

Cerved Group S.p.A.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

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



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2018

Approved by the Board of Directors on 5 March 2019



Company data

PARENT COMPANY'S REGISTERED OFFICE

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

PARENT COMPANY'S STATUTORY DATA

Subscribed and paid-in share capital of 50,521,142.00 euros
Milan Company Register No. 08587760961
Milan R.E.A. No. 2035639
Tax I.D. and VAT No. 08587760961
Corporate website: company.cerved.com

Introduction

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

This report (the "**Report**") has been prepared pursuant to Article 123-*bis* of Legislative Decree 58 of 24 February 1998 and approved by the Company's Board of Directors on 5 March 2019 for the financial year that ended 31 December 2018.

Specifically, as required by the applicable legislation and regulations and in line with Borsa Italiana's guidelines and recommendations – including those set out in the Eighth Edition of the "Format for the Report on Corporate Governance and Ownership Structure" published in January 2019¹ – 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 2018.

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

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

1. The Eighth Edition adopts the recommendations and amendments in the Corporate Governance Code, approved by the Corporate Governance Committee in July 2018, regarding diversity in the composition of the corporate bodies, as well as equal treatment and opportunities between genders within the entire organization of the Company. The format was also integrated to adopt the provisions of the transparency regime for SMEs introduced by Consob in resolution no. 20621 of 10 October 2018.

Table of contents

Introduction	5
Glossary	10
1 ISSUER'S PROFILE	13
1.1 The Corporate Governance System	13
1.2 The Cerved Group and its mission	14
1.3 Social Responsibility	15
2 THE OWNERSHIP STRUCTURE	16
a) Share capital	16
b) Restrictions on transfers of securities	17
c) Significant interests in share capital	17
d) Securities conveying special rights	17
e) Employee ownership scheme: mechanism for exercising voting rights	17
f) Restriction on voting rights	17
g) Shareholders' Agreements	18
h) Change of control clauses and Articles of Association provisions on tender offers	18
i) Delegation of powers to increase share capital and authorisation to purchase treasury shares	19
j) Management and coordination	20
3 COMPLIANCE	21
4 BOARD OF DIRECTORS	21
4.1 Appointment and replacement	21
4.2 Composition	25
4.3 Role of the Board of Directors	36
4.4 Delegated bodies	41
4.4.1 Deputy Chairman	41
4.4.2 Chief Executive Officer	42

4.4.3	Chairman of the Board of Directors	47
4.4.4	Executive Committee	47
4.4.5	Reporting to the Board of Directors	47
4.5	Other Executive Directors	47
4.6	Independent Directors	48
4.7	Lead Independent Directors	50
5	TREATMENT OF CORPORATE INFORMATION	50
6	BOARD COMMITTEES	53
7	REMUNERATION AND NOMINATION COMMITTEE	54
8	DIRECTORS' REMUNERATION	58
9	RISK AND CONTROL COMMITTEE	58
10	RELATED PARTY COMMITTEE	64
11	INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	66
11.1	Director in charge of the Internal Control and Risk Management System	70
11.2	Internal Audit Manager	70
11.3	Organisational Model pursuant to Legislative Decree 231/01	73
11.4	Independent Auditors	75
11.5	Manager in charge of financial reporting and other corporate roles and functions	76
11.6	Coordination among the parties involved in the Internal Control and Risk Management System	78
12	INTERESTS OF DIRECTORS AND RELATED PARTY TRANSACTIONS	79

13	STATUTORY AUDITORS' APPOINTMENT	80
14	COMPOSITION AND ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS	82
15	RELATIONS WITH SHAREHOLDERS	90
16	SHAREHOLDERS' MEETINGS	90
17	ADDITIONAL CORPORATE GOVERNANCE PRACTICES	92
18	CHANGES AFTER THE REPORTING DATE	92
19	CONSIDERATIONS CONCERNING THE LETTER OF 21 DECEMBER 2018 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE	93
	Table 1 - The Ownership structure	97
	Table 2 - Structure of the Board of Directors	98
	Table 3 - Structure of the Board of Statutory Auditors	101
	Annex 1 - List of posts held by Directors	102

Glossary

CHIEF EXECUTIVE OFFICER: the chief executive officer of Cerved.

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 Group S.p.A. (formerly Cerved Information Solutions S.p.A.).

CODE or CORPORATE GOVERNANCE CODE: the corporate governance code for listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, available to the public on Borsa Italiana's website (www.borsaitaliana.it), as last amended in July 2018.

CIVIL CODE: the Italian Civil Code.

CODE OF ETHICS: the code of ethics adopted by Cerved and Cerved Group companies, as last amended in October 2018.

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.

CORPORATE GOVERNANCE COMMITTEE: The Corporate Governance Committee established, in its current configuration, in June 2011 by associations of undertakings (ABI, ANIA, Assonime, Confindustria) and professional investors (Assogestioni), together with Borsa Italiana.

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.

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.

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

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

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 Law on Finance and implementing the regulation setting the professionalism and good reputation requirements for the members of boards of statutory auditors of listed companies, as subsequently supplemented and amended.

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

MANAGER IN CHARGE OF FINANCIAL REPORTING: the manager in charge of financial reporting appointed by the Board of Directors in accordance with article 154-*bis* of the Consolidated Law on Finance and article 19 of the Articles of Association.

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 Law on Finance and article 84-*bis* of the Issuers' Regulation and in accordance with Scheme 7 of Annex 3A to said Regulation.

COMPANY or ISSUER: Cerved.

YEAR: the year ended 31 December 2018 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 7 of the MAR.

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.

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

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

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

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

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 on 29 October 2018.

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

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

RELATED PARTY PROCEDURE: the procedure governing related party transactions applied by the Company on 28 May 2014, and subsequently amended on 21 December 2017, in implementation of article 2391-*bis* of the Italian Civil Code and the Related Party Regulation.

INSIDE INFORMATION PROCEDURE: the procedure, consistent with application criterion 1.C.1., sub-paragraph j) of the Code, for internal management and external disclosure of Inside Information adopted by the Company, most recently, with a resolution by the Board of Directors on 19 December 2018, after the entry into force of the Consob Guidelines of 13 October 2017 and the entry into force, on 29 September 2018, of Legislative Decree 107 of 10 August 2018, laying down rules for adjusting national legislation to the provisions

of Regulation (EU) No. 596/2014 on market abuse and repealing Directive 2003/6/EC and Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (*Market Abuse Regulation - MAR*).

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

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

SHAREHOLDERS' MEETING REGULATION: the shareholders' meeting regulation approved through a resolution of the extraordinary meeting held on 25 March 2014, which came into effect on the Flotation Date.

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

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 Law on Finance and in accordance with the Corporate Governance Code.

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

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

COMPANY or ISSUER: Cerved.

ARTICLES OF ASSOCIATION: the Cerved articles of association in force, available on the Company's website <https://company.cerved.com/>, in the governance/documents and procedures/documents section.

SUCCESSION PLANNING: the plan for the succession of the top management of Cerved, implemented by the then outgoing Board of Directors in 2015.

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

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

1. ISSUER'S PROFILE

1.1 THE CORPORATE GOVERNANCE SYSTEM

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

- the Board of Directors is solely responsible for the Company's administrative and strategic management in order to achieve the Company's business object²;
- the Board of Statutory Auditors is responsible for monitoring compliance with the law and the Articles of Association, the principles of sound management and, specifically, the adequacy of the Company's organisational, administrative and accounting system³;
- the legally-required audit of the Issuer's financial statements is assigned to an audit company listed on the specific register⁴.

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

The Board of Directors also set up:

- the Remuneration and Nomination Committee, which acts as remuneration committee and nomination committee pursuant to principles 6.P.3 and 5.P.1 of the Corporate Governance Code, respectively; the Committee also, among other things, carries out consultancy and advisory functions with regard to the Board of Directors concerning periodic updates on the development of corporate governance rules, while submitting proposed adjustments (see paragraph 7 of this Report);
- the Related Party Committee, governed by the Related Party Procedure⁶, which has been delegated the functions and tasks envisaged in the said Related Party Procedure and the Related Party Regulation;
- the Risk and Control Committee pursuant to principle 7.P.3 of the Corporate Governance Code⁷.

The powers and operating procedures governing the Company's bodies are governed by the law and the Articles of Association and by regulations applied by the Company to the extent of Shareholders' Meetings and committees. The Issuer is not covered by the definition of SME in accordance with Article 1, paragraph 1, letter w-*quater*.1) of the Consolidated Law on Finance and Article 2-*ter* of the Issuers' Regulation.

2. See paragraph 4 of this Report.

3. See paragraph 14 of this Report.

4. See paragraph 11.4 of this Report.

5. See paragraph 4.4 of this Report: since 31 October 2018, the positions of Deputy Chairman and Chief Executive Officer have been held by the same natural person.

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

7. See paragraph 9 of this Report.

1.2 THE CERVED GROUP AND ITS MISSION

The Issuer is the holding company that controls the Group.

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

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

- Credit Information
- Marketing Solutions
- Credit Management

CREDIT INFORMATION

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

MARKETING SOLUTIONS

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

CREDIT MANAGEMENT

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

The Cerved Group, through Cerved Rating Agency S.p.A., is also one of Europe's foremost rating agencies. It should also be noted that Cerved Master Services S.p.A. ("**CMS**"), a company controlled indirectly by Cerved, obtained from the Bank of Italy, on 14 December 2017, authorisation to collect assigned credit and provide cash and payment services as part of securitisation operations (servicing), in accordance with article 2, paragraphs 6 and 6-*bis* of law no. 130 of 30 April 1999 for recording on the register pursuant to art. 106 of Legislative Decree no. 385 of 1 September 1993, as subsequently amended and supplemented (the "**Consolidated Law on Finance**").

1.3 SOCIAL RESPONSIBILITY

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

The Issuer also points out that:

- (i) on 29 September 2014, the European Council adopted Directive 2014/95/EU on disclosure of non-financial and diversity information, which had already been approved by the European Parliament at its plenary session of 15 April 2014;
- (ii) in Italy, Legislative Decree no. 254 was definitively issued on 30 December 2016 (the "Decree") and the interested parties are required to report on environmental and social issues and aspects connected with employees, respect for human rights, tackling corruption, diversity among the members of the Board of Directors and other matters associated with sustainability, for the 2017 reporting year at the latest;
- (iii) the Cerved Group, which falls within the scope of application of the Decree, has assigned the governance of the sustainability to the Company's Risk and Control Committee⁸, giving a wider mandate to the Chairman of the said committee, for the supervision of issues of sustainability, including, but not limited to, supplementing and/or amending the regulations of the Company's Risk and Control Committee⁹;
- (iv) the Group, during its second year of non-financial reporting, has introduced major strategic and operational initiatives, as regards the involvement of stakeholders and the identification of material issues.

In particular, on 29 October 2018, the Company's Board of Directors approved:

- (i) the so-called Sustainability Policy, which reiterates the Group's guiding values and the governance and risk management procedures and systems through which the Group manages the most significant ESG aspects;
- (ii) the appointment of an internal contact for the supervision of ESG matters.

On 19 December 2018, the Company's Board of Directors also approved the so-called "Materiality Index" of the Cerved Group, which identifies the themes to report within the Sustainability Report.

During 2018, the Cerved Group also decided to sign up to the United Nations Global Compact, pledging to uphold and apply, within its sphere of influence, 10 universally-shared, fundamental themes concerning human rights, employment, the environment and tackling corruption.

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

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

2. THE OWNERSHIP STRUCTURE

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

a) Share capital

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

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

The Ordinary Shareholders' Meeting, on 14 December 2015, also approved the Plan, which provides for the granting, free of charge, of up to 2,925,000 Cerved ordinary shares to 70 beneficiaries, including the Group's key and top managers. Granting of shares is subject to the fulfilment of pre-determined conditions, including the achievement of specific performance levels by the Group. As proposed by the Remuneration and Nomination Committee, the Board of Directors approved the Plan implementation regulation on 16 March 2016, which was subsequently modified on 13 July 2016. Also on 13 July 2016, the Board of Directors identified the Plan beneficiaries and granted the related rights as envisaged in the proposal made by the Remuneration and Nomination Committee as recommended by the Chief Executive Officer (the "**First Assignment**"). The Plan's terms and conditions are described in the Information Memorandum published on 12 November 2015, available at the Company's registered office and website (<https://company.cerved.com/>, in the governance/shareholders' meeting/ordinary and extraordinary shareholders' meeting December 14, 2015 section). A propos, reference is also made to the paragraphs "Long-term Variable Component" of the compensation scheme for Executive Directors and Key Managers in section 1 and in the paragraph "Financial Instruments-Based Incentive Plans" of section 2 of the Remuneration Report, which is also available at the registered office and on the website of the Company (in the governance/documents and procedures/procedures section).

With respect to the Plan, on 14 December 2015, during their extraordinary Meeting, the shareholders also entrusted the Board of Directors with the power to carry out a free share capital increase, including in one or more instalments, for a five-year period from the adoption of the relevant resolution, up to Euro 756,750.00, issuing up to 2,925,000 Cerved new ordinary shares, with no par value, to be granted to the Plan beneficiaries pursuant to article 2349 of the Italian Civil Code.

The Shareholders' Meeting of 9 April 2018 also decided on the following:

following the revocation of the powers granted to the Board of Directors by the Shareholders' Meeting on 14 December 2015, to entrust the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for thirty months from the date of this resolution, with the power to increase share capital against consideration, including in one or more tranches, for a maximum amount of Euro 5,045,000 (five million, fortyfive thousand), issuing Cerved new ordinary shares, with no par value, with the same characteristics as those already outstanding, regular dividend, up to 10% (ten per cent) of the total shares outstanding on the date such power may be exercised, to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of

acquisitions, excluding the preemptive right pursuant to article 2441.4, sentence two, of the Italian Civil Code, in accordance with the procedure and the conditions covered therein and with the power for the Board to set from time to time the issue price of the new shares, again in accordance with Article 2441.4, second sentence, of the Italian Civil Code (setting the amount to be allocated to capital and the share premium, if any), thus amending Article 5 (five) of the Articles of Association.

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*, paragraph 1b) of the Consolidated Law on Finance)

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

c) Significant interests in share capital

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

Based on the data in the shareholders' book and the updates available at the date of approval of this Report, including the communications received by the Company pursuant to article 120 of the Consolidated Law on Finance, the parties who, directly or indirectly, hold equity interests greater than 3% of the subscribed and paid-in share capital of Cerved are those listed in Table 1 ("*Ownership structure – Significant interests in share capital*") attached hereto.

d) Securities conveying special rights

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

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

e) Employee ownership scheme: mechanism for exercising voting rights

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

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

f) Restriction on voting rights

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

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

g) Shareholders' Agreements

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

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

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

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

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

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

- (i) the Issuer is party to a loan agreement signed on 30 July 2015 by the then subsidiary Cerved Group S.p.A, now merged into the company by incorporation, which covers some assumptions which conventionally qualify as "change of control" whereby, in the event of change of control, the lender may request repayment of the exposure. Specifically, this option may be exercised where a party or a group of parties acting together acquire and/or come to hold:
 - (a) an equity investment in Cerved such to require launching a tender offer;
 - (b) control over Cerved pursuant to article 2359.1 and 2 of the Italian Civil Code; or
 - (c) the power to determine the majority of Cerved's Board of Directors,
- (ii) CCMG is party to a financing agreement signed on 22 December 2017 with Cassa di Risparmio di Ravenna S.p.A. (the "Bank"), which stipulates, among other things, that the Bank is entitled to terminate the financing agreement in question and trigger the acceleration clause against CCMG, with no need for formal notice of default, in the event of changes or events likely to alter the current legal and administrative structure of CCMG or have an impact on its assets or financial, economic or technical position and which, in the opinion of the Bank, might cause damage to credit security;
- (iii) the indirect subsidiary Cerved Legal Services S.r.l. ("**CLS**") is part of a joint venture with La Scala Società tra Avvocati ("**LaScala**") which makes provision, inter alia, for the establishment of a new specialised law firm, independent from the current structures of the partner, in the form of a "partnership of lawyers". In this context, should control of CLS change (within 5 years from the closing date, i.e. until 2023), LaScala will be entitled to leave the partnership;
- (iv) the Articles of Association provide no exceptions to the provisions of article 104.1 and 2 of the Consolidated Law on Finance regarding the passivity rule (i.e. the obligation for the Company to refrain from actions or transactions that could hinder the achievement of the objectives of a tender offer) and do not contain any of the neutralisation rules set out in article 104-*bis*, paragraphs 2 and 3 of the Consolidated Law on Finance, applicable to restrictions on transfers of securities, voting rights and multiple-vote.

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

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

With regard to the powers to increase the capital, it should be noted that, as described in letter a) of this paragraph 2, the Shareholders' Meeting, sitting in an extraordinary session on 14 December 2015, authorised the Board of Directors, in accordance with article 2443 of the Italian Civil Code and article 5 of the Articles of Association, to increase the share capital:

- for a five-year period from the shareholders' decision of 14 December 2015, on a free basis and in one or more instalments, up to Euro 756,750.00, issuing up to 2,925,000 Cerved ordinary shares to be assigned to the beneficiaries of the Plan pursuant to article 2349 of the Italian Civil Code; and
- for thirty months from the shareholders' decision of 14 December 2015, against consideration, including in one or more instalments, up to Euro 5,045.000, issuing Cerved new ordinary shares up to 10% of the shares outstanding on the date such power may be exercised, 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 preemptive right pursuant to article 2441.4, paragraph two, of the Italian Civil Code.

With regard to the authorisation to purchase treasury shares, the Shareholders' Meeting, in an ordinary session on 9 April 2018, having examined the explanatory report of the Board of Directors and the proposals contained therein, having seen the financial statements at 31 December 2017, having confirmed the advantages of granting authorisation to purchases and sales of treasury shares, decided:

- to revoke the ratifying resolution authorising the purchase and sale of treasury shares passed by the Shareholders' Meeting, in an ordinary session, on 13 April 2017;
- to authorise the Company Board of Directors to purchase treasury shares, but within the maximum limit of 5% of Company shares, by establishing that:
 - › the purchase may be made within 18 months after the date of the resolution in question, one or more times, in any of the ways allowed by applicable Italian and European Union statutory and regulatory provisions, and the allowed market practices in effect at any time, to be decided from time to time at the discretion of the Board of Directors;
 - › adequate notification will be provided for treasury share purchases, in compliance with applicable disclosure obligations;
 - › the minimum and maximum purchase price of each share may not be more than 10% (ten per cent) less than or greater than, respectively, the market reference price quoted for Company stock on the trading day preceding each individual purchase, and in any event at a price that does not exceed the highest price between the price of the last arm's length transaction and the highest current arm's length bid price quoted on the exchange where the purchase is made;

- › the treasury share purchases have to be made by using the distributable earnings and available reserves reported on the last, regularly approved financial statements when the transaction is executed, by making the necessary account entries in the ways and within the limits allowed by law;
- to authorise the Company Board of Directors to sell and/or transfer, and in any event in compliance with applicable Italian and European Union statutory and regulatory provisions, and the allowed market practices in effect at any time, to be determined from time to time at the discretion of the Board of Directors without any time limits, inter alia through specialised intermediaries, the treasury shares purchased pursuant to the resolution envisaged at sub-indent a) hereinabove, by establishing that all or part of them may be sold, even before the purchases have been completed, on regulated and/or unregulated markets, or over the counter, inter alia through offers to the public and/or shareholders, institutional sales, sales of vouchers and/or warrants, or as the consideration for purchases or public offers of exchange, at a price no more than 10% (ten per cent) less than the average of official prices posted on the screen-based trading system during the five days before the sale. This price limit may be waived when treasury shares are exchanged or sold in the course of carrying out business and/or commercial projects and/or other projects of interest to the Company, if shares are sold in execution of incentive programs and, in any event, of plans pursuant to Article 114-*bis* of the Consolidated Law on Finance, in discharge of obligations resulting from debt instruments convertible into equity instruments and upon modification and/or substitution of the dividend distribution policy; adequate notification will be provided for treasury share purchases, in compliance with applicable disclosure obligations;
- to make all account entries as necessary and/or appropriate in relation to the treasury share transactions, in compliance with current laws and applicable accounting principles.

The Company wishes to state that, as at the date of this Report, it possesses 3,971,881 treasury shares in the portfolio.

j) Management and coordination

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

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

The Issuer also points out that:

- the information requested by Article 123-*bis*, paragraph 1, sub-paragraph i) of the Consolidated Law on Finance (*"agreements between companies and directors [...] which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid"*) are illustrated in the Remuneration Report; and
- the information required by article 123-*bis*, bis, paragraph 1l) of the Consolidated Law on Finance regarding (*"the provisions applicable to directors' appointment and replacement and changes to the Articles of Association, where different from those of the legislation or regulations that may be additionally applied"*) are described in this Report on the section on the Board of Directors (see paragraph 4.1).

3. COMPLIANCE

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

The Issuer has constantly transposed the majority of the principles and recommendations given in the Corporate Governance Code, by updating the annual report on Corporate Governance and Ownership Structure. In particular, including during the Year, the Company adopted the principles and application criteria most recently added to the Corporate Governance Code, as amended in July 2018, available on the website of Borsa Italiana at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

This Report also covers any principles and application criteria of the Corporate Governance Code which the Company, at present, has decided not to apply, in whole or in part, in accordance with the 'comply or explain' principle set out in the section "Main principles and temporary regime" of the Corporate Governance Code, paragraphs III and IV.

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

4. BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT

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

Pursuant to article 13.1 of the Articles of Association, the Company is managed by a Board of Directors comprised of no fewer than nine and no more than thirteen members. Under the Articles of Association, directors are appointed by the Shareholders' Meeting, in accordance with the gender parity regulations in effect at any given time, based on slates of candidates filed by shareholders, in which candidates, who may not be more than 15 in number, shall meet the requirements of the laws and regulations in effect at any given time and must be listed in sequential numerical order. The Board of Directors must include at least three members who meet the independence requirements of the applicable laws and regulations. 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 candidates¹⁰.

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

Each shareholder may file or participate in the filing of only one slate and each candidate may be listed only on one slate, on penalty of becoming ineligible. The only parties that may submit slates of candidates are shareholders who, alone or together with other shareholders, represent at least 1% of the share capital that may be voted at the Ordinary Shareholders' Meeting (as set by Consob Resolution no. 13 of 24 January 2019, pursuant to Article 144-*quater* of the Issuers' Regulation), for the submission of slates of candidates for the election of the Company's administration and control bodies¹¹.

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%

10. As provided for in Article 13.3 of the Articles of Association.

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

of share capital with voting rights at ordinary shareholders' meetings or twice the percentage of investment in share capital as established by the laws and regulations in effect at any given time applicable to slate filing;

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

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

If only one slate is filed, the directors shall be drawn from that slate, provided it is approved by a simple majority of the votes. If the number of elected directors is not the same as the number of Board members determined by the Shareholders' Meeting, or if no slate is filed or if the filed slate does not allow the election of independent directors in the number required by the laws and regulations in effect, the Shareholders' Meeting shall adopt resolutions for the necessary elections and integrations with the respective statutory majorities, all of the above in accordance with the gender parity legislation in effect at any given time.

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

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

Succession plans

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

The ordinary session of the Shareholders' Meeting held on 29 April 2016 then nominated the Company Board of Directors for the three-year term 2016-2018, and set the number of its members at eleven. Nine of these eleven directors were drawn from the then outgoing Board of Directors of the Company; these also included members of the Company and Group senior management team deemed qualified to be appointed as the Chief Executive Officer of the Company, according to the findings of the Succession Planning.

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

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

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

In consideration of the imminent expiry of the term of office of the entire board of directors, the same consultancy firm was also entrusted with the task of assisting the Remuneration and Nomination Committee in drawing up the list of candidates to hold the post of director.

In particular, in this context, qualified professionals have been identified with experience in administrative bodies, preferably listed companies, in possession of the skills indicated in the self-assessment. This activity was conducted in consideration of compliance with gender balance legislation, as well as criteria concerning varied backgrounds, origins and compatibility in terms of soft skills and balancing professional seniority

The Company, during the financial year 2018 and with a view to the expiry of the current composition of the Board of Directors, in any event (i) updated the Succession Planning regarding the Group's top management positions; and (ii) adopted¹² a diversity policy applied in relation to the composition of the administration and management bodies, as regards aspects such as age, gender and educational and professional training.

4.2 COMPOSITION

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

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

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

The Directors Fabio Cerchiai, Gianandrea De Bernardis, Marco Nespolo, Sabrina Delle Curti, Andrea Mignanelli, Roberto Mancini, Giulia Bongiorno, Mara Caverni and Aurelio Regina were drawn from Slate 1¹³, submitted by the outgoing Board of Directors, pursuant to Article 13.8 of the Articles of Association. Slate 1 received votes representing 62.782% of the voting shares.

The Directors Marco Maria Fumagalli and Valentina Montanari were drawn from Slate 2¹⁴, submitted by a group of institutional investors: Aletti Gestielle SGR S.p.A. manager of the fund Gestielle Cedola Italy Opportunity; Amber Capital Italia SGR S.p.A., manager of the fund Alpha UCITS Sicav/Amber Equity Fund; Arca S.G.R. S.p.A. manager of the funds: Arca Azioni Italia and Arca Economia Reale Equity Italia; Ersel Asset Management SGR S.p.A. manager of the fund Fondersel PMI; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI Italia; Eurizon Capital SA manager of the funds: Eurizon EasyFund - Equity Italy LTE; Eurizon EasyFund - Equity Italy; Fideuram Investimenti S.G.R. S.p.A. manager of the fund Fideuram Italia; Fideuram Asset Management (Ireland) Limited manager of the fund Fonditalia Equity Italy; Interfund Sicav manager of the

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

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

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

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

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

The Issuer hereby declares that, during the Year, and more specifically, the Independent Director Giulia Bongiorno resigned from her post, after being appointed Minister of Public Administration in the new Italian government, on 1 June 2018. On 24 June 2018, following the resignation of the Independent Director Giulia Bongiorno, on instruction from the Remuneration and Nomination Committee and as approved by the Board of Statutory Auditors, the Board of Directors co-opted, pursuant to Article 2386 of the Italian Civil Code and Article 13.11 of the Articles of Association, Simona Elena Pesce as the new, non-executive Independent Director, who will remain in office until the next Ordinary Shareholder's Meeting.

On 9 October 2018, the Chief Executive Officer Marco Nespolo resigned from his post, effective 31 October 2018, to pursue new professional opportunities.

On 29 October 2018, as already indicated in paragraph 4.1 above, effective from 31 October 2018, following the resignation of the Chief Executive Officer Marco Nespolo, the Board of Directors appointed Gianandrea De Bernardis, who also holds the position of Deputy Chairman, as the new Chief Executive Officer. Moreover, the Board of Directors, on instruction from the Remuneration and Nomination Committee and as approved by the Board of Statutory Auditors, co-opted, pursuant to Article 2386 of the Italian Civil Code and Article 13.11 of the Articles of Association, Paolo Chiaverini, formerly Chief Operating Officer of the Company, as the new Executive Director from 31 October 2018, to remain in office until the next Ordinary Shareholder's Meeting.

On 19 December 2018, the Director Paolo Chiaverini resigned from the aforementioned post, effective 28 December 2018. Consequently, the Board of Directors, acting on a proposal from the Remuneration and Nomination Committee and as approved by the Board of Statutory Auditors, co-opted, pursuant to Article 2386 of the Italian Civil Code and Article 13.11 of the Articles of Association, Giovanni Sartor, formerly Chief Financial Officer of the Group, as the new Executive Director, effective from 28 December 2018, who will remain in office until the next Ordinary Shareholder's Meeting.

The current Board of Directors is thus composed of the following persons:

- **Fabio Cerchiai**, Independent Chairman;
- **Gianandrea De Bernardis**, Deputy Chairman and Chief Executive Officer;
- **Andrea Mignanelli**, Executive Director;
- **Roberto Mancini**, Executive Director;
- **Giovanni Sartor**, Executive Director;
- **Sabrina Delle Curti**, Consigliere Esecutivo;
- **Mara Anna Rita Caverni**, Executive Director;
- **Aurelio Regina**, Independent Director;
- **Valentina Montanari**, Independent Director;
- **Simona Elena Pesce**, Independent Director;
- **Marco Maria Fumagalli**, Independent Director.

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

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

After ascertaining that all the directors satisfied the prerequisites imposed by the applicable laws and regulations for assuming that position, including for the Year, the Board of Directors meeting held on 12 February 2019 confirmed that the Directors Fabio Cerchiai, Mara Anna Rita Caverni, Aurelio Regina, Marco Maria Fumagalli, Valentina Montanari and Simona Elena Pesce fulfilled the prerequisites for qualification as independent directors pursuant to Article 148(3) Consolidated Law on Finance (applicable to the directors pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance) and the Code. At its meeting on 20 February 2019 and as envisaged by application criterion 3.C.5. of the Code, the Board of Statutory Auditors verified that the vetting criteria and procedures adopted by the Board of Directors to assess its own members' independence were properly applied.

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

The Issuer declares that, in accordance with Article 123, paragraph 2, letter d-bis of the Consolidated Law on Finance, no specific diversity policy was applied for the Year with reference to the composition of the Board of Directors as regards aspects such as age, gender and educational and professional training (the "Diversity Policy"); this also takes into account the fact that the Board of Directors currently in office will finish their mandate with the approval of the Company's financial statements on 31 December 2018.

In any event, despite the lack of a Diversity Policy at the time of appointment of the Board of Directors, in the composition in effect at the date of this Report, it should be noted that::

- (i) the Cerved Articles of Association make provision, in any case, for directors to be appointed by the Shareholders' Meeting in accordance with the gender parity regulations in effect¹⁵;
- (ii) 37% of the members of the Board of Directors are aged between 30 and 50, while 63% are over 50;
- (iii) the composition of the Board of Directors, in office until the approval of the annual financial statements as at 31 December 2018, was updated following the resignations tendered during the year, as detailed in paragraph 4.2 of the Report.

On the other hand, on 5 March 2019, the Company adopted a Diversity Policy, in consideration of the suggestions that the Directors currently in office provided to the Company in the self-assessment for the year 2018, as reported in paragraph 4.3 below.

In this regard, it should be noted that, based on criteria shown in the Diversity Policy, the outgoing Board of Directors may: (i) submit its own slate of candidates to act as directors of the Company, as provided for in paragraph 13.8 of the Articles of Association (as was already the case with the appointment of the current Board of Directors¹⁶) as well as (ii) guide the candidacies submitted by the shareholders at the renewal of the entire Board of Directors, thus ensuring adequate consideration is taken of the benefits which may be derived from a harmonious composition of the said Board of Directors..

Diversity Policy

Pursuant to the provisions of Article 123-*bis*, paragraph 2, letter d-*bis* of Legislative Decree 58/1998 (the Consolidated Law on Finance) and the recommendations contained in the Corporate Governance Code for Listed Companies, the Board of Directors of Cerved, on 5 March 2019, adopted the "Diversity Policy for Members of Corporate Bodies", which identified the main criteria to apply when defining the optimal composition of the administrative body so that it may exercise, in the most effective manner, its powers while benefiting from the contribution of difference and complementary approaches, skills and experiences.

Cerved recognises, seeks and welcomes the benefits of diversity within the Group, and within its Corporate Bodies, as regards all aspects, including gender, age, seniority, qualifications, skills and the professional and training profile.

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

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

16. Appointed by the ordinary session of the Shareholders' Meeting held on 29 April 2016.

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

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

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

- the majority of the members of the Board of Directors must be non-executive and satisfy the independence requirements laid down by the legislation and the Corporate Governance Code;
- at least a third of the Board of Directors, both at the time of appointment and during their terms of office, shall be composed of directors from the less represented gender;
- in order to ensure a balance between the requirements of continuity and renewal, a balanced combination must be ensured between different levels of seniority and age brackets;
- non-executive and independent directors must have a management and/or professional and/or vocational/academic profile which comprises a set of diverse and complementary skills and experience.

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

FABIO CERCHIAI

Fabio Cerchiai was born in Florence on 14 February 1944, resides in Venice, is a Knight of Labour honouree, holds a Degree in Economics and Business Administration from the University of Rome. He began his career in the insurance industry, where he held various positions until his appointment as chief executive officer and deputy chairman of Assicurazioni Generali in 2002. He was chairman of INA Assitalia, chairman of ANIA - Associazione Nazionale fra le Imprese Assicuratrici, chairman of SIAT – Società Italiana di Assicurazioni e Riassicurazioni p.A. and chairman of UnipolSai SpA until April 2016, where he currently holds the position of Deputy Chairman, and Chairman of Autostrade per l'Italia S.p.A..

He served on the boards of directors of important financial companies both in Italy and abroad. In addition to his position as Chairman of the Issuer, where he is also Chairman of the Related Party Committee, he is currently chairman of Atlantia S.p.A., of Autostrade per l'Italia S.p.A., Arca Vita S.p.A. and Arca Assicurazioni S.p.A.. Since 18 January 2017 he has been chairman of Edizione S.r.l.. Since 2010 he has also been a member of the Italian Academy of Business Economics, deputy chairman of Diplomatia and a director of AISCAT,

Associazione Italiana Società Concessionarie Autostrade e Trafori. He is a member of the management boards of Assonime, Fondazione Censis and ANSPC - Associazione Nazionale per lo Sviluppo dei Problemi del Credito. Since 2011 he has been adjunct professor at Università Cattolica del Sacro Cuore in Milan - School of Banking, Finance and Insurance.

GIANANDREA EDOARDO DE BERNARDIS

Gianandrea De Bernardis was born in Milan on 15 September 1964, graduated with honours from Polytechnic University in Milan with a degree in electronic engineering and earned a master's degree in business administration from SDA Bocconi.

He began his career at the end of 1980s in the United States as a software engineer in the telecommunications area at AT&T Bell Laboratories and Wang Laboratories Intecom Inc. From 1991 to 1993 he honed his skills at Saras S.p.A., an oil refiner, as head of performance and production control. Subsequently, from 1995 to 1999, he worked at The Boston Consulting Group, mainly managing industry and consumer-related projects. In 1999, he was named general manager of AMPS S.p.A., the provider of local public services in Parma, and worked on important development and restructuring projects, including the acquisition of the ENEL networks, diversification into telecommunications (Albacom.AMPS S.p.A.), geographic expansion, process re-engineering and the sale of a significant interest in the company to the Edizione Holding/San Paolo IMI investment consortium.

From 2001 to 2009, Mr. De Bernardis served as chief executive officer of TeamSystem S.p.A. helping nurture the company through its growth process. He was chief executive officer of the Cerved Group from June 2009 to 29 April 2016. In addition to the position of Deputy Chairman of the Issuer, since October 2018 he has also been the Chief Executive Officer. Currently, in addition to the foregoing, he is a director of Capital For Progress 2 S.p.A. and Hippocrates Holding S.p.A., while also holding the post of Chairman of the Board of Directors of Conceria Pasubio S.p.A. and Chairman of the Advisory Board of Foscolo Holding S.à.r.l..

MARA ANNA RITA CAVERNI

Mara Anna Rita Caverni was born in Milan on 23 May 1962 and holds a degree in business economics from Luigi Bocconi University in Milan. Chartered Accountant and Statutory Auditor since 1992. She began her professional career in Milan in 1988, and then at PricewaterhouseCoopers in Paris in 1993, relocating to London in 1998, where she worked for PricewaterhouseCoopers Transaction Services. Between 1994 and 1996, she served as chief financial officer at a subsidiary of a multinational group. In 1999, she became partner at PricewaterhouseCoopers in Italy, where she remained until 2011, serving first as head of the European Private Equity Transactions Division, from 2003 to 2005, and, subsequently, as the head of the Italian Private Equity Division, from 2005 to 2011 and as a member of the global private equity team. In 2008, she was included on the Ready-for-board women list. In 2012, she founded New Deal Advisors S.p.A. of which she is the managing partner. In 2016, she was appointed a director of Eight International.

Currently, in addition to the roles of independent director, member of the Remuneration and Nomination Committee, member of the Related Party Committee and Chairman of the Risk and Control Committee of the Issuer, she is serving as an independent director at

several well-known companies, such as ERG S.p.A. and Autostrade Meridionali S.p.A.. She is the co-author of various publications on the M&As, private equity and due diligence. She is registered with the register of Chartered Accountants and Chartered Auditors.

AURELIO REGINA

Aurelio Regina was born in Foggia on 15 August 1963 and earned a degree with honours in political science from the Free University of Social Studies in Rome. He was an assistant professor both at the Methods for International Conflicts Resolutions Department and at the Global Strategy Department at the War College of the Italian Armed Forces, and, in 1986, served at the United Nations in New York on issues related to Middle East conflicts. In 1988, he became the head of communications, relations with public institutions and legislative studies at Procter & Gamble Italia. In 1991, he was named director of corporate affairs for the Philip Morris Companies Group in Italy and, subsequently, managing director of Philip Morris Corporate Services Inc. and managing director of Philip Morris S.r.l..

From 2008 to 2012, he was Chairman of Unindustria – Association of the Manufacturers and Businesses of Rome, Frosinone, Rieti and Viterbo (formerly Association of the Manufacturers and Businesses of Rome) and Chairman of Confindustria Lazio. He has been Chief Executive Officer of British American Tobacco Italia, a BAT group company, a tobacco multinational, and served as chairman of Sistemi & Automazione S.p.A. and as director of Sviluppo Italia S.p.A., from 2011 to 2016, he has been chairman and deputy chairman of Credit Suisse Italy S.p.A., a member of the board of directors of Il Sole 24 Ore and Valentino Fashion Group S.p.A.. From 2012 to 2014 he served as deputy chairman of Confindustria, with responsibility for economic development, and as chairman of Network Globale, an internationalisation company for Unioncamere Lazio. Since 2011, he has been Chairman of the Fondazione Musica per Roma and also serves as deputy chairman of the Centro Studi Americani (association) and a member of the board of Aspen Institute Italia (association). He is deputy chairman of Manifatture Sigaro Toscano S.p.A. and chairman of Defence Tech S.p.A., chairman of the board of directors of Sisal SpA, Sisal Group SpA, director of Sistemi e Automazione S.r.l., and also a partner and member of the board of directors of Egon Zehnder International S.p.A. He is also chairman of Next S.p.A.. He is also independent director, as well as Chairman of the Remuneration and Nomination Committee and member of the Risk and Control Committee of the Issuer.

SABRINA DELLE CURTI

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

She passed her bar exam at the Venice Court of Appeal in 2005.

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

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

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

ANDREA MIGNANELLI

Andrea Mignanelli, born on 12 June 1969, earned his Economics and Business degree in 1993 at the Università Luigi Bocconi and continued his education with a Master in Business Administration, awarded in 1998 by INSEAD (France). He is the Chief Executive Officer of CCMG, the parent company of various companies specialising in the management of a wide range of performing and non-performing loans and assets. Under his leadership, CCMG joined the Cerved Group in 2011, reinforcing the services it offers in the credit risk management segment.

He was previously a partner at McKinsey & Co., as the European head of Credit Risk Management Practice. He worked as financial analyst at General Electric from 1994 to 1997, at its offices in London, New York and Rio de Janeiro.

He is currently a director of the Issuer and also at Cerved Credit Collection S.p.A. ("CCC"), CLS, SC Re Collection S.r.l., Quaestio Cerved Credit Management S.p.A. ("Quaestio"), Juliet, Cerved Credit Management Greece S.A., La Scala-Cerved Società tra Avvocati a responsabilità limitata and Codifi S.p.A...

ROBERTO MANCINI

Roberto Mancini was born on 4 May 1971 and graduated in economics and business administration from the University "Federico II" of Naples.

His first professional experience was as a management consultant before joining Value Partners as a manager in 1998, handling organisation, strategy and finance projects.

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

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

During his career he has also handled marketing and customer services. In October 2010 he co-founded Ener20, a firm specialising in photovoltaic cells, the leading company in Italy as measured by number of installations.

Since September 2015 he has held the position of General Commercial Manager of Cerved Group S.p.A.

He is currently a member of the board of directors at the Issuer, CCC, Mancio Srl and 4.5 Srl.

MARCO MARIA FUMAGALLI

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

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

Since 1993, he has been entered in the Register of Chartered Accountants, since 1995 in the Register of Statutory Auditors, and since 2000 as a CFA Charterholder (Chartered Financial Analyst).

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

Since 2017, he has been a member of the board of directors of the Issuer, where he also sits on the Remuneration and Nomination Committee and Related Party Committee, of First Capital S.p.A., Capital For Progress 2 S.p.A., Piovan S.p.A. and Elettra Investimenti S.p.A..

VALENTINA MONTANARI

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

Valentina Montanari held the position of Chief Financial Officer at the Gruppo 24 ORE from 1 October 2013 until December 2016 and at Gefran (a leading company in the field of industrial automation that is listed in the STAR segment of the Milan Stock Exchange) from July 2012 until September 2013. She served as Head of Administration, Finance and Control for AC Milan between August 2017 and September 2018.

She was also Chief Accounting Officer at Gruppo RCS from 2003 to 2009, and Chief Financial Officer at Dada (Gruppo RCS) from 2009 to 2011.

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

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

Since April 2016, she has been an independent director and member of the Risk and Control Committee of the Issuer.

SIMONA ELENA PESCE

Simona Elena Pesce, born on 25 May 1966, graduated in Law in 1997 from the University of Milan, with a thesis on commercial law. In 1991, she also obtained a degree, again from the University of Milan, in political sciences, with a thesis on international law.

Between 1992 and 2015, she held roles of increasing responsibility in legal and corporate governance fields for multinational companies operating in highly regulated contexts. In particular, she handled reorganisation and development operations, accruing considerable experience in M&A, both domestic and cross-border, Ipo and Capital Markets, while also promoting relations with investors, shareholders and Supervisory Authorities.

Among her professional experiences, the following are particularly noteworthy: between 1995 and 1996, she worked for the Legal and Corporate Affairs Department at Finanza & Futuro S.p.A., while from January 1997 to September 2000, she served as Head of Corporate Affairs and International Development at Autogrill S.p.A. Between October 2000 and May 2001, she was Head of Legal and Corporate Affairs at RCS Mediagroup S.p.A.. Between June 2001 and December 2002, she served as Head of Legal and Corporate Affairs at Fastweb S.p.A.. From January 2003 to June 2005, she was Head of Legal and Corporate Affairs for Gruppo Compass Plc.

Between July 2005 and April 2007, she served as Head of Corporate Affairs and Communication at Nuova Parmalat S.p.A.. From May 2007 to February 2011, she was a partner of Servizi Emittenti Quotati S.r.l.. Between March 2011 and December 2014, she held the position of Head of International Compliance C&IB at Intesa SanPaolo S.p.A.. Since March 2015, she has been responsible for Wealth Management.

Since 2018, she has been an Independent Director at the Issuer.

GIOVANNI SARTOR

Giovanni Sartor, born 17 May 1956, graduated in statistics from the University of Padua, obtained an MBA from Eni University, and is currently Head of Administration and Control at Cerved Group S.p.a.. In over 30 years of professional activities, he has worked for well-known companies in Italy, the rest of Europe and the USA. Some of his most significant professional experience includes his time at Nylstar Spa between 1994 and 1999, firstly as Chief Financial Officer and IT Director and then as VP Supply Chain and IT Director. In 1999, he moved to the USA, working for Ceo Nylstar Inc. until 2002. Having returned to Italy, he

served as Chief Financial Officer and Head of Information Systems for the Seves Group in Florence from 2002 to 2009. In 2009, he joined the Cerved Group as Chief Financial Officer.

He is currently Chairman of the Board of Directors at CCMG, Cerved Credit Management S.p.A., ClickAdV S.r.l., Credit Management S.r.l., CCC S.p.A. and CLS. He also holds the position of director at the companies CMS, Quaestio and Juliet. Since December 2018, he has been an Executive Director at the Issuer.

Maximum number of posts that may be held at other companies

The Corporate Governance Code¹⁷ requires that the Board of Directors express its opinion regarding the maximum number of boards on which a director or statutory auditor may serve - in other listed companies, financial companies, banks, insurance companies or companies of a considerable size - compatibly with the obligation to perform effectively his/her duties as a Company director, taking also into account the service of directors on committees established internally by the Board of Directors.

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

- (a) the Board of Directors has not yet expressed its opinion;
- (b) in justifying the discrepancies between the Code's recommendations, the Board of Directors believed that the responsibility for determining the suitability of candidates to the post of director, based also on the posts held at other companies, rests first of all, with the shareholders upon the appointment of directors and, secondly, with the individual directors, upon accepting their election;
- (c) although the Board of Directors decided not to adopt a specific rule governing the maximum number of posts that can be held, based on the above reasons, the real adequacy in terms of the time available to each director - also considering their work and professional commitments, the number of posts of directors and statutory auditors held in other listed companies, financial companies, banks, insurance companies or companies with a considerable size - to effectively perform their respective duties, was assessed by each director currently in office at the time of accepting the office;
- (d) the Board of Directors' opinion may be further discussed and assessed by the Board of Directors, also to consider the Company's real needs and, more in general, the possible development of the Italian listed companies' practice on this point. At the approval date of this Report, the Board of Directors did not believe it necessary to conduct new reviews on this issue.

In accordance with the Corporate Governance Code¹⁸, the posts of directors currently held by some directors of Cerved at companies other than the Company, at the date of this Report, are summarised in Table 2 ("*Structure of the Board of Directors and Committees*") attached hereto and listed in detail in Annex 1 ("*List of Directors' offices*").

17. Application criterion 1.C.3.

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

Induction Programme

On 7 May and 4 June 2018, two sessions of the annual Induction Programme were held¹⁹ (“**Induction Programme 2018**”), aimed at providing directors and auditors with information on the 2019-2021 Business Plan regarding potential guidelines for the growth of the Cerved Group.

In particular, during these sessions, with the support of top management at the Group and consultants, representing both the business functions and the corporate functions, the 2019-2021 Business Plan was discussed.

4.3 ROLE OF THE BOARD OF DIRECTORS

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

The Board of Directors meets periodically, on a regular basis. During the year, the Board of Directors met 18 times. In accordance with the financial calendar, it will meet 4 times in 2019. Nine meetings have already been held since the end of the Year: on 8 January, 29 January, 1 February, 12 February, 15 February, 19 February, 26 February, 4 March and 5 March 2019 (when this Report was approved).

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

The Board of Directors meetings were frequently attended – as guests and in connection with the specific issues discussed – by non-members of the Board of Directors, including in particular the Manager in charge of Financial Reporting, the Investor Relator and the Corporate Development Director and, in general, the senior managers of the Issuer and the Group companies who are in charge of the company departments with specific responsibilities, along with the consultants involved at any given time, in order to provide detailed information as relevant to the matters on the agenda, as provided for by the Corporate Governance Code²⁰.

In accordance with the Articles of Association²¹, notices of Board meetings are given by means of a registered letter, or a fax or an email at least three days before the date of the meeting, or, in urgent cases, at least 24 hours before the date of the meeting. The notices list the place, date and time of the meeting and the items on the agenda.

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

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

21. See paragraph 15.3 of the Articles of Association..

The Chairman, also assisted by the Secretary to the Board of Directors, ensures timely and complete pre-meeting information, adopting the necessary modalities to preserve the confidentiality of the supplied information and data and that the documentation related to the items on the agenda is sent to the directors well in advance of the date of each meeting²². The notice that is generally deemed adequate for providing information before the board of directors meeting is about five days prior to the meeting. This deadline was normally met during the Year, except in those cases where, due to the complexity of the matters discussed, the supporting documents were provided to the directors and statutory auditors as soon as they were available, and always in time for the Board of Directors meetings.

If in specific cases, inter alia to preserve the confidentiality of the information provided (for example, in connection with projects of particular strategic relevance to the business of the Company and the Group), it is not possible to provide the pre-meeting reports sufficiently in advance, the Chairman shall ensure that adequate and timely²³ details will be provided during the board of directors meetings, so that informed decisions may be taken.

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

The Directors have exclusive responsibility for the management of the Company and must take all actions necessary to attain the business object.

In accordance with ruling applicable legislation and in line with the recommendations of the Corporate Governance Code²⁴, the Board of Directors, acting as a body, has exclusive jurisdiction with regard to the following decisions:

- (a) reviewing and approving the strategic, business and financial plans of the Issuer and the Group and periodic monitoring of their implementation;
- (b) defining the Issuer's corporate governance system and the Group's structure;
- (c) defining the nature and level of risk compatible with the Issuer's strategic objectives, including in its own assessments all the risks that can be of significance in view of their sustainability over the medium-long term.
- (d) assessing the adequacy of the Issuer's organisational, administrative and accounting structure, as well as those of strategically significant Subsidiaries, specifically with regard to the effective functioning of the Risk and Control System;
- (e) defining the frequency, which need not be more than quarterly, with which the delegated bodies must report to the Board of Directors about the work they performed in the exercise of the powers delegated to them;
- (f) assessing the general performance of the Issuer's operations, specifically taking into account the information received from the delegated bodies, and periodically comparing actual results with budgeted results;

22. For the purposes laid down in application criterion 1.C.5. of the Corporate Governance Code.

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

24. Cfr. il criterio applicativo 1.C.1. del Codice.

- (g) adopting resolutions about transactions executed by the Issuer and its subsidiaries, when the transactions are particularly significant in terms of the Issuer's strategy, operating performance or financial position; to that effect, it shall establish general criteria for identifying highly material transactions;
- (h) assessing, at least once a year, the performance of the Board of Directors and its committees, as well as the Board's size and composition, taking also into account such elements as the professional characteristics and the management skills and other expertise of the Board members, as well as their gender and the length of their service on the Board;
- (i) providing the shareholders with guidelines before they elect the new board of directors, where those guidelines indicate the managers and professionals whose inclusion on the board of directors is deemed advantageous.

In addition to exercising the powers attributed to it by the law, in accordance with the Articles of Association²⁵ the Board of Directors resolves on the following items:

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

For the purposes of the activity described in point d), all Subsidiaries were considered highly strategic given the importance of their respective business and/or the fact that they are subject to authorisations and particularly complex laws and provisions. In its meeting of 5 March 2019, based on the information and evidence gathered with the support of the investigation work carried out by the Risk and Control Committee and considering the assumptions and the assessments of the Risk and Control Manager, the Internal Audit Manager (who also coordinates and monitors enterprise risk management) and the Manager in charge of Financial Reporting, the Board of Directors subsequently assessed the adequacy of the Issuer's and the Subsidiaries' organisational, administrative and accounting structure, concluding that there are no issues such to jeopardise the overall adequacy and effectiveness of the Cerved Group's Risk and Control System²⁶.

It should also be noted that the Company has adopted, with implementation at Group level, a system for managing reports, a whistleblowing system in line with international market best practices²⁷.

25. See paragraph 19.2 of the Articles of Association.

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

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

The Issuer also wishes to point out that, as at the date of the Report, it has updated the 231 Model, including on the basis of the provisions in Law no. 179 of 30/11/2017 on whistleblowing. During the year, consistently with the recommendations made by criterion 1.C.1.b of the Corporate Governance Code, the Board of Directors defined the nature and level of risk compatible with the Issuer's strategic objectives in relation to monitoring of the risks connected with the various operating areas of the Company. Its assessments included the risks that might assume significance in view of the medium-long term sustainability of the Issuer's activity. Moreover, when confronted with material circumstances, the Board of Directors acquired the necessary information and took all appropriate measures to protect the Company and its market disclosures²⁸.

Furthermore, the Board of Directors periodically checked the general performance of operations²⁹, considering the information received from the chief executive officers and periodically checking actual results against those planned. Specifically, the Board of Directors:

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

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

The Board of Directors has promoted, for the fourth consecutive year, in accordance with international best practices and the provisions of the Code³⁰, an annual self-assessment process, through the individual completion, by the directors, of suitable questionnaires prepared by an independent third party, Crisci & Partners S.r.l..

In line with the responsibilities assigned by the Board of Directors and the corporate governance recommendations, the Company's Remuneration and Nomination Committee played a supervisory role in the said process.

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

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

30. 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 recommendations³¹, the Board of Directors carried out a self-assessment also for the Year 2018. The self-assessment questionnaires, preceded in certain cases by interviews, were sent to all directors and the answers were then collected anonymously and combined into a summary document, similar to that used internally in 2017 to ensure a homogeneous comparison of responses to individual issues, and examined by the Board of Directors during the meeting held on 12 February 2018.

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

- (a) the number of directors on the Board is considered adequate;
- (b) the Board of Directors has adequately grasped the compliance issues. Moreover, the presence within the administrative body of a high percentage of executives has made it possible to raise the awareness of the underlying management structure with regard to the topics and actions imposed by good board governance;
- (c) the quality and, for the most part, timetable of the information provided have enabled the Board of Directors to keep informed and make an active contribution to the making of decisions;
- (d) the work of the Committees has once again been in line with best practices, with the active participation of the non-Executive and Independent Directors. The work carried out by the Risk and Control Committee has been particularly effective;
- (e) The dynamics within the Board are effective and the atmosphere during meetings

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

has remained open and highly cooperative, ensuring a high quality of debate, focused on priority and urgent matters;

- (f) the governance role over the board of directors exercised by the chairman has been crucial. He has shown great and appreciated authority, drawing on his considerable experience in all the proper governance dynamics for a listed company;
- (g) the induction programme, at the end of the term in office, has proved almost a best practice both in information meetings in preparation for the approval of the Business Plan.

Within this positive context, certain areas for improvement have been identified that will be implemented during the 2019 financial year to ensure ever greater alignment of the corporate governance with international best practices.

Specifically, the potential areas for improvement were identified as the following:

- (a) requirement for an analysis of the understanding of the changing strategic and competitive scenario with specific induction extra moments organised for board members and a focus on: adjacent business areas, technological developments which affect the Group's business areas, content of the products offered, possible innovative changes to the market and to products and services;
- (b) requirement for an analysis, involving the operational structure when appropriate, of issues linked to the specific regulatory framework and compliance matters pertaining to the governance of a listed company and public company;
- (c) need to draft and periodically monitor succession plans for the most important first- and second-rank managerial positions.

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 acts, directly and jointly, by delegating part of its functions to the Deputy Chairman and the Chief Executive Officer, to the extent permitted by the Law and the Articles of Association.

The following powers were delegated to the Deputy Chairman and the Chief Executive on 29 October 2018.

4.4.1 DEPUTY CHAIRMAN

The Deputy Chairman Gianandrea De Bernardis was granted not only powers to stand in for the Chairman in the latter's absence or impediment, under his sole power of signature, if not otherwise envisaged and with the power of sub-delegating his powers, albeit within the limits that are periodically established for each one of them, but also to:

- (a) promote, supervise and manage the relationships and external relations activities of the Company and the Group with public institutions, regulatory entities, banks,

financial institutions, insurance companies and Infocamere S.C. p.A.;

- (b) define and examine the terms and conditions of possible transactions having significant strategic, economic, capital or financial importance to the Company and the Group to which it belongs, in order to make proposals to the Board of Directors;
- (c) conduct examinations of general operating performance and implementation of the strategic, industrial and financial plans of the Company and the Group to which it belongs, in order to provide prompt information to the Board of Directors if necessary or appropriate;
- (d) request the issuance and amendments of the license mandated by Article 134 of the "Testo Unico delle Leggi di Pubblica Sicurezza" ("**TULPS**" – Consolidated Public Safety Laws), of commercial information, as provided by Article 5(1)(b) of Ministerial Decree 269 of 1 December 2010, and representing the Company for management of the activities for which that license was issued, with it being agreed that that authorisation includes all powers related to management of the license in question;
- (e) within the limits of the powers granted to him, issue and revoke mandates and general or limited powers of attorney for certain acts or categories of acts, by appointing procurators and granting them with the power of company signature individually or jointly and with those attributions that he deems appropriate, including the power of sub-delegating authority.

4.4.2 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, Gianandrea De Bernardis³², is also responsible for:

- 1 representing the Company before all public and private entities, banks, economic and territorial entities, offices and organisations of the public administration and responsible for tax related litigation, and entities providing social assistance, retirement and taxation services, more specifically with the right to execute all declarations, complaints and attestations, and complying with any other requirement of tax and social security regulations within the required deadlines and paying all related amounts;
- 2 representing the Company, supervising and handling the external relations of the Company and the Group to which it belongs with entities, institutions, authorities, bodies and third parties, both inside and outside Italy, public and private, including (for example), CONSOB, Borsa Italiana, the press, information outlets, the media in general, economic and industry associations, the financial community, the scientific community, investors and stakeholders;
- 3 competing in calls for bids and tendering procedures organised by government departments, public and private, national or international bodies, for the provision of goods and services, submit bids and, if successful, signing the relevant contracts; representing the Company for the purpose of issuing declarations and statements concerning factual and legal situations pertaining to the Company requested by contracting entities for tenders, bids and offers for the signature of procurement contracts;

32. Who also holds the position of Deputy Chairman.

- 4 examining the terms and conditions of possible transactions having significant strategic, economic, capital or financial importance to the Company and the Group that owns it, and proposing them to the Board of Directors;
- 5 informing the Board of Directors periodically about general operating performance and implementation of the strategic, industrial and financial plans of the Company and the group to which it belongs, in order to guarantee the fairness and timeliness of the disclosures to give in this regard to the Board of Directors;
- 6 representing the Company in all types of legal proceedings – including enforcement proceedings and collective creditor proceedings – both as plaintiff and as defendant, in all jurisdictions of any type and level, making settlements or abandoning claims in judicial and extrajudicial disputes, with independent power of signature for amounts not exceeding **Euro 400,000.00** for each individual settlement and/or abandonment of claim;
- 7 negotiating terms and conditions, stipulating, amending, rescinding and terminating agreements for the purchase, sale, exchange or transfer of real estate, equity investments, business units or parts of businesses with independent power of signature up to the limit of **Euro 400,000.00** per individual transaction;
- 8 negotiating terms and conditions, executing, amending, rescinding and terminating operating leases and finance leases for movable property, including leases for more than one year, all of the above provided that the Company's total annual expense commitment does not exceed the amount of **Euro 400,000.00** per transaction;
- 9 negotiating terms and conditions, making, amending, rescinding and terminating agreements for the purchase, sale and exchange of vehicles in general, inter alia through finance leases, with powers to exempt the public registrars from liability;
- 10 negotiating terms and conditions, executing, amending, rescinding and terminating supply contracts with suppliers of electric power, telephone service, gas, water and similar utilities, making and signing any and all declarations and requests that may be necessary and appropriate, including applications for transfer and cancellation of registration;
- 11 authorise payment of all approved expenses without amount restrictions;
- 12 approve sales prices, special sales terms, distribution contracts and agency contracts;
- 13 waiving receivables that are uncollectible or the collection of which would be unprofitable for amounts not greater than **Euro 10,000**;
- 14 negotiating terms and conditions, stipulating, amending, rescinding and terminating agreements for the acquisition of databases to be distributed to third parties and agreements to outsource the distribution of services and products of the Company inside and/or outside Italy, in all cases within the limit of **Euro 400,000.00** per single transaction;
- 15 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; operating these accounts using any over-draft facilities within the limits of the available credit; authorising cash management transactions;
- 16 negotiating terms and conditions, executing, amending, rescinding and terminating loan agreements and otherwise assume financial debt up to the limit of total indebtedness of **Euro 1,000,000** per reporting year;

- 17 demand and collect, including both principal and ancillary amounts, any sums or receivables under any title and for any reason owed to the Company, and issuing the respective receipts and releases;
- 18 pay the periodic remuneration to employees and the corresponding mandatory social security contributions;
- 19 hire and fire employees, middle managers and senior managers within the limits of the payroll approved by the Board of Directors; setting the compensation of employees consistently with the remuneration policy approved by the Board of Directors, taking all disciplinary action against those employees as appropriate, drafting internal regulations with the specific power to define duties, titles, remuneration, sign letters of employment and request approvals from the Employment Office of the Ministry of Labour; and exercising all powers related to the complement management of existing employment relationships; represent the Company in relations with trade unions and company organisations in general, including negotiations and making company collective bargaining agreements;
- 20 delegate and revoke powers to managers or other Company employees and professionals within the limits of the powers granted to the Chief Executive Officer;
- 21 negotiating terms and conditions, stipulating, amending and rescinding agreements for granting mandates to professionals; appointing and dismissing legal advisers and lawyers to represent and defend the Company in extrajudicial and/or judicial disputes – including arbitrations, enforcement and collective creditor proceedings – both as plaintiff and as defendant, in any domestic or foreign jurisdiction, of any type and level, and entering into consulting agreements, albeit within the limit of **Euro 400,000.00** per individual agreement;
- 22 negotiating terms and conditions, stipulating, amending, rescinding and terminating agreements for the sale and supply of goods and services produced in the course of the Company's ordinary operations, up to the limit of **Euro 400,000.00** per individual transaction;
- 23 authorising, and formulating, with independent signature, in the name and on behalf of the Company, directly or as a party with management and coordination powers pursuant to Article 2497 of the Italian Civil Code, expressions of interest and/or non-binding offers for the acquisition of companies, subject to the requirement to provide notification thereof at the subsequent Company Board of Directors meeting;
- 24 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;
- 25 negotiating terms and conditions, executing, amending, rescinding and terminating insurance and reinsurance contracts, executing policies with any entity or company;
- 26 handling any process aimed at obtaining licenses, authorisations and concessions;
- 27 exercising decision-making, spending, management and control powers concerning (i) determination of the aims, methods and tools for the processing of personal data by the Company, in its capacity as data controller pursuant to Article 4, paragraph 1, point 7 of the GDPR (the “**Data Controller**”), and (ii) compliance with the related obligations imposed by current personal data protection laws, and represent

the Company as the Delegate to exercise the Data Controller's data processing powers (the "**Data Controller's Delegate**" or "**Privacy Delegate**"), in relations with third parties, and to grant a limited power of attorney to represent the Company in administrative and judicial proceedings of all types and levels in relation to issues and controversies related to the aforementioned matter, negotiate terms and conditions, stipulate, amend, terminate and rescind personal data secrecy and confidentiality agreements and other information, or otherwise secret and confidential information held by the Company, with the power to sub-delegate some or all of the granted powers and to use other persons as deemed appropriate, including persons from outside the Company, in performing these functions, but with the obligation to report periodically to the Board of Directors, inter alia by submitting a report at least once annually, in regard to the activities performed in the exercise of delegated functions and the status of compliance with the obligations imposed on the protection of personal data;

- 28 submitting applications and performing any act at any public or private office inside or outside Italy as necessary, preparatory, functional or otherwise connected to registering, modifying, maintaining and extinguishing patents, trademarks, designs, brands, utility models, domain names, copyright and any other intellectual property right in general; appointing advisers, lawyers, professionals and correspondents inside and outside Italy for this purpose, by giving them the associated mandates;
- 29 acting as Employer and environmental protection manager of the Company, with all powers, independent signature authority, and full decision-making and spending authority in accordance with corporate procedures to make all decisions and take all initiatives in regard to occupational health, safety and hygiene and environmental protection, being able to act with the same prerogatives of the board of directors and in substitution of it in terms of functions and independent decision-making and financial authority; all of this shall be done without any limits, so that he can assume the powers, duties and responsibilities in these matters that are assigned to the board of directors under the articles of association. So that he may discharge his mandate, the Chief Executive Officer is granted authority over the employment relationship between the Company and its employees, including those operating at secondary production units, with the power – to be exercised in compliance with corporate procedures – to hire, dismiss and take disciplinary measures, organise work, assess its risks and verify that his own directives have been carried out. As the Employer and environmental protection manager, the Chief Executive Officer will have to:
 - › ensure the proper application of all existing and future statutory provisions as applicable to the operating areas discussed here and in full compliance with all provisions, circulars, orders and implementing regulations, including the national collective bargaining agreements;
 - › stay constantly abreast of newly issued measures affecting the responsibilities delegated to him, and in regard to the best available techniques to be applied, in accordance with statutory provisions; he may draw on the assistance of consultants, and the work of senior managers, supervisors and employees in general, inter alia through the issuance of circulars and internal orders, as part of the coordinated organisation and implementation of legally mandated safety and environmental protection measures, systematically monitoring their effective and fair implementation;

- › if he deems it will help achieve the assigned objectives, he may delegate performance of the operating obligations on the matters under his own responsibility, with the sole limit being the top management and/or corporate policy decisions and obligations that may not be delegated under the law – in regard to occupational safety and health –and particularly in regard to the limits imposed by Article 17 of Legislative Decree 81/2008 on the delegation of occupational health and safety functions;
- › he may use the budget set by the Board of Directors to exercise his assigned powers, although he still has the duty and possibility to order purchases and expenditures beyond the limits set in the budget whenever, in occupational safety, environmental protection and third party safety matters, he finds it urgently necessary to do so, with the power to establish the priorities in performing the work.

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

- › representing the Company before all authorities and entities, both public and private, in order to obtain permits, concessions, licenses, approvals, opinions, authorisations and other measures as necessary to perform the activity, in addition to the powers inherent in the management of correspondence related to the acts under his responsibility, signing the documents necessary for obtaining the issuance of authorisations, permits, extensions, deferrals and concessions, the signing of attestations, certificates, warnings, reports and similar documents, the hiring, firing and imposition of disciplinary measures as envisaged in the National Collective Bargaining Agreement, the protection of employees' privacy, and generally all powers related to the complete management of existing employment relationships; represent the company before all public and private authorities and entities, in order to obtain permits, concessions, licenses, approvals, opinions, authorisations and other measures necessary to perform the activity;
 - › representing the Company before all court authorities and arbitration panels, inter alia in the matters covered by this resolution;
- 30** representing the Company by voting in the name and on behalf of the Company itself, at the shareholders' meetings of subsidiaries or investees, except for those resolutions on the following matters; changes in capital, issuance of bonds, mergers or demergers; amendments to the Articles of Association; adoption of stock option plans; purchase or sale of business or business units when they are subject to authorisation by the shareholders' meeting pursuant to Article 2364(1)(5) Italian Civil Code, and listing on any regulating market;
- 31** within the limits of the powers granted to him, issuing and revoking mandates and general or limited powers of attorney for certain acts or categories of acts, by appointing procurators and granting them with the power of company signature individually or jointly and with those attributions that he deems necessary and/or appropriate, including the power of sub-delegating authority.

4.4.3 CHAIRMAN OF THE BOARD OF DIRECTORS

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

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

4.4.4 EXECUTIVE COMMITTEE

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

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

4.4.5 REPORTING TO THE BOARD OF DIRECTORS

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

4.5 OTHER EXECUTIVE DIRECTORS

In addition to the Deputy Chairman and Chief Executive Officer, Gianandrea De Bernardis, another four executive directors belong to the Board of Directors³³: Andrea Mignanelli, Roberto Mancini, Giovanni Sartor and Sabrina Delle Curti.

Andrea Mignanelli is an executive director because he is chief executive officer of the direct subsidiary CCMG and director of the indirect subsidiaries CCC, CLS, Quaestio, Juliet, SC Re Collection S.r.l. and Cerved Credit Management Greece S.A..

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

Roberto Mancini is executive director insofar as he holds the position of General Commercial Manager of the Issuer, and is also a director of the indirect subsidiary CCC.

Giovanni Sartor is executive director insofar as he is Chief Financial Officer and Manager in charge of Financial Reporting of the Cerved Group.

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

4.6 INDEPENDENT DIRECTORS

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

At its meeting on 12 February 2019, the Board of Directors, acting on the information provided by each director and their curricula vitae (listing all the management and control positions they hold at other companies), decided that the Chairman, Fabio Cerchiai, and the non-executive directors Simona Elena Pesce, Mara Caverni, Marco Maria Fumagalli, Valentina Montanari and Aurelio Regina met the prerequisites for being considered independent, both pursuant to Article 147-ter, paragraph 4, and Article 148, paragraph 3 of the Consolidated Law on Finance, and pursuant to the Corporate Governance Code³⁴. The Board of Directors will publish the result of its findings in this Report.

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

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

As also envisaged by the Code³⁵, the Board of Statutory Auditors found at its meeting on 20 February 2019 that the criteria and procedures adopted by the Board of Directors to assess the directors' independence were fair, and the result of that review was reported in the Report of the Statutory Auditors to the Shareholders' Meeting pursuant to Article 2429 Italian Civil Code.

34. See application criterion 3.C.1. of the Code.

35. Application criterion 3.C.5.

In line with the provisions of application criterion 3.C.6 of the Code, during the Year, the independent directors met once in an ad hoc meeting without the other directors³⁶.

The meeting was held on 19 December 2018 and matters pertaining to Corporate Governance were addressed, specifically:

- (i) satisfaction was expressed with the management of the pre-meeting information sent sufficiently in advance to Directors and Auditors prior to board meetings, with the recommendation to ensure even more notice for information concerning meetings whose agenda includes the analysis of extraordinary operations;
- (ii) satisfaction was also expressed in relation to the information flows between the sub-committees and the Board of Directors, established, inter alia, with accurate details of what is discussed in each meeting of such sub-committees;
- (iii) preliminary assessments were conducted of the succession plan of the Board of Directors, in consideration of the imminent expiry of its term of office, which will occur at the Shareholders' Meeting to approve the financial statements as at 31 December 2018. In response to these assessments, the meeting acknowledged the conferral, by the Board acting on a proposal from the Remuneration and Nomination Committee, of the professional mandate to the leading executive search company for the identification of suitable profiles to occupy the post of Director and Chief Executive Officer;
- (iv) following a preliminary analysis, an assessment was requested of the non-competition agreements for key management figures, including in consideration of the recent departures of some of the top management of the Cerved Group.

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

4.7 LEAD INDEPENDENT DIRECTOR

Since the conditions set out in the Corporate Governance Code³⁷ were not met, the Board of Directors did not appoint an independent director as the lead independent director.

5. TREATMENT OF CORPORATE INFORMATION

Managing inside information

As recommended by the Corporate Governance Code³⁸, on 23 June 2014 the Board of Directors approved a “procedure for internal management and external disclosure of inside information” (“**Inside Information Procedure**”).

After the MAR and the Implementing Regulation came into force, the Company Board of Directors adopted the Inside Information Procedure on 13 July 2016. This procedure regulates the internal management and external disclosure of “inside information”³⁹ concerning the Company, and the conduct (i) of members of the administration, management and control bodies of the Company and Group companies, and (ii) of all persons who, in consequence of their work or professional activity or the functions they perform, have regular or occasional access to inside information pertaining to the Company.

The Board of Directors of the Company, taking into account the issuing of the Guidelines by Consob, decided to adjust the Inside Information Procedure. Subsequently, on 19 December 2018, the Issuer decided to approve a new version of the Inside Information Procedure, bringing it in line with the Consob Guidelines and the entry into force, on 29 September 2018, of Legislative Decree 107 of 10 August 2018, laying down rules for adjusting national legislation to the provisions of the MAR.

The main modifications made to the procedure in question are as follows:

- introduction of the so-called relevant information list, based on the recommendations contained in the aforementioned Consob Guidelines; this oversight envisages, in particular, the tracing of information from the phase prior to that when the requirements arise for the potential occurrence of a price-sensitive event;
- introduction of certain decision-making structures – for the correct application of the oversights under analysis – entitled FGIP, InfoRoom and FOCIP, as defined in the aforementioned procedure and based on the recommendations contained in the aforementioned Guidelines;

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

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

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

- adoption of Operating Instructions, to supplement the Inside Information Procedure, which govern, in operational terms, (i) the mapping of the main types of relevant information and company functions involved in the management of such information, as well as (ii) the company processes for the internal management and external communication of relevant information and/or inside information.

The Inside Information Procedure was adopted in compliance with the provisions contained in the MAR, in the Implementing Regulation, in the Consolidated Law on Finance, and insofar as applicable, in the Issuers Regulation. It is aimed at ensuring compliance with the applicable statutory and regulatory provisions and guaranteeing preservation of the maximum privacy and confidentiality of Inside Information.

In accordance with the provisions of Article 18(1)(a) of the MAR and in accordance with the Implementation Regulation, the Company has set up a register of Recipients who have access to Inside Information. The Inside Information Procedure is available on the Company's website <https://company.cerved.com/it/documenti>, in the "procedures" section.

Internal Dealing

In accordance with applicable legislation and regulations⁴⁰, on 23 June 2014, the Board of Directors approved a procedure governing the disclosure to the market of the transactions carried out by relevant persons and concerning the shares and the other financial instruments issued by the Company.

On 13 July 2016, the Company Board of Directors adopted – pursuant to and in compliance with applicable legislative and regulatory provisions on internal dealing, in accordance with: (i) Article 19 of the MAR; (ii) the applicable implementing regulations; (iii) Article 114(7) of the Consolidated Law on Finance and the Issuers Regulation – a new Internal Dealing Procedure to regulate the disclosure obligations applying to transactions executed by "relevant persons"⁴¹ and by closely related person⁴², involving shares of the Company or derivative instruments or other financial instruments connected with the shares of the Company, to guarantee maximum transparency towards the market and competent

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

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

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

authorities, and the limits imposed on execution of those transactions by relevant persons and the persons closely related to them.

On 19 December 2018, the Company's Board of Directors approved an update to the Internal Dealing Procedure. These modifications transposed, inter alia, the provisions of the MAR and of Legislative Decree 107 of 10 August 2018, laying down rules for adjusting national legislation to the provisions of the MAR.

The main modifications made to the procedure in question are as follows:

- adoption, inter alia, of the relevance threshold for transactions subject to disclosure to the market, which has changed from €5,000 to €20,000 on an annual basis;
- updating the list of relevant persons, for the purposes of obligations arising from the Internal Dealing Procedure and the associated applicable legislation.

Cerved has identified the Corporate Affairs and Capital Markets Department as the entity in charge of receiving, handling and publishing the information covered by the Internal Dealing Procedure and the statutory and regulatory provisions applying to internal dealing.

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

6. BOARD COMMITTEES

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

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

- Remuneration and Nomination Committee, which in accordance with articles 5 and 6 of the Code, assists the Board of Directors with consultancy and advisory investigating functions, in the assessments and decisions related to the composition of the Board of Directors and the remuneration of Directors and Key Managers;
- 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;
- Related Party Committee, in implementation of the provisions contained in Article 2391-*bis* Italian Civil Code and in the Related Party Regulation and considering the guidance and clarifications provided by Consob with memorandum no. DEM/10078683 of 24 September 2010.

The Remuneration and Nomination Committee jointly performs the functions that the Code assigns to the nomination committee and the remuneration committee, respectively. The Board's decision (12 November 2015), provided for by the Code, to combine the two committees is mainly attributable to reasons of flexibility and affinities between some of the matters that the Code respectively assigns to the remuneration committee and the nomination committee. Moreover, that combination has eliminated the risk of any coordination failures. The Remuneration and Nomination Committee is composed in compliance with the stricter rules applying to the composition of the remuneration committee, as all of its members are independent directors.

Reference is made to the following paragraphs of this Report for a description of the composition⁴³, functions, tasks, resources and activities that can be associated with the aforementioned committees.

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

7. REMUNERATION AND NOMINATION COMMITTEE

Composition of the Remuneration and Nomination Committee

On 3 May 2016, the Board of Directors appointed the members of the Remuneration and Nomination Committee, which is now composed, following the resignation of Giulia Bongiorno on 31 March 2017, of three independent non-executive directors, whose term of office will expire with that of the Board of Directors. Its members are:

- Aurelio Regina (Chairman of the Remuneration and Nomination Committee);
- Mara Anna Rita Caverni;
- Marco Maria Fumagalli.

The Remuneration and Nomination Committee is only comprised of independent directors. Its composition complies with the principles of the Code governing the composition of the nomination committee and the remuneration committee⁴⁴.

Furthermore, with respect to the requirements set out in the Code⁴⁵, it is confirmed that all members of the Remuneration and Nomination Committee have adequate knowledge and experience of accounting and financial and/or remuneration matters, as evaluated by the Board of Directors at the time of nomination.

Functions of the Remuneration and Nomination Committee

As mentioned earlier, the Remuneration and Nomination Committee performs the consultative and advisory tasks assigned to the remuneration committee by the Corporate Governance Code⁴⁶. Specifically:

- (a) it periodically assesses the adequacy, overall consistency and actual implementation of the directors' and key managers' remuneration policy, based on the information provided by the chief executive officers, and formulates proposals in this regard for the Board of Directors;
- (b) it presents proposals or expresses opinions to the Board of Directors on the remuneration of executive directors, chief executive officers and other directors assigned special functions, and on the performance objectives related to the variable component of this remuneration; it monitors the implementation of decisions taken by the Board of Directors, checking, in particular, the actual achievement of performance objectives;

44. 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.

45. 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.

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

- (c) with regard to any stock option plans or other share-based incentive systems, it provides the Board of Directors with its recommendations regarding the use of such plans or systems and all significant technical issues related to their design and implementation. Specifically, it submits proposals to the Board of Directors regarding the incentive system that it deems most appropriate and monitors the evolution and implementation of the incentive plans over time;
- (d) it submits to the Board of Directors for approval the Remuneration Report and, more specifically, the remuneration policy for directors and key managers prior to its submission to the shareholders' meeting convened to approve the annual financial statements, within the deadline required by the law;
- (e) it reports, through its chairman or another committee member designated by the chairman, to the Shareholders' meeting convened to approve the annual financial statements on the procedures applied for the purpose of performing its functions;
- (f) it performs any additional tasks that the Board of Directors may assign to it subsequently.

The Remuneration and Nomination Committee is also entrusted with the following functions which, pursuant to the Code, are the responsibility of the Nomination Committee⁴⁷. Specifically:

- (a) it oversees the annual self-assessment of the Board of Directors and its Committees pursuant to the Corporate Governance Code and, based on the outcome of such self-assessment, it expresses opinions to the Board of Directors about the size and composition of the Board;
- (b) 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 Code⁴⁸;
- (c) it selects and proposes to the Board of Directors, in cases of coopting, candidates for membership of the Board of Director, indicating their names and/or requirements;
- (d) it recommends, in the case of renewals, the candidates for directors offices to be proposed, indicating their names and/or requirements;
- (e) it prepares a plan for the succession of executive directors;
- (f) on an annual basis, it conducts an assessment of the activities carried out by the Board of Directors and its Committees;
- (g) it provides the Board of Directors with periodic updates on the development of corporate governance rules, while submitting proposed adjustments;
- (h) it prepares the plan for the periodic checks of the directors' independence and integrity requirements and that there are no issues making them ineligible or incompatible.

⁴⁷. See also application criteria 5.C.1 and 5.C.2 of the Corporate Governance Code.

⁴⁸. 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 authorization 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).

In 2018, the Remuneration and Nomination Committee met 9 times, for which the due minutes were drafted. Each meeting had an average duration of approximately 1 hour. Reference should be made to Table 2 (“Structure of the Board of Directors”) attached to this Report for information about the attendance percentage of each member of the committee in the above meetings. In accordance with the recommendations set out in application criterion 6.C.6 of the Corporate Governance Code, no Director shall participate in meetings of the Remuneration and Nomination Committee during which proposals in respect of their remuneration are formulated to the Board of Directors.

The Issuer declares that:

- (i) the meetings of the Remuneration and Nomination Committee are chaired by the Chairman and, should he be absent or prevented from so doing, by the oldest attending member, and duly minuted⁴⁹;
- (ii) the Chairman of the Remuneration and Nomination Committee, or another member in the event of his absence, has reported as soon as possible to the Board of Directors⁵⁰ on the activities of the Committee and the topics discussed at each of its meetings.

On invitation from the Remuneration and Nomination Committee and in regard to certain items on the agenda⁵¹, some of its sessions were attended by the then Chief Executive Officer, Marco Nespolo⁵², the Deputy Chairman and Chief Executive Officer, Gianandrea De Bernardis⁵³, the managing director of Cerved and General Counsel of the Cerved Group, Sabrina Delle Curti, and the Human Resources Director of the Cerved Group, Monica Magri (who, as mentioned above, also serves as secretary of the Committee). In addition, some consultants were invited for specific matters on the agenda.

In any event, the Issuer's executive directors abstain from participation at Remuneration and Nomination Committee meetings where the proposals to the Board of Directors on their own remuneration are made⁵⁴.

The Chairman of the Board of Statutory Auditors⁵⁵, as suggested in the “Comment” on Article 6 of the Code, has always been invited to meetings of the Remuneration and Nomination Committee. The said Chairman of the Board of Statutory Auditors or another auditor appointed by him, participated in the meetings of the Remuneration and Nomination Committee.

49. In this regard, it should be recalled that, on 15 February 2017, the Remuneration and Nomination Committee appointed Ms Monica Magri, Human Resources Director of the Cerved Group, as its secretary.

50. Pursuant to application criterion 4.C.1.d of the Corporate Governance Code.

51. Pursuant to application criterion 4.C.1.f of the Corporate Governance Code.

52. During the board meeting on 9 October 2018, Mr Marco Nespolo resigned from his post of Chief Executive Officer, effective 31 October 2018.

53. Following the resignation of the Mr Marco Nespolo from the post of Chief Executive Officer, the Board of Directors appointed Mr Gianandrea De Bernardis, who also holds the position of Deputy Chairman, as the new Chief Executive Officer, effective 31 October 2018.

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

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

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:

- Proxy Voting Guidelines 2017/18 and Recommendations of the Corporate Governance Committee;
- proposal to amend the list of Strategic Directors and revision of the remuneration package of the Strategic Directors;
- Remuneration Report 2018 – Summary of the main interventions;
- annual verification of the independence and integrity requirements of the directors, pursuant to Article 3.4 (viii) of the Regulation of the Remuneration and Nomination Committee;
- analysis of the Executive Summary proposal regarding the Remuneration Report;
- analysis of section I of the Company's Remuneration Report for the financial year 2018, to be submitted to the Board of Directors;
- review of the existing incentive plans with reference to the financial year 2017 for the CEO and strategic directors;
- definition of the EBITDA curve for 2018;
- assignment of targets for the financial year 2018 for the CEO and strategic directors;
- analysis of the mapping of the non-competition agreements, pursuant to Article 2125 of the Italian Civil Code and the relevant opinion;
- analysis of the Remuneration and Nomination Committee Report to the Board of Directors on activities conducted during the financial year 2017;
- analysis of the proposed budget for the Remuneration and Nomination Committee;
- analysis of section II of the Remuneration Report and tables;
- comments on the results of the self-assessment of the Board of Directors and internal committees for the financial year 2017;
- proposal for assignment of the rights pursuant to the "3rd Cycle" of the "Performance Share Plan 2019-2021";
- coopting of three directors;
- self-assessment of the Board of Directors for 2018 and drafting of the diversity policy pursuant to Article 2 of the Corporate Governance Code;
- definition of the succession process for the Board of Directors;
- proposal to confer an assignment on a leading Executive Search company for the mapping of the market and any search for a new Chief Executive Officer;
- investigation concerning any indemnities and the variable remuneration for the outgoing Chief Executive Officer and the consideration due to the Director vested with particular powers;
- Performance Share Plan 2019-2021 – proposal to reallocate rights according to the resignations, inter alia, of the then Chief Executive Officer, Marco Nespolo;
- proposed guidelines for the new 2022/2024 LTIP; Remuneration Report 2019: summary of the main interventions;

The Remuneration and Nomination Committee shall have the right to access the information and company departments necessary to perform its tasks and may use advisers upon verification that the advisers are not in situations such to compromise their independence of judgement. The Remuneration and Nomination Committee, during the Year, called upon

the following external consultants: (i) Crisci&Partners S.r.l. for the self-assessment of the Board of Directors and (ii) Studio Bonelli Erede for an opinion on the Non-Competition Agreements, Deloitte Consulting S.r.l. for the Remuneration Report and Eric Salmon & Partners Srl for the search for a new Chief Executive Officer and the definition of the list of candidates for membership of the new Board of Directors.

In accordance with its regulation, the Remuneration and Nomination Committee shall have the financial resources necessary to pay the fees of the above advisers or other experts and to perform the tasks assigned to it⁵⁶. The Remuneration and Nomination Committee budget for the Year, as approved by the Board of Directors in its meeting of 26 February 2018, amounted to Euro 30,000.

Since the reporting date, the Remuneration and Nomination Committee has already met 4 times, on 5 February, 12 February, 26 February and 5 March 2019.

8. DIRECTORS' REMUNERATION

For the information to be disclosed in this section, it is considered that all the information required is included in the Remuneration Report approved on 26 February 2018 by the Board of Directors, to which reference should be made. Pursuant to article 123-ter of the Consolidated Law on Finance, the Remuneration Report is available at the Company's registered office and website <https://company.cerved.com/>, in the governance/documents and procedures/procedures section.

9. RISK AND CONTROL COMMITTEE

Composition of the Risk and Control Committee

The Risk and Control Committee is composed of three independent non-executive directors⁵⁷.

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

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

The Risk and Control Committee is chaired by Mara Anna Rita Caverni, appointed by the Board of Directors on 3 May 2016.

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

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

As required by the Corporate Governance Code⁵⁸ and the regulation of the Risk and Control Committee, at least one member of the committee has adequate experience of accounting and financial or risk management matters, evaluated by the Board of Directors at the time of appointment. In particular, as reported by the Risk and Control Committee at the meeting on 3 May 2016, all three members of the Committee have the prerequisite knowledge and experience in accounting, financial and risk management matters.

Functions assigned to the Risk and Control Committee

The Risk and Control Committee has consultative and proposal making functions and, in accordance with the Corporate Governance Code⁵⁹, the related committee regulation, and the best practices, supports, with an adequate preparatory activity, the assessments and decisions of the Board of Directors concerning the Internal Control and Risk Management System and those concerning the approval of periodic financial reports.

Specifically, and in accordance with the Corporate Governance Code⁶⁰ and the best practices, the Risk and Control Committee, in assisting the Board of Directors:

- (a) assesses, jointly with the Manager in charge of Financial Reporting, with the input of the independent auditors and the Board of Statutory Auditors, the correct implementation of the accounting principles and their consistency for the purpose of preparing the consolidated financial statements;
- (b) shall express opinions on specific issues concerning the identification of the main business risks;
- (c) analyses periodic reports on the evaluation of Internal Control and Risk Management System and significant reports prepared by the Internal Audit Manager;
- (d) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit function and supervises its activities, so that they are performed while ensuring maintenance of the necessary conditions of independence and with the due professional objectivity, competence and diligence in compliance with the obligations imposed by the Code of Ethics and international standards;
- (e) may ask the Internal Audit Manager to audit specific operating areas, concurrently informing the Chairman of the Board of Statutory Auditors thereof, as well as the Chairman of the Board of Directors and the Director in charge of the Internal Control and Risk Management System;
- (f) reports to the Board of Directors, at least every six months, on the approval of the annual and half-yearly reports, on the work performed and on the suitability of the Internal Control and Risk Management System;
- (g) supports, with adequate preparatory activities, the assessments and decisions of the Board of Directors concerning the management of the risks arising from prejudicial facts known by the Board of Directors;
- (h) supervises issues of sustainability connected with exercising business activities and the dynamics of interaction with stakeholders; examines and guides sustainability

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

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

60. Cfr. il criterio applicativo 7.C.2. del Codice.

policies, processes and initiatives and monitors their implementation; defines and monitors sustainability targets;

- (i) examines and supervises the non-financial reporting of the Cerved Group, including an analysis of materiality and the relevant stakeholder engagement activities, assessing their completeness and reliability, including on the basis of the requirements of Legislative Decree no. 254/2016 and the reporting framework adopted; supports the assessments and decisions of the Board of Directors concerning approval of non-financial information, pursuant to Legislative Decree no. 254/2016 (the “**Non-Financial Declaration**”).

Furthermore, again in accordance with the provisions of the Corporate Governance Code⁶¹, the Risk and Control Committee shall express its binding opinion on the following functions assigned to the Board of Directors:

- (a) the definition of the guidelines of the Internal Control and Risk Management System, ensuring that the main risks applicable to the Company and its Subsidiaries are correctly identified and adequately measured, managed and monitored, also determining the level at which these risks are compatible with business management that is consistent with the strategic objectives defined;
- (b) the periodic assessment, at least once a year, of the adequacy and effectiveness of the Internal Control and Risk Management System, vis-à-vis the Company's characteristics and the relevant risk profile;
- (c) the periodic approval, at least once a year, of the work plan prepared by the Internal Audit Manager, with the input of the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System;
- (d) a description, as part of the Corporate Governance Report, of the main characteristics of the Internal Control and Risk Management System, and the rules coordinating the parties involved, while providing an assessment of the system's adequacy;
- (e) periodic assessment (at least annual) of the internal control system that monitors the risks generated or suffered connected with matters included within the Non-Financial Declaration;
- (f) description, within the Non-Financial Declaration, of the main risks generated or suffered, connected with socio-environmental issues arising from the activities of the company, its products, services or business relations, including supply and subcontracting chains, as requested by Legislative Decree no. 254/2016;
- (g) an evaluation, with the input of the Board of Statutory Auditors, of the findings presented by the independent auditors in their management letter and in the report on the main issues identified during the legally-required audit and in the Non-Financial Declaration (even when conducted by a party other than that tasked with the legal auditing);
- (h) the appointment, dismissal and remuneration of the Internal Audit Manager, consistent with the Company's remuneration policies and the provision of resources adequate to its duties, based on the proposal of the Director in charge of the Internal Control and Risk Management System.

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

The operating regulations of the Risk and Control Committee were approved by the Board of Directors on 31 March 2014 (subsequently updated on 13 July 2016) and most recently updated through a Board resolution on 15 February 2018⁶².

During the Year, the Risk and Control Committee met 10 times, for which minutes were regularly kept⁶³. Each meeting had an average duration of approximately 2 hours and 20 minutes. Reference should be made to Table 2 ("Structure of the Board of Directors") attached to this Report for information about the attendance percentage of each member of the Risk and Control Committee in the above meetings.

The Issuer declares that:

- (i) the Risk and Control Committee appointed Mr Orazio Mardente, Internal Audit Manager of the Cerved Group, as its secretary;
- (ii) the meetings of the Risk and Control Committee are chaired by its Chairman and duly minuted;
- (iii) the Chairman of the Risk and Control Committee, or another member in the event of his absence, during the Year, reports as soon as possible to the Board of Directors⁶⁴ on the activities of the Committee and the topics discussed at each of its meetings.

Furthermore, in accordance with the relevant regulation, the Risk and Control Committee invited the Chief Executive Officer and Director in charge of the Internal Control and Risk Management System of Cerved, the Chairman of the Board of Statutory Auditors and other statutory auditors⁶⁵, the Manager in charge of Financial Reporting, the General Counsel, the Chief Executive Officer of CCMG, the Chief Operating Officer and Human Resources Director of the Cerved Group, other Group managers with reference to specific projects/ relevant scopes, the partner and reference manager of PricewaterhouseCoopers S.p.A. (the accounting firm retained as independent auditor of Cerved) and the members of the Supervisory Body of Cerved, pursuant to Legislative Decree 231/01, to attend some of the meetings mentioned above to discuss certain items on the agenda.

In addition, the Internal Audit Manager also participated in the meetings as secretary. Where necessary, invitations to the meetings were also issued to consultants who assisted the Company and the Group in relevant projects subject to investigation by the Committee.

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

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

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

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

During the meetings carried out in 2018, the Risk and Control Committee performed the activities under its jurisdiction and, specifically, discussed and resolved on the matters listed below, expressing, where requested, its opinion to the Board of Directors on:

- the assessment of the independence, adequacy, efficiency and effectiveness of the Internal Audit department and the aspects related to the remuneration of the department manager;
- the reports (including the half-year report) on the Internal Audit department's activities in 2017 and the 2018 action plan related to the Company and the Group;
- defining the expenses budget and activities plan for the year 2018;
- the 2017 report on corporate governance and ownership structure prepared by the Company;
- the investigation of the Impairment Test procedure;
- the progress of the activities defined in the 2018 Audit Plan and the events identified, in 2018, as significant for the Company and the Group, with the involvement of the reference Management of the Cerved2 Group, where necessary/required;
- Cerved's draft financial statements at 31 December 2017 and the half-year report at 30 June 2018;
- an investigation of the assessments and possible impacts associated with accounting standards IFRS 9 and IFRS 15;
- the report on the activities conducted by Internal Audit during the first half of 2018;
- assessments of the adequacy, efficiency and effectiveness of the Internal Control and Risk Management System, as well as those associated with the adequacy of the organisational, administrative and accounting structure;
- the Manager in charge of Financial Reporting's periodic report on the Internal Control and Risk Management System covering the financial reporting process developed within the Group, specifically in relation to compliance with the Law on Savings;
- the briefing concerning the verification and control activities conducted by the Supervisory Body pursuant to Legislative Decree 231/2001 and the results thereof (with reference to the second half of 2017 and the first half of 2018);
- the activities carried out by the Company in relation to the update of Model 231;
- the activities carried out by the Company in relation to the adoption of a WhistleBlowing System;
- investigation regarding certain relevant projects and follow-up to check that level of progress of such projects;
- the project concerns the organisational structure of the Internal Control and Risk Management System;
- the streamlining and optimisation of the Group's risk mapping, along with its integration with risk scopes connected with ESG (Environmental, Social and Governance) factors.

Following the reporting date, the Risk and Control Committee has already met twice, on 7 February 2019 and 27 February 2019. During these latter meetings, the Risk and Control Committee analysed the progress of the auditing of the annual and consolidated financial statements, the results of the verification activities conducted by the Supervisory Body pursuant to Legislative Decree 231/2001 during the second half of 2018, the updating of the Impairment Test procedure, as well as the results of the Impairment Test conducted by the Company, the work on preparing the Non-Financial Declaration, while also examining the main new features introduced with regard to the latter document. In particular, during its meeting on 27 February 2019, the Risk and Control Committee acquired the report on the activities conducted by Internal Audit during the second half of 2018 and the plan of activities for 2019; in addition, it analysed the ERM activities conducted in 2018 within the Cerved Group, including the presentation of the main company risks.

The Risk and Control Committee will remain in office until the Shareholders' Meeting that approves the financial statements for 2018, which will be held on 16 April 2019. For this reason, the Risk and Control Committee has defined the calendar for the two meetings indicated above. The complete timetable of meetings for 2019 was deferred to the next meeting following the Shareholders' Meeting called to approved the 2018 financial statements, during which the new administrative body will be appointed and, subsequently, that body will make all useful decisions concerning the composition of the board sub-committees.

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 2018, as approved by the Board of Directors in its meeting of 22 February 2018, amounted to Euro 50,000.

In accordance with the Corporate Governance Code⁶⁶, the Risk and Control Committee shall have the right to access the information and company departments necessary to perform its tasks and may use external consultants. The Risk and Control Committee did not use independent consultants during the Year 2018.

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

10. RELATED PARTY COMMITTEE

Composition of the Related Party Committee

The Related Party Committee was established on 3 May 2016, in accordance with the Related Party Regulation and Related Party Procedure.

The Related Party Committee is composed of three independent non-executive members⁶⁷, all of whom were appointed on 3 May 2016 and whose term expires at the same time as that of the Board of Directors appointed by the ordinary session of the Shareholders' Meeting held on 29 April 2016. Its term will expire when the separate financial statements at 31 December 2018 are approved. The members of the Related Party Committee are:

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

Functions assigned to the Related Party Committee

Il Comitato Parti Correlate svolge i compiti e le funzioni ad esso attribuiti dal Regolamento. The Related Party Committee performs the duties and functions assigned to it by the Related Party Regulation, the Related Party Procedure and the periodically applicable regulations aimed at guaranteeing the transparency and substantial and procedural fairness of the related party transactions of the Company and compliance with the principles set out in Article 2391-*bis* of the Italian Civil Code.

The Related Party Committee operating rules were approved by the Board of Directors on 13 July 2016⁶⁸.

During the Year, the Related Party Committee met three times; minutes were regularly kept⁶⁹ for all the said meetings. Each meeting had an average duration of approximately 32 minutes. Reference should be made to Table 2 ("Structure of the Board of Directors") attached to this Report for information about the attendance percentage of each member of the Related Party Committee in the above meetings.

With regard to specific items on the agenda, the former Chief Executive Officer Marco Nespolo, the Deputy Chairman and current Chief Executive Officer Gianandrea De Bernardis, the Chairman of the Board of Statutory Auditors and other statutory auditors⁷⁰, the Manager in charge of Financial Reporting and the General Counsel (inter alia in her capacity as Secretary of the Related Party Committee, after she was appointed on 12 May 2016), were invited to attend some of the meetings mentioned above.

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

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

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

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

During the meetings held during the Year⁷¹, the Related Party Committee performed the activities under its jurisdiction and, specifically, discussed and resolved on the matters listed below, expressing, where requested, its opinion to the Board of Directors:

- Related Party Committee report on the activities carried out during 2017 and budget proposal for 2018;
- assessment of the estimate of the value of the put and call options of the shareholders' agreement signed on 28 April 2016, and subsequently amended on 13 November 2018, by Cerved Group with the so-called Minority Shareholders with regard to their holdings in the company CCMG;
- shareholders' agreement signed between the shareholders of the direct subsidiary CCMG and exercising of the put option by the minority shareholders;
- analysis of the new non-competition agreement with the former Chief Executive Officer Marco Nespolo.

There were no updates to the Related Parties Procedure, in relation to which the latest amendments introduced, in the version approved on 21 December 2017, are:

- (i) so-called Highly Material Transactions (as defined therein⁷²) must be approved through a motivated opinion of the Related Parties Committee on the interest for the Company in carrying out the transaction, as well as the benefits and substantial fairness of the relevant conditions;
- (ii) the Related Parties Procedure, as amended, also applies, with due alterations, to other transactions conducted by Subsidiaries.

The Related Party Committee has met once between the end of the Year and the date of this Report, on 19 February 2019.

In accordance with its regulation, the Related Party Committee shall have the financial resources necessary to pay the fees of independent consultants or other experts and to perform the tasks assigned to it. The Related Party Committee budget for the Year, as approved by the Board of Directors in its meeting of 22 February 2018, amounts to Euro 30,000.

In accordance with the Corporate Governance Code⁷³, the Related Party Committee shall have the right to access the information and company departments necessary to perform its tasks and may use external consultants. The Related Party Committee used leading law firms as independent consultants during the Year.

71. The Chairman of the Related Party Committee, or another member in the event of his absence, reported as soon as possible to the Board of Directors on the activities of the Committee and the topics discussed at each of its meetings.

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

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

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Introduction

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

In accordance with the Corporate Governance Code⁷⁴, the Internal Control and Risk Management System helps guarantee the integrity of corporate assets, the efficiency and effectiveness of business processes, the reliability of information provided to corporate bodies and the market, statutory and regulatory compliance, and compliance with the articles of association and internal procedures.

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

The ERM process implemented at Group level, with particular specialisations within the subsidiaries, envisages the following activities (on an annual basis):

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

The Internal Audit Manager reported the results of risk monitoring and related analyses relating to the Year 2017 at the Board of Directors meeting held on 22 February 2018.

During the Year 2018, the Group worked on optimising the existing Enterprise Risk Management model (with the associated methodology). In order to ensure continuous improvement, in order for the system to reach an ever greater level of maturity, and ongoing alignment with national and international best practices, the Group has launched a transition process to the COSO ERM Framework 2017: Enterprise Risk Management Framework: Integrating with Strategy and Performance. The Group has already acquired and implemented some of the principles identified by the new framework, with the objective of gradually ensuring complete adoption of the framework and its 20 principles.

74. See the principle 7.P.2 of the Corporate Governance Code.

In particular, the Cerved Group conducted the mapping of the main risks in relation to relevant issues pursuant to Legislative Decree 254/16 (ESG Risks) by integrating the risks which emerged from that mapping into the existing Risks Catalogue.

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

Moreover, as part of its own activity, the Company Board of Directors has defined the nature and level of risk compatible with its strategic objectives, including in its own assessments all risks that can assume importance in view of the medium-long term sustainability of Company activity⁷⁵.

With reference to the Year 2017, on 22 February 2018, the Board of Directors, on the basis of the report on the activity of the Risk and Control Committee, after consulting with the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System⁷⁶ (who coordinated during the Year with all the participating business functions, through a constant and adequate flow of information) evaluated that the Company's internal control and risk management system was effective, stating that it adequately matched the specific characteristics of the Company and its adopted risk profile⁷⁷.

Subsequently, on 30 July 2018 and after the half-year report by the Risk and Control Committee on the activity performed by the Risk and Control Committee during the first half of 2018, the Company Board of Directors found that the internal control and risk management system was substantially adequate and effective in terms of the characteristics of the Company.

Lastly, on 4 March 2019 and after the annual report by the Risk and Control Committee on the activity performed by the Risk and Control Committee, the Company Board of Directors found that the internal control and risk management system was substantially adequate and effective in terms of the characteristics of the Company.

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

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

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

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

The Internal Control and Risk Management System as it applies to the Cerved Group's financial reporting process, is designed to ensure the credibility, accuracy, reliability and timeliness of financial information. Furthermore, the system's implementation took into account the guidelines on the activities of the Manager in charge of Financial Reporting provided by sector organisations (Confindustria and Andaf).

The Manager in charge of Financial Reporting established a regulation that sets the methodology applied and the related roles and responsibilities vis-à-vis the definition, implementation, monitoring and updating of the Internal Control and Risk Management System over time related to the financial reporting process and the assessment of its adequacy and effectiveness. The adopted control model is broken down into the following activities: a) identification of financial reporting risks; b) assessment of financial reporting risks; c) identification of controls carried out in response to the identified risks; d) assessment of the controls carried out on the identified risks.

(a) Identification of financial reporting risks

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

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

(b) Assessment of financial reporting risks

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

(c) Identification of controls vis-à-vis the risks identified

The identification of the controls necessary to mitigate the risks identified in the previous phase takes into account the control objectives associated with financial reporting. Specifically, the financial statements accounts classified as significant are linked with the underlying business processes so as to identify controls capable of meeting the objectives of the Internal Control and Risk Management System for financial reporting.

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

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

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

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

Every six months, the Manager in charge of Financial Reporting prepares a report summarising the results of the assessment of controls versus the previously identified risks, based on the results of the monitoring activities carried out. Control assessment can result in the definition of corrective actions or improvement plans with regard to any identified critical areas. The Executive Summary thus prepared is communicated to the Board of Statutory Auditors, the Risk and Control Committee and the Board of Directors.

Roles and functions involved

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

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

In its meeting of 03 May 2016, the Board of Directors had confirmed Marco Nespolo as the Director in charge of the Internal Control and Risk Management System pursuant to the Corporate Governance Code⁷⁸, effective from the Flotation Date. During the Year, following the resignation of the Chief Executive Officer, and Risk and Control Director, the Company's Board of Directors conferred, on 29 October 2018, all the powers formerly granted to Marco Nespolo on the Executive Deputy Chairman Gianandrea De Bernardis, including those pertaining to the position of Risk and Control Director, effective 31 October 2018.

The Director in charge of the Internal Control and Risk Management System:

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

11.2 INTERNAL AUDIT MANAGER

In its meeting of 31 March 2014, the Board of Directors, subject to the favourable opinion of the Control and Risk Committee and after hearing the Board of Statutory Auditors, appointed Orazio Mardente Internal Audit Manager pursuant to the Corporate Governance Code⁷⁹ and effective from the Flotation Date. To ensure its independence, the Internal Audit function is not responsible for any operating unit and reports directly to the Board of Directors. The Internal Audit department reports to the Board of Directors, the Risk and Control Committee, the Director in charge of the Internal Control and Risk Management System and the Board of Statutory Auditors, who are informed, through periodic executive summaries, of the results of the activities carried out.

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

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

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

On 22 February 2018, the Board of Directors, upon proposal of the Director in charge, subject to the favourable opinion of the Control and Risk Committee and after hearing the Board of Statutory Auditors, set the Internal Audit manager's remuneration in line with the Company's policies and calculated at Euro 50,000.00 the annual budget of the Internal Audit department to carry out its functions and ensure its independence.

Each of the board of directors of the Subsidiaries⁸⁰ assigned the same Internal Audit engagement to Cerved's Internal Audit department through a specific resolution.

In performing the activities assigned to it, the Internal Audit department must guarantee, in addition to a conduct that is ethical and compliant with the principles of the Code of Ethics for internal auditors (integrity, objectivity, confidentiality and competence), compliance with international standards for the practice of internal auditors and other applicable best practices or codes (including the Corporate Governance Code) that ensure the department's suitability and quality. In performing its activities, the Internal Audit department may have unfettered access to the information and Company's departments necessary for the performance of its duties, and may rely on the support of external consultants, in accordance with the terms determined by the Board of Directors.

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

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

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

80. Cerved Master Services S.p.A. ha assegnato ad un outsourcer esterno la funzione Internal Audit

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 Code⁸¹, 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:

- performed the audits set out in the approved 2018 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, as part of the processes connected to companies qualitatively and quantitatively relevant (as shown by the scoping), through testing and specific auditing activities, the operating effectiveness of the controls over the accounting administrative risks and monitoring the progress of the implementation of improvement actions;
- cooperated with the management and departments tasked with monitoring risks and the adequacy of the controls with reference to the activities concerning Enterprise Risk Management, as regards the analysis, monitoring and assessment of the main company risks;
- coordinated the planning and implementation of the WhistleBlowing System for the entire Cerved Group;
- 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;

81. See application criterion 7.C.5. of the Code.

- provided specialised advice on internal controls for setting up and implementing the organisational model pursuant to Legislative Decree 231/01 – Administrative Liability of the entities of Cerved Group companies;
- assisted Cerved's personnel with the constant alignment of the Organisational Models of the Group companies with the corporate governance standards of the Cerved Group, based on the findings of the specific audits carried out for Cerved or at Group level;
- assisted/supported the operating and compliance departments of Group companies with managing the ISO 9001:2015 quality system (risk-based version);
- periodically assessed the suitability of the internal control and risk management system.

11.3 ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/01

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

Cerved's 231 Model is comprised of:

- a general section, whose purpose is to explain the rationale of 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 preemptive measures that should be implemented.

The general part of the 231 Model is available on the Company's website <https://company.cerved.com/it/modello-organizzativo-dlgs-23101>, in Italian and English.

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

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

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

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

The latest update of Model 231 also adopts the provisions pursuant to law no. 179 of 30 November 2017, laying down “Provisions for the protection of those who report offences or irregularities of which they become aware as part of public or private employment (whistleblowing)”.

To this end, the Cerved Group has adopted a Whistleblowing System, with the following characteristics:

- it is a multi-channel system, which also includes a web platform, entirely separate and independent from the Group's information systems, which makes whistleblowing possible from any device, easily and in complete confidentiality, ensuring the protection of the person data of the whistleblower(s);
- it is a unique system for the entire Cerved Group;
- it ensures high levels of confidentiality of the information and identity of the whistleblower and the party about whom any such report is made.

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

In 2018, no reports were received through the dedicated channels, i.e. specific e-mail addresses and subsequently the whistleblowing system. In order to ensure the greatest possible visibility and accessibility to the said system, it has been made available, in Italian and English, on the website <https://company.cerved.com/it/sistema-di-segnalazione>.

The Company has also read the document “Consolidated guidelines for the drafting of organisational models and the activities of the Supervisory Body and auditing considerations of Legislative Decree 231/2001” drafted by the supervisory body regulations multidisciplinary Working Group (representatives of the Consiglio Nazionale dei Dottori Commercialisti e degli esperti contabili, Associazione Bancaria Italiana, Consiglio Nazionale Forense and Confindustria) and during 2019 it will check that the Model, which has recently been updated, is compliant with the principles set forth in the document mentioned above.

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

The SB was appointed pursuant to Cerved’s 231 Model on 24 February 2017 and will remain in office until the approval of the Company’s draft financial statements at 31 December 2018. It is composed of Mara Vanzetta (a non-company member), who acts as Chairman, Orazio Mardente (Internal Audit Manager) and Emiliano Nitti (a non-company member).

11.4 INDEPENDENT AUDITORS

On 25 March 2014, pursuant to articles 13 and 17 of Legislative Decree no. 39 of 27 January 2010⁸², the Issuer’s Shareholders called in an ordinary meeting, based on a reasoned recommendation by the Board of Statutory Auditors, adopted a resolution, effective as of the filing of the application to list the Company’s shares on the Mercato Telematico Azionario, assigning the engagement to perform the legally-required audit of the Company’s financial statements for years from 2014 to 2022 to PricewaterhouseCoopers S.p.A..

On 22 February 2018, the Company’s Board of Directors⁸³ approved a procedure for assigning tasks to auditing firms within the context of the Cerved Group in order to uphold the independence requirement of the party tasked with the legal auditing of the accounts, to provide instructions concerning the assessment process for the conferral of certain types of tasks (other than mandatory assignments) by the Company and its subsidiaries or parent companies on the firm tasked with the legal auditing of the accounts and its network.

82. 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.

83. The European regulatory framework for legal auditing is composed of Directive 2014/56/EU of 16 April 2014 (the “Directive”) and Regulation EU no. 537/2014 of 16 April 2014 (the “Regulation”). The Regulation and the Directive, with the latter adopted into the Italian legal system through the issuing of Legislative Decree no. 135/2016, with the resulting amendment of Legislative Decree no. 39 of 27 January 2010 (hereinafter also referred to as “Legislative Decree no. 39/2010”), contain a series of measures applied to legal auditing, as well as certain provisions concerning the Internal Control and Audit Committee (the “ICC”), to be applied exclusively to Public-Interest Entities (“PIE”).

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

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

On 3 May 2016, upon a proposal by its Chairman and based on a favourable opinion of the Board of Statutory Auditors, as required by the provisions of article 154-*bis* of the Consolidated Law on Finance and consistent with the requirements of article 19.4 of the Articles of Association, the Board of Directors appointed Giovanni Sartor, the Issuer's Chief Financial Officer effective, who meets the above requirements, Manager in charge of Financial Reporting.

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

- (i) setting up appropriate administrative and accounting procedures for preparation of the separate and consolidated financial statements and any other financial communications;
- (ii) issuing written declarations confirming that the deeds and notifications of the Company disseminated on the market and concerning accounting information, including interim documents, match the accounting documentation, books and records;
- (iii) attesting, together with the Chief Executive Officer, in a special report issued in accordance with the CONSOB regulation, attached to the separate financial statements, to the condensed half-yearly and consolidated financial statements, to:
 - (a) the adequacy and effective application of the procedures stated in point (i) above during the period to which the documents refer;
 - (b) that the documents were drafted in accordance with the applicable international accounting standards recognised by the European Community, pursuant to regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - (c) that the documents are consistent with the data in the accounting books and accounting records;
 - (d) that the documents are suitable for providing a true and accurate representation of the capital, economic and financial position of the Company and all the companies included in the consolidation;
 - (e) for the separate and consolidated financial statements, that the management report contains a reliable analysis of performance and results, as well as the position of the company and all the companies included within the consolidation, together with a description of the main risks and uncertainties to which they are exposed;
 - (f) for the condensed half-yearly financial statements, that the interim management report contains a reliable analysis of the information referred to in paragraph 4 of Article 154-*ter* of the Consolidated Law on Finance.

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

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

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

The Manager in charge of Financial Reporting:

- shall identify the organisational and procedural solutions that are best suited to ensure the adequacy of the Internal Control and Risk Management System for financial reporting purposes;
- shall operate within the scope of the spending authorisation provided by the Board of Directors of Cerved within the limits of the budget established for the performance of the activities required to carry out the tasks assigned and taking into account the amount deemed necessary;
- shall enjoy full autonomy within the organisation and, for the purpose of performing the tasks assigned, may use the resources existing within the Company or at other companies included in the consolidation scope and of the support of external parties, within the limits of the approved budget or beyond the budget, provided he made an express request for the purpose of addressing specific and proven needs;
- may interact with all of the Company's departments and shall have access to all information that may be relevant or necessary for the purpose of performing his duties, concerning both the Company and other companies included in the consolidation scope;
- shall promptly bring to the attention of the Company's administrative and control bodies any significant weaknesses and irregularities detected from time to time, which, based on his prudent assessment, are unlikely to be corrected sufficiently in advance for the approval of the next half-year report or annual financial statements.

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

- formalise specific Company's procedures, including through amendments or integrations to existing procedures, when the procedures make reference to or deal with issues concerning the development of accounting and financial reports;
- perform control activities regarding any Company procedure that could have an impact on the financial position or results of operations of the Company and the companies included in the consolidation scope;

- recommend structural changes to components of the internal control system that he deems to be inadequate or not functional to the purpose and, should the recommended changes not be implemented, the Manager in charge of Financial Reporting shall promptly inform the executive director, the Risk and Control Committee and the Board of Directors;
- use the services, upon specific request to the Internal Audit Manager, of personnel belonging to the Company's Internal Audit department to perform audits of the operation and actual implementation of administrative and accounting procedures prepared and published at the Company and at the companies included in the consolidation scope.

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

- assistance with corporate self-diagnosis of the Internal Control and Risk Management System;
- monitoring, control, analysis and verification activities (process audits);
- objective feedback on the adequacy of the controls implemented to monitor risks;
- definition of a suitable information flow that supports the Manager in charge of Financial Reporting in monitoring his activities;
- training regarding internal control issues.

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

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

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

Other parties that are not members of the 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 Control Committee, acting as secretary.

12. INTERESTS OF DIRECTORS AND RELATED PARTY TRANSACTIONS

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

As already mentioned above, during the Year, changes were made to the current Related Party Procedure. The latest new features introduced, through the modification to the Related Party Procedure⁸⁴ on 21 December 2017, are:

- (i) so-called Highly Material Transactions (as defined therein⁸⁵) must be approved through a motivated opinion of the Related Parties Committee on the interest for the Company in carrying out the transaction, as well as the benefits and substantial fairness of the relevant conditions;
- (ii) the Related Parties Procedure, as amended, also applies, with due alterations, to other transactions conducted by Subsidiaries.

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

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

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

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

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

13. STATUTORY AUDITORS' APPOINTMENT

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

The only parties that may submit slates of candidates are shareholders who, alone or together with other shareholders, hold shares representing at least 1% of the share capital that may be voted at the Ordinary Shareholders' Meeting (as set by Consob Resolution no. 13 of 24/01/2019, pursuant to Article 144-*quater* of the Issuers' Regulation)⁸⁶. 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;

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

- (b) the remaining standing auditor, who shall serve as chairperson, and the other alternate auditor shall be drawn, in the sequential numerical order in which they are listed on the slate, from the slate that received the second highest number of votes and is not in any way connected, directly or indirectly, with the shareholders who filed or voted for the slate that received the highest number of votes. In the event that multiple minority slates receive the same number of votes, the eldest among the candidates for standing auditor and alternate auditor listed on each slate shall be appointed;
- (c) if only one slate is filed, the entire Board of Statutory Auditors shall be drawn from that slate, provided that it obtained a simple majority of the votes.

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

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

When the shareholders are asked to appoint standing auditors and/or alternate auditors to fill vacancies on the Board of Statutory Auditors, it shall proceed as follows: when the statutory auditors that are being replaced were appointed from a majority slate, the appointment shall take place by relative majority of the votes without any slate-related restriction; when the standing auditors that are being replaced were appointed from a minority slate, the shareholders shall replace them by relative majority vote, selecting them, whenever possible, from the candidates listed on the slate from which the auditor that is being replaced was drawn, or the minority slate that received the second highest number of votes.

If, for any reason, the implementation of these procedures does not allow the replacement of statutory auditors designated by minority shareholders, the shareholders shall proceed with a vote by relative majority, subsequent to the appointment of candidates by shareholders who, alone or together with other shareholders, hold in the aggregate a number of voting shares equal at least to the percentage mentioned above with regard to the slate filing procedure. However, checking the results of the balloting of the last voting does not include the votes of shareholders who, based on communications provided pursuant to legislation in effect, hold, directly, indirectly or jointly with other shareholders belonging to a shareholders' agreement that is significant pursuant to article 122 of the Consolidated Law on Finance, the relative majority of the votes that may be cast at a shareholders' meeting and the shareholders who control, are controlled or are under joint

control by them. The vacancy filling procedures of the Articles of Association described above shall always ensure compliance with current gender parity legislation. Statutory auditors may be reelected. The Articles of Association do not require the appointment of more than one minority statutory auditor.

The ordinary session of the Shareholders' Meeting, held on 13 April 2017, in accordance with the foregoing, appointed the current members of the Board of Statutory Auditors for the three-year period 2017-2019, while also electing the Chairman of the Board of Statutory Auditors and determining the remuneration for each member.

14. COMPOSITION AND ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS

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

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

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

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

- 1 a slate submitted jointly by the following shareholders: Aletti Gestielle SGR S.p.A., Arca Fondi SGR S.p.A., Eurizon Capital SGR S.p.A., Eurizon Capital SA, Fil Investment Management Limited (Fidelity Funds - Italy Pool), Fideuram Asset Management (Ireland), Fideuram Investimenti SGR S.p.A., Interfund Sicav (Interfund Equity Italy), Kairos Partners SGR S.p.A., Mediolanum Gestione Fondi SGR S.p.A., Mediolanum International Funds Limited (Challenge Funds - Challenge Italian Equity), Pioneer Investment Management SGRPA, Pioneer Asset Management SA, jointly holders of 4,585,325 shares, representing 2.35% of the Company's share capital; this slate was labelled no. 1⁸⁷;

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

- 2 a second slate submitted jointly by the following shareholders: The Antares European Fund Limited and The Antares European Fund L.P., jointly holders of 3,204,184 shares, representing 1.64% of the Company's share capital; this slate was labelled no. 2⁸⁸;

The Issuer specifies that:

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

In consideration of the foregoing, on 13 April 2017, the ordinary session of the Shareholders' Meeting therefore appointed Antonella Bientinesi as Chairman of the Board of Statutory Auditors, Paolo Ludovici and Costanza Bonelli as Standing Auditors and Laura Acquadro and Antonio Mele as Alternate Auditors.⁸⁹

The members of the Board of Statutory Auditors satisfy the independence requirements laid down in Article 148, paragraph 3 of the Consolidated Law on Finance and by the Corporate Governance Code⁹⁰, as analysed and recorded by the Board of Statutory Auditors in the meeting held on 09 May 2017 (the positive outcome of which was reported during the Board meeting held on 5 June 2017). Furthermore, the Company requires that, every year, each statutory auditor confirm and/or update their curriculum vitae and confirm that they still meet the above independence requirements and applicable integrity and professionalism requirements⁹¹.

88. Slate which included in the Standing Auditors section LUDOVICI PAOLO and BONELLI COSTANZA and in the Alternate Auditors section: ACQUADRO LAURA

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

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

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

During the year, the Board of Statutory Auditors met 11 times. Reference should be made to Table 3 ("Composition of the Board of Statutory Auditors") attached hereto for information about the attendance percentage of each standing auditor to the above meetings and for additional details on the composition of the Board of Statutory Auditors. The meetings had an average duration of one hour and 40 minutes.

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

The entire Board of Statutory Auditors of the Company, in a broader interpretation of the suggestions in the 'Comment' on Article 6 of the Code, is duly invited to attend the meetings of the Company's Remuneration and Nomination Committee.

The Board of Statutory Auditors, during the Year and within the European regulatory framework concerning legal auditing⁹², monitored the various tasks other than legal auditing that the Company or its subsidiaries entrusted to the auditing firm of the Cerved Group or its network.

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

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.

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

Self-Assessment of the Board of Statutory Auditors

In accordance with the provisions of Rule Q.1.1 of the Rules of conduct of the board of statutory auditors of listed companies drafted by the Consiglio Nazionale Dottori Commercialisti e degli Esperti Contabili (Italian Board of Professional Accountants and Auditors), in the version which came into force on 28 April 2018, the Board of Statutory Auditors of the Issuer conducted, for the first time, a self-assessment process for the year 2018, aimed at collecting the opinions of members both as regards the functioning and composition of the Board of Statutory Auditors, including in consideration of the radical changes to the role of the Board of Statutory Auditors caused by the introduction, over the last few years, of new supervisory duties assigned by the legislation to the supervisory body. The self-assessment was carried out with the involvement of an external consultant, Crisci & Partners S.r.l., and was conducted based on questionnaires and individual interviews, held on 9 January 2019.

One year before the expiry of its term of office, the Board of Statutory Auditors, in the aforementioned self-assessment focused on the following purposes:

- to analyse the correct and effective functioning of the body and the adequacy of its composition;
- to assess essential compliance with the legislation and the objectives which the relevant provisions seek to achieve;
- to identify any weaknesses and the define corrective measures to adopt;
- to consolidate the relationships of cooperation and trust between the individual members themselves, between them and the Board of Directors and with the internal control functions;
- to encourage active participation by individual members, ensuring full awareness of the specific role held by each of them and the associated responsibilities.

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

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

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

- satisfaction with the functioning and contribution of the Board of Statutory Auditors, and its individual members, including in consideration of the changes to the legislation and the significant growth of the Company over the last two years and the resulting expanding of the Group's operational scope and the functions and responsibilities of the Board of Statutory Auditors;

- the composition of the Body, with three Standing Auditors and two Alternate Auditors is considered entirely adequate for the needs and complexity of the Group;
- the structure of the composition of the Board of Statutory Auditors as a whole is essentially adequate as regards the sufficiently diversified skills and experience of the members;
- the Board of Statutory Auditors is not currently considering a change to the age diversity (between 51 and 58) and the tenure of only two years. Gender diversity is more than adequate;
- the quality of the contribution made by the Board of Statutory Auditors to meetings and investigations of the Risk and Control Committee is duly recognised and, more generally, the focus on the performance and fulfilment of roles within the supervisory body and the independence of the judgements expressed therein;
- there is careful monitoring of compliance with the principles of good governance and with regard to extraordinary corporate transactions and other significant events;
- the quality of the preparation for meetings and the speed with which the associated documentation is sent were recognised. The frequency and duration of the meetings was assessed positively;
- accurate reports were submitted to the Board of Directors regarding any potentially critical situations and requests, always accepted, for corrective and appropriate measures;
- good oversight of control processes, with particular reference to conflicts of interest and the management of transactions with related parties;
- an in-depth analysis would be useful, including with ad hoc induction sessions, of the types and techniques used for assessing specific risks in the sectors in which the company operates and on issues regarding the main IAS/IFRS international accounting standards.

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

ANTONELLA BIENTINESI

Born in Atina on 27 May 1961, graduated with honours in economics and business administration. Registered with the Register of Chartered Accountants of Frosinone and Cassino since 1986 and the Register of Chartered Accountants of Rome since 1998. Since May 2005, she has carried out her professional activities independently within the framework of the Studio Legale Tributario. In 1984, she worked with the Studio Adonnino-Ascoli in Rome, carrying out studies and research in tax matters. In 1985, she carried out auditing tasks with Reconta Touche Ross in Rome, gaining practical experience in auditing and accounting organisation. Between 1986 and 1990, she worked with the firm of Giovanni Battista Galli in Rome, handling both national and international physical problems connected with large companies. In 1991, she worked with the firm of Massimo Alderighi in Rome, chiefly handling company reorganisation operations, from the planning phase to actual implementation. From 1992 until March 1999, she worked with the corresponding associated law firm of KPMG S.p.A., mainly on national and international physical problems connected with major groups operating in the industrial and services sectors. Since April 1999, she has been a partner of the Studio Associato Legale Tributario (which later became the Studio Legale Tributario), associated with Ernst & Young. Since 2001, she has been

the partner responsible for the Centre/South area in the 'Public' sector. Since May 2005, she has carried out her professional activities independently within the framework of the Studio Legale Tributario. She is a member of the boards of statutory auditors of various companies, including ENAV S.p.A., Nuove Energie S.r.l. (controlled by the Enel Group) and Ala Assicurazioni S.p.A. (controlled by the Sara Assicurazioni Group). She is currently Chairman of the Board of Statutory Auditors of the Issuer, and also of Unicredit S.p.A., Enel Energia S.p.A. and Enel Global Trading S.p.A., Enel Green Power Metehara S.p.A., Enel Green Power Solar Ngonye S.p.A. Società Subalpina di Imprese Ferroviarie S.p.A. and Acer Sede S.p.A.. Also Chairman of the Board of Auditors of Fondo Ambiente Italiano, Fondazione il Faro and AMREF Italia. She is also an Alternate Auditor of Sara Assicurazioni S.p.A., Sara Vita S.p.A., Enel Distribuzioni S.p.A. and Enel Sole S.r.l.

PAOLO LUDOVICI

Paolo Ludovici was born in Rome on 9 July 1965 and graduated with honours from Luigi Bocconi University in Milan with a degree in business economics. He has been registered with the Milan Register of Chartered Accountants since 1991 and, in 1995, became a member of the Register of Chartered Auditors. Since 2014 he has been a partner of Ludovici & Partners, of which he is the founding member. Between 1991 and 2014 he worked at Maisto e Associati, becoming a partner in 2000. He teaches tax law at the Business Management School of the Luigi Bocconi University, at Luiss Management, Il Sole 24 Ore and Borsa Italiana. He specialises in domestic and international company reorganisations, M&A and structured finance transactions, personal assets and trusts planning and tax issues related to collective investment undertakings. He published important articles about the above matters. He writes for "Il Sole 24 Ore" and important tax magazines, is a lecturer at tax conventions and teaches tax law at post-university master's programmes. A member of the Tax and Legal Committee at the AIFI (Italian Private Equity and Venture Capital Association), the Regulatory Committee at the AIPB (Italian Private Banking Association) and STEP (Society of Trust and Estate Practitioners). He is currently chairman, member of the board of statutory auditors or sole auditor, depending on the case, of the Issuer and several other companies, namely Alpitour S.p.A., Alpitour World Hotels & Resorts S.p.A., Blumarini Hotels Sicilia S.p.A., Netrade S.p.A., Associazione Italiana Private Banking, Asset Italia S.p.A., Atlantic Investments S.p.A., Baghera S.p.A., Quaestio Cerved Credit Management S.p.A., Decalia Asset Management SIM S.p.A., Elle 52 Investimenti S.r.l., Ethica Investment Club S.p.A., Fondazione Leonardo del Vecchio, Gotha Cosmetics S.r.l., Kartell S.p.A., Italmobiliare S.p.A., Jakala S.p.A., Ospedale San Raffaele Resnati S.p.A., Genenta Science S.r.l., Vitale & Co S.p.A., Vodafone Servizi e Tecnologie S.r.l., Vodafone Gestioni S.p.A. and White Bridge Investments S.p.A.. Lastly, he is deputy chairman of the board of Luchi Fiduciaria S.r.l. and Sole Director of Elleffe S.r.l.

COSTANZA BONELLI

Born in Mantua on 19 February 1968 and graduated with honours in economics and business administration from the Luigi Bocconi University. Since 1997, she has been registered with the Milan Register of Chartered Accountants (no. 4675) and became a member of the Register of Chartered Auditors (no. 91050) in 1999. From 1992 to 1997, she carried out a professional apprenticeship at the offices of Lucio Bertoluzzi, a Chartered Accountant in Milan. From January to July 1998, she worked with the offices of Paolo Luppi, a Chartered Accountant in Milan. Since September 1998, she has owned her own business, providing

accounts and ordinary tax assistance and specialised consultancy with regard to the corporate and contractual aspects of extraordinary transactions and issues of international taxation, mainly to natural persons and entities (companies and non-commercial entities), including Italian companies that belong to international groups. She has been a member of the boards of statutory auditors of various companies, such as Unione Fiduciaria S.p.A., Azimut Holding S.p.A. and Idrostile S.r.l.. She has also been an Auditor in the Order of Chartered Accountants and Accounts Experts of Milan and an Auditor for the Chartered Accountants Foundation of Milan. She is a director at Fondazione Casa della carità "Angelo Abriani" and Sole Auditor of Associazione Paolo Pini. She is currently a member of the boards of statutory auditors of the Issuer and of IGV Group S.p.A., S.I.R.T. Monte Pora S.p.A. and Azimut Holding S.p.A.; she is a director of Fondazione Pro-Familia, Fondazione Casa of the "Angelo Abriani" charity, Opera Cardinal Ferrari Onlus, Fondazione dei Dottori Commercialisti di Milano and Immobiliare Sede Dottori Commercialisti di Milano S.p.A., and also Chairman of the Auditors of Fondazione Caritas Ambrosiana and Sole Auditor of Fondazione per la famiglia Profumo di Betania Onlus and Comelt S.p.A..

LAURA ACQUADRO

Laura Acquadro was born in Milan on 1 December 1967 and earned a degree with honours in economics from Luigi Bocconi university in Milan in 1991 and a law degree with honours from the University of Milan in 1997. She has been a member of the Milan Register of Charter Accountants since 1994 and a Chartered Auditor since 1999. She is a member of the Register of Technical Consultants to the Court of Milan. Ms Acquadro is a partner of the Studio Professionale Acquadro e Associati in Milan, where her activities include providing consulting services in the corporate and tax areas, both nationally and internationally, and support in connection with extraordinary business transactions and valuations of business enterprises, having developed specific skills in the real estate sector. She serves as statutory auditor in several companies, specifically Equita Group S.p.A., Equita SIM S.p.A., Spig S.p.A., CMS, Jcoplastic S.p.A., Poliresin S.p.A., Benasedo S.p.A., Nira S.p.A., Dom 2000 S.p.A., Alem S.p.A., Safim S.p.A., Metalcolor S.p.A., Finbot S.p.A., Ferrari Meccanica S.p.A., Diltom S.p.A., Enfab S.p.A., Immobiliare Cavour Corsico S.p.A., Carsil S.p.A., Crocus S.p.A., Trenova S.p.A., Venturi S.p.A., Metalimmobiliare S.p.A., Associazione Teatri di Milano e Fondazione VIDAS, Fondazione di Comunità Milano and Associazione Teatri di Milano. She also serves as a director in Società Finanziamenti Vari S.r.l, Immobiliare Tibaldi S.r.l., Edilnovanta S.p.A., T.P.2 S.r.l., Residenza Galeno S.r.l. and Società Immobiliare Tangenziale Pauledese S.r.l. She is also Alternate Auditor of the Issuer.

ANTONIO MELE

Born in Galatina on 5 June 1968 He graduated with honours in economic and banking sciences at Lecce University in 1992. Listed on the Register of Statutory Auditors (no. 89058) since 1999. Since 2007, he has been listed on the Register of Chartered Accountants under no. 8139.

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

He is currently an independent management consultant. He has been a member of the Boards of Statutory Auditors of BPER Banca S.p.A., Banca ITB S.p.A., Polaris Real Estate SGR S.p.A., Shine Sim S.p.A., FB5 Investments S.r.l., Fire Group S.p.A. and Fire Resolution S.p.A., IMI Investments S.A., Yarpa Investimenti SGR S.p.A. Alisarda S.p.A., Meridiana Fly S.p.A., Air Italy Holding S.p.A., Air Italy S.p.A. and has been Chairman of the Board of Statutory Auditors of Banca Privata Leasing S.p.A.. He is currently Chairman of the Board of Statutory Auditors of Credito Fondiario S.p.A., TAS Tecnologia avanzata dei sistemi S.p.A., OWL S.p.A.. He is also a member of the Board of Statutory Auditors of Value Investments S.p.A. and Bancomat S.p.A., as well as Alternate Auditor of the Issuer. The Board of Statutory Auditors, as a body, possesses an adequate knowledge of the sector in which the Issuer operates, of the Company's dynamics and their evolution, the principles of proper risk management, and the applicable statutory, regulatory and self-regulatory framework⁹³.

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 interest⁹⁴.

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

Since the end of the Year, the Board of Statutory Auditors has already met on 20 February 2018.

As regards the Company's diversity policies applied in relation to the composition of the Board of Statutory Auditors, concerning aspects such as age, gender and educational and professional training, the composition of the current body is deemed essentially adequate, also in consideration of the requirements for assuming the position, the curriculum vitae of the individual members and the provisions of the Articles of Association aimed at ensuring compliance with the gender parity regulations in force. In any case, the forthcoming diversity policy, as indicated in paragraph 4.2, will also cover the composition of the Board of Statutory Auditors.

93. In accordance with the application criterion 2.C.2 of the Corporate Governance Code.

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

15. RELATIONS WITH SHAREHOLDERS

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

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

The Company established internally an Investor Relations Department responsible for managing relations with shareholders, which is headed by Pietro Giovanni Masera, who serves as the Company's corporate development and investor relations manager⁹⁵.

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

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

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

16. SHAREHOLDERS' MEETINGS

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

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

Under the Articles of Association, as required by article 2365.2, of the Italian Civil Code, the Shareholders' Meeting has jurisdiction over resolutions concerning mergers in the circumstances set forth in articles 2505 and 2505-bis of the Italian Civil Code, the establishment and closing of secondary offices, the designation of the directors empowered to represent the Company, the reduction of share capital in the event of withdrawal by

⁹⁶. Pursuant to application criterion 9.C.1 of the Code.

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 Shareholders' Meeting of the Company, on 09 April 2018, amended the Articles of Association, by resolving to avail itself of the option provided for by the law and to designate a representative to whom the Shareholders may grant a proxy with voting instructions for all or some of the proposals on the agenda of the Shareholders' Meeting.

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

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

The Shareholders' Meeting Regulation is available at the Company's registered office and website <https://company.cerved.com/>, in the governance/documents and procedures/documents section. It was adopted for the purpose of governing the orderly and effective progress of the shareholders' meetings and facilitate the exercise of rights by shareholders, in accordance with the provisions of laws implementing EC Directive no. 2007/36/EC ("Shareholders' Rights Directive") and the recommendations set forth in the Corporate Governance Code.⁹⁶

In order to regulate and facilitate participation by eligible parties, article 6 of the Shareholders' Meeting Regulation states that the parties eligible to exercise the right to vote may ask to take the floor only once with regard to the items on the agenda, providing remarks, and asking questions. They may also make proposals. A request to take the floor may be put forth from the moment the Shareholders' Meeting is called until the Chairman closes discussions about the item on the agenda. In order to guarantee the orderly and effective progress of the Shareholders' Meeting, the Chairman may determine a term for submitting requests to take the floor at the beginning or during the discussion of individual issues.

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

Eight of the eleven directors in office participated in the Shareholders' Meeting of 9 April 2018; 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 matters⁹⁷.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

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

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

18. CHANGES AFTER THE REPORTING DATE

No changes occurred in the Company's corporate governance structure between the reporting date and the date of this Report.

⁹⁶. See application criterion 9.C.3. of the Code.

⁹⁷. Recommended by application criterion 9.C.2 of the Corporate Governance Code.

19. CONSIDERATIONS CONCERNING THE LETTER OF 21 DECEMBER 2018 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The eighth edition of Borsa Italiana's Format stipulates that, when drafting the Report, this Section should contain the Company's strategies concerning the recommendations contained in the letter from Ms Patrizia Grieco, Chairman of the Corporate Governance Committee, sent on 21 December 2018 to all chairmen of administrative bodies, and, for information purposes, to the chief executive officers and chairmen of supervisory bodies of Italian listed companies (the "**Letter**").

The Letter, after supplying certain recommendations concerning the state of implementation of the Code, expresses the hope that *"they will be brought to the attention of the board and competent committees, and that they will be considered, including for the purposes of the self-assessment, to identify possible developments to governance or to address any gaps in the application or explanations provided"*, and *"that the considerations and any relevant initiatives undertaken will be included in the next corporate governance report"*.

The Remuneration and Nomination Committee of the Company, competent pursuant to art. 3.4 point (vii) of the regulation to provide the Company's Board of Directors with periodic updates of developments to corporate governance roles, while also formulating adjustment proposals, analysed the Letter on 05 February 2019, while the Board of Directors analysed it on 12 February 2019.

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

- (i) pre-meeting information: this first area, although gradually improving, continues to be a major governance issue for many issuers. The Corporate Governance Committee therefore invites the boards of directors to give an explicit assessment of the adequacy of the pre-meeting information received during the year. In particular, the Chairmen of the boards of directors are invited to promote this assessment activity and ensure that the confidentiality requirements are upheld without compromising the adequacy and timeliness of the information flows which precede the board meetings.

With reference to pre-meeting information, the Issuer reports that the Company's management, during the Year, undertook intense activities aimed at improving company practices concerning the sending of pre-meeting documentation, providing for the sending of the documentation at least 5 days in advance, compared with the previous 3 days. Moreover, both during the annual meeting of independent directors and in the findings of the self-assessment conducted by the Board of Directors, satisfaction was expressed with regard to the procedures and time frames according to which the pre-meeting information is managed. As regards the confidentiality of information and documents subject to pre-meeting information, the Issuer reports that, for some time, it has used, both for the parent company and all subsidiaries within the Group, a suitable web platform enabling the management of board meetings and the provision of supporting documentation through selective access, through the use of ad hoc login

details and prior authorisation of devices enabled for each user of the said platform, and limited solely to eligible parties in relation to each board meeting;

- (ii) full and concrete application of the independence criteria recommended by the corporate governance code: this second area highlighted by the Corporate Governance Committee concerns data collected in 2018, which highlight the continuing existence of a significant number of critical issues in the qualification of independent directors and a lack of quality in the information supplied by issuers in cases of non-appliance of one or more of the criteria indicated in the corporate governance code, with corporate governance reports rarely containing information regarding the significance of relations which may be of relevance for the purposes of correct application of the independence criteria. The Corporate Governance Committee therefore invites the boards of directors to employ greater rigour in applying the independence criteria defined by the corporate governance code, and the supervisory bodies to monitor the correct application of such criteria: the Committee underlines how cases of non-application should be an exception and, above all, be subject to in-depth assessment at individual level, with reference to situations faced by an individual director and a thorough explanation of in the corporate governance report.

In this regard, the Issuer states that it does not choose not to apply any principle laid down in the Corporate Governance Code for listed companies, including principles pertaining to the satisfaction of the requirements of independence by the relevant directors who have declared such independence in accordance with the Corporate Governance Code;

- (iii) board review: this third area concerns the self-assessment which, although very frequent, is often insufficiently transparent with regard to describing the procedures according to which it is conducted. In particular, one third of issuers who carry out such activities do not provide information concerning the subject tasked with the investigation and fail to indicate the tool used for this activity. The Corporate Governance Committee therefore invites the board of directors to ensure greater transparency with respect to the procedures for conducting the board review and expresses the wish, above all for larger issuers, that a member of the board will supervise the board review process and that procedures will be adopted which enhance the individual contribution of each director.

With regard to this point, the Issuer states that, as was the case during the Year, it has always ensured full disclosure, within the Report, of the procedures and parties involved in the annual board review;

- (iv) remuneration of executive directors: this fourth and final area concerns certain substantial aspects of the remuneration of executive directors. The Corporate Governance Committee has noted only a marginal improvement in the attention paid in policies to incentives for executive directors to management geared towards the sustainability of the company's activities over the medium to long term. The Corporate Governance Committee therefore invites the boards of directors and committees with responsibilities for remuneration to assess the adequacy of their remuneration policies with respect to the objective of sustainability of the company's activities over the medium to long term. In particular, the Corporate Governance Committee recommends, above all to the competent bodies of medium-sized to large issuers, reinforcing the connection between the variable remuneration objectives and parameters linked to long-term targets and to limit to individual, exceptional cases, subject to adequate

explanation, the possibility of paying out sums not linked to predefined parameters (i.e. 'ad hoc' bonuses).

With regard to this final point, the Issuer states that the Company has, for several years now, made provision for medium- to long-term incentive programmes for executive directors.

The Board of Directors, at the end of the meeting on 12 February 2019, after analysing the recommendations concerning areas for qualitative improvement contained in the Letter (and shown in this paragraph), highlighted, in addition to the above, certain areas for improvement that will be implemented during the 2019 financial year, as illustrated in paragraph 4.3 above, to ensure ever greater alignment of the corporate governance with international best practices.

San Donato Milanese,
5 March 2019

On behalf of the Board of Directors
The Chairman
Fabio Cerchiai

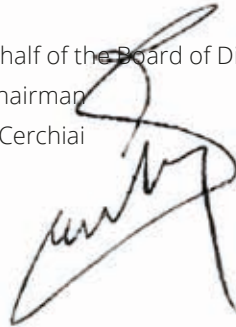
A handwritten signature in black ink, appearing to be 'Fabio Cerchiai', written over a light grey rectangular background.

TABLE 1 – THE OWNERSHIP STRUCTURE

SHARE CAPITAL				
	No. of shares	% of share capital	Listed (state the markets)/unlisted	Rights and obligations
Ordinary shares	195,274,979	100%	Mercato Telematico Azionario organised and managed by Borsa Italiana	Ordinary rights/obligations (equity, administrative, control, disposal, contribution)
Multiple-vote shares	N.A.			
Shares with restricted voting right	N.A.			
Shares with no voting right	N.A.			
Other	N.A.			

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

SIGNIFICANT INTERESTS IN SHARE CAPITAL				
Reporting party	Direct shareholder		% interest in common share capital	% interest in voting share capital
Gruppo Mutuonline S.p.A.	Gruppo Mutuonline S.p.A.		3.001	3.001
	TOTAL		3.001	3.001
MASSACHUSETTS FINANCIAL SERVICES COMPANY	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
	TOTAL		5.097	5.097

TABLE 2 – STRUCTURE OF THE BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2018

BOARD OF DIRECTORS ¹											
Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	No. of other posts held ***	(*)
Fabio Cerchiai	1944	25/3/2014	29/4/2016	Approv. FS at 31/12/18	BoD		X	X	X	11	18/18
Gianandrea De Bernardis*	1964	25/3/2014	29/4/2016	Approv. FS at 31/12/18	BoD	X				4	17/18
Sabrina Delle Curti	1975	22/9/2015	29/4/2016	Approv. FS at 31/12/18	BoD	X				1	18/18
Andrea Mignanelli	1969	29/4/2016	29/4/2016	Approv. FS at 31/12/18	BoD	X				9	17/18
Roberto Mancini	1971	29/4/2016	29/4/2016	Approv. FS at 31/12/18	BoD	X				3	18/18
Mara Anna Rita Caverni	1962	30/4/2014	29/4/2016	Approv. FS at 31/12/18	BoD		X	X	X	2	17/18
Aurelio Regina	1963	30/4/2014	29/4/2016	Approv. FS at 31/12/18	BoD		X	X	X	9	15/18
Marco Maria Fumagalli	1961	29/4/2016	29/4/2016	Approv. FS at 31/12/18	m		X	X	X	6	17/18
Simona Elena Pesce	1966	24/06/2018	24/06/2018	Until the first ordinary shareholders' meeting	BoD					0	7/7
Giovanni Sartor	1956	19/12/2018	28/12/2018	Until the first ordinary shareholders' meeting	BoD					9	0/0
Valentina Montanari	1967	29/4/2016	29/4/2016	Until the first ordinary shareholders' meeting	m		X	X	X	2	17/18

NOTES

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

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

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

*** This column shows the number of posts held as director or statutory auditor by the director in question at other companies listed on regulated markets, in Italy and abroad, and at financial companies, banks, insurance companies or companies of a significant size. A detailed list of the posts held is provided in the Corporate Governance Report.

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

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

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2018

Members	RISK AND CONTROL COMMITTEE		RELATED PARTY COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	(*)	(**)	(*)	(**)	(*)	(**)
Fabio Cerchiai			P	3/3		
Gianandrea De Bernardis*						
Sabrina Delle Curti						
Andrea Mignanelli						
Roberto Mancini						
Mara Anna Rita Caverni	10/10	P	3/3	M	9/9	M
Aurelio Regina	9/10	M			9/9	P
Marco Maria Fumagalli			3/3	M	9/9	M
Simona Elena Pesce						
Giovanni Sartor						
Valentina Montanari	10/10	M				

NOTES

(*) 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.

Relazione sul Governo Societario e gli assetti proprietari

MEMBERS OF THE BOARD OF DIRECTORS WHO LEFT OFFICE DURING 2018

BOARD OF DIRECTORS¹

Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	No. of other posts held ***	(*)
Giulia Bongiorno⁹⁴	1966	29/4/2016	29/4/2016	2/6/2018	BoD		X	X	X		6/9
Marco Nespolo⁹⁵	1973	25/3/2014	29/4/2016	31/10/2018	BoD	X					17/17
Paolo Chiaverini⁹⁶	1969	29/10/2018	31/10/2018	28/12/2018	BoD	X					0/1

Number of meetings held during the reporting year: 18

Risk and Control Committee: 10

Related Party Committee: 3

Remuneration and Nomination Committee: 9

Quorum required to file minority slates by minorities for the appointment of one or more members (article 147 Consolidated Law on Finance): 1% as set by Consob resolution no. 13 of 24/01/2019

NOTES

- This symbol designates the director in charge of the internal control and risk management system.
- * Date of first appointment means for each director the date when the director was appointed for the very first time to the Issuer's Board of Directors.
- ** This column shows from which slate each director was drawn ("M" majority slate; "m" minority slate; BoD slate filed by the Board of Directors).
- *** This column shows the number of posts held as director or statutory auditor by the director in question at other companies listed on regulated markets, in Italy and abroad, and at financial companies, banks, insurance companies or companies of a significant size. A detailed list of the posts held is provided in the Corporate Governance Report.
- (*) This column shows the attendance of directors at meetings of the Board of Directors and the committees (number of meetings they attended out of the total number of meetings they should have attended (e.g., 6/8; 8/8; etc.)).
- (**) This column shows in which capacity the director serves on the Committee: "C": Chairman; "M" Member.

94. Resigned effective 2 June 2018.

95. Resigned effective 31 October 2018.

96. Resigned effective 28 December 2018.

MEMBERS OF THE BOARD OF DIRECTORS WHO LEFT OFFICE DURING 2018

Members	RISK AND CONTROL COMMITTEE		RELATED PARTY COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	(*)	(**)	(*)	(**)	(*)	(**)
Giulia Bongiorno ⁹⁴						
Marco Nespolo ⁹⁵						
Paolo Chiaverini ⁹⁶						

NOTES

(*) 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

BOARD OF STATUTORY AUDITORS									
Position	Members	Year of birth	Date of first appointment *	In office since	In office un-till	Slate **	Indep. Code	Attendance at Board of Stat. Auditors meetings***	No. of other posts held****
Chairman	Antonella Bientinesi	1961	13/04/2017	13/4/2017	Approv. FS at 31/12/19	m	X	11/11	14
Standing auditor	Costanza Bonelli	1968	13/04/2017	13/04/2017	Approv. FS at 31/12/19	M	X	11/11	12
Standing auditor	Paolo Ludovici	1965	14/3/2014	13/4/2017	Approv. FS at 31/12/19	M	X	8/11	27
Alternate auditor	Laura Acquadro	1967	28/05/2014	13/04/2017	Approv. FS at 31/12/19	M	X	-	31
Alternate auditor	Antonio Mele	1968	13/04/2017	13/04/2017	Approv. FS at 31/12/19	m	X	-	6
Number of meetings held during the reporting year: 11									
QQuorum required to file minority slates by minorities for the appointment of one or more members (article 148 Consolidated Law on Finance): 1% as set by Consob resolution no. 13 of 24/01/2019.									

NOTES

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

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

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

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

ANNEX 1 – LIST OF POSTS HELD BY DIRECTORS

Directors Name and Surname	Other companies where they hold a post	Post held at the company or equity interest held
Fabio Cerchiai	ATLANTIA S.P.A.	Chairman of the Board of Directors
	EDIZIONE S.R.L.	Chairman of the Board of Directors
	UNIPOLSAI ASSICURAZIONI S.P.A.	Deputy chairman of the Board of Directors
	ARCA VITA S.P.A.	Chairman of the Board of Directors
	ARCA ASSICURAZIONI S.P.A.	Chairman of the Board of Directors
	ANSPC – ASSOCIAZIONE NAZIONALE PER LO SVILUPPO DEI PROBLEMI DEL CREDITO	Member of the Steering Committee
	AISCAT – ASSOCIAZIONE ITALIANA SOCIETÀ CONCESSIONARIE AUTOSTRADE E TRAFORI	Deputy Chairman
	ACCADEMIA ITALIANA DI ECONOMIA AZIENDALE	Director
	CENSIS – FONDAZIONE CENTRO STUDIO INVESTIMENTI SOCIALI	Member of the Steering Committee
	ASSONIME	Member of the Steering Committee
Gianandrea De Bernardis	CAPITAL FOR PROGRESS 2 S.P.A.	Director
	HIPPOCRATES HOLDING S.P.A.	Director
	CONCERIA PASUBIO S.P.A.	Chairman
	FOSCOLO HOLDING S.A.R.L.	Chairman of the Advisory Board
Mara Anna Rita Caverni	ERG S.P.A.	Independent director and member of the risk and control committee
	AUTOSTRADE MERIDIONALI S.P.A.	Independent Director
Sabrina Delle Curti	MASSIMO ZANETTI BEVERAGE GROUP S.P.A.	Independent Director
Andrea Mignanelli	CERVED CREDIT MANAGEMENT GROUP S.R.L.	Chief Executive Officer
	SC RE COLLECTION S.R.L.	Director
	CERVED LEGAL SERVICES S.R.L.	Director
	CERVED CREDIT COLLECTION S.P.A.	Director
	QUAESTIO CERVED CREDIT MANAGEMENT S.P.A.	Director
	JULIET S.P.A.	Director
	CERVED CREDIT MANAGEMENT GREECE S.A.	Director
	LA SCALA-CERVED-SOCIETÀ TRA AVVOCATI A RESPONSABILITÀ LIMITATA	Chairman of the Board of Directors
CODIFI S.P.A.	Director	
Marco Maria Fumagalli	YOOX NET-A-PORTER GROUP S.P.A.	Chairman of the Board of Statutory Auditors
	LEVIATHAN S.R.L.	Sole director
	FIRST CAPITAL S.P.A.	Director
	ELETTRA INVESTIMENTI S.P.A.	Director
	PIOVAN S.P.A.	Director
	CAPITAL FOR ADVISORY S.R.L.	Director
CAPITAL FOR PROGRESS 2 S.P.A.	Director	

Cerved Group S.p.A.

Directors Name and Surname	Other companies where they hold a post	Post held at the company or equity interest held
Roberto Mancini	4.5 S.R.L.	Director
	CERVED CREDIT COLLECTION S.P.A.	Director
	MANCIO S.R.L.	Sole director
Giovanni Sartor	CERVED CREDIT MANAGEMENT GROUP S.R.L.	Chairman of the Board of Directors
	CERVED CREDIT MANAGEMENT S.P.A.	Chairman of the Board of Directors
	CLICKADV S.R.L.	Chairman of the Board of Directors
	CREDIT MANAGEMENT S.R.L.	Chairman of the Board of Directors
	CERVED CREDIT COLLECTION S.P.A.	Chairman of the Board of Directors
	CERVED LEGAL SERVICES S.R.L.	Chairman of the Board of Directors
	CERVED MASTER SERVICES S.P.A.	Director
	QUAESTIO CERVED CREDIT MANAGEMENT S.P.A.	Director
	JULIET S.P.A.	Director
	FONDAZIONE MUSICA PER ROMA	Chairman of the Board of Directors
Aurelio Regina	CENTRO STUDI AMERICANI	Deputy Chairman
	DEFENCE TECH S.P.A.	Chairman
	EGON ZEHNDER INTERNATIONAL S.P.A.	Director
	MANIFATTURE SIGARO TOSCANO S.P.A.	Deputy chairman of the Board of Directors
	SISTEMI E AUTOMAZIONE S.R.L.	Deputy chairman of the Board of Directors
	SISAL S.P.A.	Chairman of the Board of Directors
	SISAL GROUP S.P.A.	Chairman of the Board of Directors
	NEXT S.P.A.	Chairman of the Board of Directors
Valentina Montanari	OXFAM ITALIA ONLUS	Director
	MEDIOLANUM GESTIONE FONDI SGR P.A.	Director
Simona Elena Pesce	-	-

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