



Cerved Group S.p.A.

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

Explanatory Report of the Board of Directors of Cerved Group S.p.A.
on the **fourth item** on the agenda of the Ordinary Shareholders' Meeting
convened for 20 May 2020, on a single call.

ITEM NO. 4 ON THE AGENDA

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS FOR THE THREE-YEAR TERM 2020-2022:

- a. APPOINTMENT OF THREE STANDING STATUTORY AUDITORS AND TWO ALTERNATE STATUTORY AUDITORS;**
- b. APPOINTMENT OF THE CHAIRPERSON OF THE BOARD OF STATUTORY AUDITORS;**
- c. DETERMINATION OF THE COMPENSATION FOR MEMBERS OF THE BOARD OF STATUTORY AUDITORS.**

Shareholders,

We remind you that the term of the Company Board of Statutory Auditors, which was appointed by the Ordinary Shareholders' Meeting on 13 April 2017 for the three-year term 2017-2019, will expire at the Ordinary Shareholders' Meeting called to approve the separate financial statements at 31 December 2019, which will convene on a single call on 20 May 2020.

The current members of the Board of Statutory Auditors are: Antonella Bientinesi (Chairwoman of the Board of Statutory Auditors), Paolo Ludovici (Standing Statutory Auditor), Costanza Bonelli (Standing Statutory Auditor), Laura Acquadro (Alternate Statutory Auditor) and Antonio Mele (Alternate Statutory Auditor).

In light of the above, at the next Shareholders' Meeting, you will be asked to appoint three Standing Statutory Auditors, two Alternate Statutory Auditors and the Chairperson of the Board of Statutory Auditors, and to determine the compensation of the members of the Board of Statutory Auditors.

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- a. APPOINTMENT OF THREE STANDING STATUTORY AUDITORS AND TWO ALTERNATE STATUTORY AUDITORS;**

The Board of Statutory Auditors shall be appointed in compliance with Article 24 of the Articles of Association, to which specific reference is made for whatever is not set out hereunder.

In particular, pursuant to Article 24.1 of the Articles of Association, the Ordinary Shareholders' Meeting elects the Board of Statutory Auditors, composed of three Standing Statutory Auditors, and also elects two Alternate Statutory Auditors. The Statutory Auditors appointed in accordance with these provisions shall serve for a three-year term (2020-2022), expiring on the date of the Shareholders' Meeting called to approve the separate financial statements for their last financial year in office.

The Statutory Auditors are elected by the Ordinary Shareholders' Meeting voting on slates of candidates. Those Shareholders who, alone or together with other Shareholders, own shares representing a total of at least 1% (one per cent) of the share capital that may be voted at the Ordinary Shareholders' Meeting, pursuant to Consob Resolution no. 28 of 30 January 2020, may submit slates of candidates.

Ownership of the minimum shareholding required to submit candidate slates as indicated hereinabove shall be determined on the basis of the shares registered in the Shareholder's name on the date when the slates are filed with the Company. However, certification of that shareholding may be submitted even after the slate is filed, provided that this be done by the deadline stipulated for publication of the slates by the Company (i.e. by **29 April 2020**), with a notice issued by an authorised intermediary pursuant to applicable laws and regulations.

Each Shareholder may submit or participate in the submission of just one slate.

The following details are mentioned specifically in regard to preparation of the slates and the composition of the Board of Statutory Auditors.

Every candidate may be listed on just one slate, on penalty of ineligibility.

Slates shall consist of two sections, one for the candidates to be Standing Statutory Auditor and one for the candidates to be Alternate Statutory Auditor, within which the candidates have to be listed in order by number. The number of candidates' names may not exceed the number of members to be elected. 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.

Standing and alternate statutory auditors are appointed by the shareholders in accordance with the applicable gender parity regulations. In this regard, for the renewal of the Board of Statutory Auditors, the new rules on gender quotas pursuant to Article 148, paragraph 1-*bis*, of the Consolidated Law on Finance, as amended by Law 160/2019, will apply, whereby the management and control bodies of listed companies must reserve "at least two fifths" of their members to the less represented gender and no longer one third, as established by previous legislation. In its Communication no. 1/20 of 30 January 2020, Consob clarified that, as part of the supervisory activity on the regulations in question, it will consider the criterion of rounding up to the next higher unit provided for in paragraph 3 of Article 144-*undecies*. 1 of Consob Regulation no. 11971/1999, inapplicable, due to arithmetical impossibility, to the corporate bodies comprised of three members (such as the Issuer's Board of Statutory Auditors, composed of three standing members). Therefore, with regard to the latter, the application of the "two-fifths" criterion with rounding down to the lower unit will be considered in line with the new rules.

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 statutory auditor and at least one of the candidates to the post of alternate statutory auditor listed on the slate belongs to the least represented of the two genders.

Persons who hold a number of positions greater than the limits or are affected by issues that make them ineligible or require their resignation or do not meet the integrity and professionalism requirements of current laws and regulations may not be appointed. For the purposes of Article 1, paragraph 2, letters b) and c), of the Ministry of Justice Decree no. 162 of 30 March 2000, subjects that are closely related to the Company's scope of activities include commercial law and tax law, business economics and corporate finance and the sectors related to the Company's area of activity.

The Shareholders must file the slates of candidates by the twenty-fifth day before the date of the Shareholders' Meeting (i.e., **25 April 2020**). The slates shall be filed by registered letter or certified e-mail to the following address: Cerved Group S.p.A., Via dell'Unione Europea, n. 6A/6B, 20097 San Donato Milanese, e-mail cervedgroup@pec.cerved.com. In all cases, information has to be provided upon filing such as to allow identification of the person who is transmitting the slates. The slates will then be made available to the public by the Company at least twenty-one days before the date of the Shareholders' Meeting (i.e., **29 April 2020**), in the manner provided for by current legislation.

The slates have to be submitted together with the documentation and information required by the Articles of Association and applicable laws and regulations. Accordingly, it is specifically noted that the following has to be filed together with the slates: (i) the information on the identity of shareholders who submitted the slates, with an indication of the total percentage that they own; (ii) a curriculum vitae for each candidate that sets out their personal and professional details, including the list of management and supervisory positions held by each candidate at other companies, *inter alia* in compliance with Article 2400 Italian Civil Code, and the statements with which the individual candidates accept their candidacy and certify, 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, and (iii) a statement by the shareholders other than those who severally and separately or jointly own a controlling stake or relative majority stake, attesting to the absence of any relationships with the latter, as envisaged in Article 144-*quinquies* of Consob Regulation no. 11971/1999 (*inter alia* in accordance with the recommendations made by Consob with Communication no. DEM/9017893 of 26 February 2009).

The submitted slates which do not comply with the provisions of Article 24 of the Articles of Association and the provisions of applicable laws and regulations will be considered as not having been submitted.

If, upon expiry of the aforementioned deadline for filing the slates (**25 April 2020**) – just one slate has been submitted, or slates have been submitted only by those Shareholders who are related to each other pursuant to Article 144-*quinquies* of Consob Regulation no. 11971/1999, slates may be submitted until **28 April 2020** and will be made available to the public by **29 April 2020**. In this case, the threshold set for the submission of slates will be halved, to 0.50% of the share capital.

In regard to the process of appointing the Board of Statutory Auditors and the Alternate Statutory Auditors, it is recalled that – pursuant to Article 24.2, subparagraph 5 of the Articles of Association – the following shall be done:

- a) two Standing Statutory Auditors and one Alternate Statutory Auditor shall be drawn, in the sequential numerical order in which they are listed on the slate, from the slate that received the highest number of votes;
- b) the remaining Standing Statutory Auditor, who shall serve as Chairperson, and the other Alternate Statutory 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. In this case, the replacement mechanisms provided for by the Articles of Association in article 13.9 regarding the appointment of directors will apply.

Consequently, we ask you to appoint three Standing Statutory Auditors and two Alternate Statutory Auditors, by casting your vote for one of the slates submitted and published in accordance with the aforementioned provisions.

b. APPOINTMENT OF THE CHAIRPERSON OF THE BOARD OF STATUTORY AUDITORS;

With respect to the appointment of the Chairperson of the Board of Statutory Auditors, pursuant to Article 148, paragraph 2-*bis*, Legislative Decree 58/1998 and Article 24.2 of the Articles of Association (as per the above paragraph), the Chairperson of the Board of Statutory Auditors is appointed by the Ordinary Shareholders' Meeting, in the person of the Standing Statutory Auditor elected by the minority shareholders (*i.e. 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*). Consequently, if more than one slate of candidates is submitted, the Chairperson shall be the Standing Statutory Auditor who is elected (according to the sequential numerical order of candidates listed in the applicable section) from the slate that receives the highest number of votes after the slate that won the highest number of votes.

Instead, if just one slate of candidates is submitted, the Shareholders' Meeting shall resolve with the majorities prescribed by law (naturally without prejudice to the possibility that when those entitled submit their slates, they shall indicate the candidate proposed as Chairman if just one slate is submitted and voted and the entire Board of Statutory Auditors is then drawn entirely from the same slate).

Therefore, we request that you elect the Chairman of the Board of Statutory Auditors, in accordance with the aforementioned provisions.

c. DETERMINATION OF THE COMPENSATION FOR MEMBERS OF THE BOARD OF STATUTORY AUDITORS.

With respect to the determination of the compensation for members of the Board of Statutory Auditors, pursuant to Article 2402 Italian Civil Code and Article 24.1 of the Articles of Association, the Standing Statutory Auditors' compensation is determined by the Ordinary Shareholders' Meeting when they are appointed, and it shall apply for their entire term in office.

Accordingly, the compensation of the current members of the Board of Statutory Auditors is: i) Euro 60,000/year for the Chairman, and ii) Euro 40,000/year for the other Standing Statutory Auditors.

The expiring Board of Statutory Auditors abstains from making specific proposals in this regard; therefore, it asks you to determine the compensation of the members of the Board of Statutory Auditors according to the relevant proposals made by the Shareholders when they submit the slates of candidates for the Board of Statutory Auditors.

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Consequently, also in the light of the means by which the Shareholders' Meeting will be held (for more information on which please see the notice of call available on the website of the Company) it is suggested that when the Shareholders submit their slates, they also submit ancillary proposals on the compensation for members of the Board of Statutory Auditors and the Chairperson.

San Donato Milanese, 10 April 2020

On behalf of the Board of Directors
The Chairman
(Gianandrea De Bernardis)