position</b>	<b>Members</b>	<b>Year of birth</b>	<b>Date of first appointment *</b>	<b>In office since</b>	<b>In office until</b>	<b>Slate **</b>	<b>Indep. Code</b>	<b>Attendance at Board of Stat. Auditors meetings ***</b>	<b>No. of other posts held ****</b>
<b>Chairman</b>	Paolo Ludovici	1965	14/3/14	14/3/14	Approv. FS at 31/12/2016	N/A	X	5/5	26
<b>Standing auditor</b>	Laura Acquadro	1967	28/05/2014	28/05/2014	Approv. FS at 31/12/2016	N/A	X	5/5	28
<b>Standing auditor</b>	Ezio Simonelli	1958	14/3/14	14/3/14	Approv. FS at 31/12/2016	N/A	X	5/5	15
<b>Alternate auditor</b>	Lucia Foti Belligambi	1972	14/3/14	14/3/14	Approv. FS at 31/12/2016	N/A	X		18
<b>Alternate auditor</b>	Renato Colavolpe	1953	28/5/14	28/5/14	Approv. FS at 31/12/2016	N/A	X		24
<b>-----STATUTORY AUDITORS WHO LEFT THEIR OFFICE DURING THE REPORTING YEAR-----</b>									
<b>N/A</b>									
<b>Number of meetings held during the reporting year: 5</b>									
<b>Quorum required to file minority slates by minorities for the appointment of one or more members (article 148 Consolidated Finance Act):</b> 1% as set by Consob resolution no. 19499 of 28 January 2016.									

\* 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 Finance Act 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 Name and Surname	Other companies where they hold a post	Post held at the company or equity interest held
<b>Fabio Cerchiai</b>	UNIPOLSAI ASSICURAZIONI S.p.A.	Chairman of the Board of Directors
	SIAT - SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI - PER AZIONI	Chairman of the Board of Directors
	QUADRIVIO GROUP S.p.A.	Director
	ATLANTIA S.p.A.	Chairman of the Board of Directors
	AUTOSTRADE PER L'ITALIA S.p.A.	Chairman of the Board of Directors
	ASSONIME	Member of the steering committee
	FONDAZIONE CENTRO STUDI INVESTIMENTI SOCIALI – CENSIS	Member of the steering committee
	EDIZIONE S.r.l.	Director
	FEST FENICE SERVIZI TEATRALI S.r.l.	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	Deputy chairman
	AISCAT – ASSOCIAZIONE ITALIANA SOCIETÀ CONCESSIONARIE AUTOSTRADE E TRAFORI	Director
<b>Gianandrea De Bernardis</b>	CERVED GROUP S.p.A.	Chairman of the board of statutory auditors and chief executive officer
<b>Mara Anna Rita Caverni</b>	SNAI S.p.A.	Independent director, member of the risk and control committee, lead independent director and chairwoman of the related party committee
	ANIMA SGR S.p.A.	Independent director, member of the independent directors' committee, chairwoman of the risk and control committee
	ANIMA HOLDING S.p.A.	Independent director, chairwoman of the risk and control committee
	ERG S.p.A.	Independent director, member of the risk and control committee, member of the remuneration and nomination committee
<b>Francisco Javier De Jaime Guijarro</b>	CORTEFIEL S.A.	Director
	EUROFIEL CONFECCION S.A.U.	Director
	MEP RETAIL ESPANA S.L.U.	Director
	LECTA S.A.	Director
	SUB LECTA 1 S.A.	Director

Directors Name and Surname	Other companies where they hold a post	Post held at the company or equity interest held
<b>Francisco Javier De Jaime Guijarro</b>	TORRASPAPEL S.A.	Director
	IDCSALUD HOLDING S.L.U.	Director
	DESARROLLOS EMPRESARIALES PIERA S.L.U.	Director
	CORTEFIEL SERVICIOS S.A.	Director
	DEOLEO	Director
<b>Sabrina Delle Curti</b>	-	-
<b>Giorgio De Palma</b>	LECTA S.A.	Director
	SUB LECTA 1 S.A.	Director
	SUB LECTA 2 S.A.	Director
	SUB LECTA 3 S.A.	Director
	SUB LECTA 4 S.A.	Director
<b>Andrea Ferrante</b>	DEBUSSY S.r.l.	Sole director
<b>Giampiero Mazza</b>	CVC CAPITAL PARTNERS S.r.l.	Chief Executive Officer
<b>Marco Nespolo</b>	CERVED GROUP S.p.A.	Director
	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
	CONSIT ITALIA S.p.A.	Director
	SPAZIO DATI S.r.l.	Director
<b>Federico Quitadamo</b>	-	-
<b>Aurelio Regina</b>	CREDIT SUISSE (ITALY) S.p.A.	Deputy chairman of the board of directors
	EGON ZEHNDER INTERNATIONAL S.p.A.	Director
	MANIFATTURE SIGARO TOSCANO S.p.A.	Chairman of the board of directors
	FONDAZIONE MUSICA PER ROMA	Chairman of the Board of Directors
	CENTRO STUDI AMERICANI	Chairman
	ASPEN INSTITUTE ITALIA	Director