



# REPORT ON **CORPORATE GOVERNANCE** AND **OWNERSHIP STRUCTURE**

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PURSUANT TO ARTICLE 123-BIS OF  
LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998  
(TRADITIONAL MANAGEMENT  
AND CONTROL MODEL)



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

2016

Approved by the Board of Directors on 24 February 2017

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

Cerved Information Solutions S.p.A.

Registered office in San Donato Milanese, via dell'Unione Europea 6A-6B –

Milan company registration and VAT no. 08587760961 – REA no. MI-2035639 –

Share capital € 50,450,000

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# Introduction

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

This report (the "**Report**") has been prepared pursuant to Article 123-*bis* of Legislative Decree 58 of 24 February 1998 and approved by the Company Board of Directors on 24 February 2017 for the financial year that ended 31 December 2016.

Specifically, as required by applicable legislation and regulations and in line with Borsa Italiana's guidelines and recommendations – including those set out in the Sixth Edition of the "*Format for the Report on Corporate Governance and Ownership Structure*" published in January 2017 – and those of the main trade associations (Confindustria and Andaf), the Report provides a general and systematic overview of the Issuer's corporate governance system and Ownership structure.

It also provides information about the implementation of the recommendations of the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, as last amended in July 2015.

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

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

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# Glossary

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**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 Information Solutions S.p.A..

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

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

**Code or Corporate Governance Code:** the corporate governance code for listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, available to the public on Borsa Italiana's website ([www.borsaitaliana.it](http://www.borsaitaliana.it)), as last amended in July 2015.

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

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

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

**Risk and Control Committee:** the committee for internal control and risk management set up within the Board of Directors in accordance with principle 7.P.3 and application criteria 7.C.2 and 7.C.3 of the Corporate Governance Code.

**Remuneration and Nomination Committee:** the remuneration and nomination committee set up within the Board of Directors in accordance with principles 6.P.3 and 5.P.1, and criteria 6.C.5 e 5.C.1 of the Corporate Governance Code.

**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 repute 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.1 of the Issuers' Regulation and in accordance with Scheme 7 of Annex 3A to said Regulation.

**Issuer or Company:** Cerved.

**Year:** the year ended 31 December 2016 covered by the Report.

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

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

**Law on Savings:** Law no. 262 of 28 December 2005, implementing the "Provisions to protect savings and regulations of financial markets", as subsequently supplemented and amended.

**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. 594/2014 of the European Parliament and Council of 16 April 2014 on market abuse, which abrogated Directive 2003/6/EC of the European Parliament and Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC and the associated implementation regulations.

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

**231 Model:** the organisation, management and control model envisaged in Legislative Decree 231/2001, adopted by the Board of Directors at its meeting on 13 March 2015.

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

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

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

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

**Internal Dealing Procedure:** the procedure adopted by the Company's Board of Directors with resolution dated 13 July 2016, pursuant to article 19 of MAR and the associated implementation regulations, to article 114.7 of the Consolidated Law on Finance and article 152-octies.8, letter a) of the Issuers' Regulation.

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

**Shareholders' Meeting Regulation:** the regulation approved by the Board of Directors

on 25 March 2014 and, subsequently, by the Shareholders' Meeting on the same date, effective subject to the commencement of trading of the Company's shares on the Mercato Telematico Azionario.

**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 website <https://company.cerved.com/>, section governance/documents and procedures/procedures.

**Internal Audit Manager:** the manager in charge of Cerved's internal audit department, appointed pursuant to application criterion 7.C.5 of the Corporate Governance Code.

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

Company or Issuer: Cerved.

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

**Succession Planning:** the plan for succession of the top management of Cerved implemented by the 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

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## 1.1. THE CORPORATE GOVERNANCE SYSTEM

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

<sup>2</sup> See paragraph 14 of this Report.

<sup>3</sup> See paragraph 11.4 of this Report.

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

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

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

- the Board of Directors is solely responsible for the Company's administrative and strategic management in order to achieve the Company's business object<sup>1</sup>;
- the Board of Statutory Auditors is responsible for monitoring compliance with the law and the Articles of Association, the principles of sound management and, specifically, the adequacy of the Company's organisational, administrative and accounting system<sup>2</sup>;
- the legally-required audit of the Issuer's financial statements is assigned to an audit company listed in the specific register<sup>3</sup>.

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

The Board of Directors also set up:

- the Remuneration and Nomination Committee, which acts as remuneration committee and nomination committee pursuant to principles 6.P.3 and 5.P.1 of the Corporate Governance Code, respectively (see paragraph 7 of this Report);
- the Related Party Committee, which is governed by a specific internal procedure adopted on 28 May 2014, which has been delegated the functions and tasks envisaged by that procedure and the implementing regulation adopted by Consob with Resolution no. 17221 of 12 March 2010;
- the Risk and Control Committee pursuant to principle 7.P.3 of the Corporate Governance Code<sup>5</sup>.

The powers and operating procedures governing the Company's bodies and the Board of Directors' committees are governed by the law and the Articles of Association and by regulations applied by the Company to the extent of Shareholders' Meetings and committees.

## 1.2. THE CERVED GROUP AND ITS MISSION

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

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

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

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

Cerved is also one of the main European rating agencies.

## 1.3. SOCIAL RESPONSIBILITY

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The Issuer adopted a Code of Ethics, last amended in March 2015 (the “**Code of Ethics**”) which officially describes Cerved’s ethical commitments and responsibilities in conducting business activities and defines the set of values and principles, and the rules of conduct, to be followed by the Company’s directors and parties linked to the Company by an employment relationship and, in general, all those operating for the Company, regardless of the nature of their relationship with the Company.

## 2. The Ownership structure

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

### A) SHARE CAPITAL

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

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

In their ordinary Meeting of 14 December 2015, the shareholders approved an incentive and loyalty plan called “*Performance Share Plan 2019-2021*” reserved to the Cerved Group’s managers and directors (the “**Plan**”). The Plan provides for the granting, free of charge, of up to 2,925,000 Cerved ordinary shares to 70 beneficiaries, including the Group’s key and top managers. Granting of shares is subject to the fulfilment of pre-determined conditions, including the achievement of specific performance levels by the Group. 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 prepared pursuant to article 114-*bis* of the Consolidated Law on Finance and article 84-*bis* of the Issuers’ Regulation published on 12 November 2015, available at the Company’s registered office and website (<https://company.cerved.com/>, section governance/shareholders’ meeting/ordinary and extraordinary shareholders’ meeting - December 14, 2015). 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 plan prepared and published pursuant to Article 123-*ter* of the Consolidated Law on Finance and Article 84-*quater* of the Issuer Regulation (the “**Remuneration Report**”), which is also available at the registered office and on the website of the Company (*governance/documents and procedures/procedures* section).

With respect to the Plan, on 21 December 2015, during their extraordinary Meeting, the shareholders entrusted the Board of Directors with the power to carry out a free share capital increase, including in one or more instalments, for a five-year period from the adoption of the relevant resolution, up to Euro 756,750, issuing up to 2,925,000 Cerved new ordinary shares, with no par value, to be granted to the Plan beneficiaries pursuant to article 2349 of the Italian Civil Code.

During the same meeting, the shareholders decided to entrust the Board of Directors, for thirty months from the date of the resolution, with the power to increase share capital

against consideration, including in one or more instalments, up to Euro 5,045,000, issuing Cerved new ordinary shares, with no par value, up to 10% of the shares outstanding on the date such power may be exercised and, however, up to 19,500,000 new shares to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of purchase transactions, excluding the pre-emptive right pursuant to article 2441.4, paragraph two, of the Italian Civil Code and granting the Board of Directors' the power to decide, from time to time and in accordance with the above provision, the issue price of the new shares and the related allocation to capital and share premium.

Except for that stated above, at the date of this Report, there were no other financial instruments granting the right to subscribe the Company's newly-issued shares.

## **B) RESTRICTIONS ON TRANSFERS OF SECURITIES**

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

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

## **C) SIGNIFICANT INTERESTS IN SHARE CAPITAL**

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

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

## **D) SECURITIES CONVEYING SPECIAL RIGHTS**

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

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

## **E) EMPLOYEE OWNERSHIP SCHEME: MECHANISM FOR EXERCISING VOTING RIGHTS**

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

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

## **F) RESTRICTION ON VOTING RIGHTS**

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

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

## **G) SHAREHOLDERS' AGREEMENTS**

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

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

## **H) CHANGE OF CONTROL CLAUSES AND ARTICLES OF ASSOCIATION PROVISIONS ON TENDER OFFERS**

(pursuant to articles 123-*bis*.1, letter h), 104.1-*ter* and 104-*bis*.1 of the Consolidated Law on Finance)

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

Notwithstanding the foregoing, please note that the subsidiary Cerved Group is part of a loan agreement signed on 30 July 2015, which covers some assumptions which conventionally qualify as "change of control" whereby, in the event of change of control, the lender may request repayment of the exposure. Specifically, this option may be exercised where a party or a group of parties acting together acquire and/or hold:

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

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

The Articles of Association provide no exceptions to the provisions of article 104.1 and 2 of the Consolidated Law on Finance regarding the passivity rule (obligation for the Company to refrain from actions or transactions that could hinder the achievement of the objectives of a tender offer) and do not contain any of the neutralisation rules set out in article 104-*bis*.2 and 3 of the Consolidated Finance Act, applicable to restrictions on transfers of securities, voting rights and multiple-vote.

## **I) DELEGATION OF POWERS TO INCREASE SHARE CAPITAL AND AUTHORIZATION TO PURCHASE TREASURY SHARES**

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

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

- for a five-year period from the shareholders' authorisation of 21 December 2015, on a free basis and in one or more instalments, up to Euro 756,750, issuing up to 2,925,000 Cerved ordinary shares to be assigned to the beneficiaries of the Plan pursuant to article 2349 of the Italian Civil Code; and
- for thirty months from the shareholders' authorisation of 21 December 2015, against consideration, including in one or more instalments, up to Euro 5,045.000, issuing Cerved new ordinary shares up to 10% of the shares outstanding on the

date such power may be exercised and, however, not more than 19,500,000 new shares to be subscribed by Italian and foreign institutional and/or qualified investors or the Company's strategic and/or business partners, as part of purchase transactions, excluding the pre-emptive right pursuant to article 2441.4, paragraph two, of the Italian Civil Code.

Furthermore, in their Meeting of 29 April 2016, the shareholders, after cancellation of the previous authorisation to purchase and sale own shares resolved by the shareholders in their meeting of 27 April 2015, authorised the purchase, in one or more tranches and at any time, of the Company's treasury shares within the maximum threshold of 5% of the Company shares, for a period of not more than 18 (eighteen) months of the resolution date.

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

## J) MANAGEMENT AND COORDINATION

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

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

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The Issuer also points out that:

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

## 3. Compliance

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<sup>6</sup> In accordance with the content of paragraph IX, section “Main principles and temporary regime”, of the Corporate Governance Code dated July 2015, issuers are invited to apply the changes to the Code approved in July 2015 by the end of the year beginning in 2016, informing the market thereof through the corporate governance report to be published in the subsequent year.

<sup>7</sup> With respect to the changes implemented by article 8 of the Code (“Statutory Auditors”), in accordance with paragraph IX, section “Main principles and temporary regime”, the Code invites issuers to implement said changes as of the first renewal of the control body after the end of the year beginning in 2015. The office of Cerved’s current Board of Statutory Auditors will expire on the day the shareholders are called in a Meeting to approve the financial statements at 31 December 2016.

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

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

In particular, during the financial year, the Company adopted the principles and application criteria most recently added to the Corporate Governance Code, as amended on 10 July 2015<sup>6</sup>, available on the website of Borsa Italiana at <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2015.pdf>.

This Report also covers the principles and application criteria of the Corporate Governance Code which the Company, at present, decided not to apply, in whole or in part, in accordance with the comply or explain principle set out in the section “Main principles and temporary regime” of the Corporate Governance Code paragraphs III and IV. Cerved will consider the opportunity to comply with the other new principles of the Code, within the stipulated deadlines<sup>7</sup>.

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

## 4. Board of Directors

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### 4.1. APPOINTMENT AND REPLACEMENT

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

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

at least three members who meet the independence requirements of the applicable laws and regulations. Each slate shall specify which candidates meet the above independence requirements of the applicable laws and regulations in effect at any given time. Standing directors shall promptly inform the Board of Directors if they no longer meet the independence requirements or become ineligible or incompatible. The loss of the requirements necessary to serve on the Board of Directors entails dismissal from that position, it being understood that the loss of the above independence requirements by a director, without prejudice to immediately informing the Board of Directors remaining in effect, does not cause the director to be dismissed if the Board of Directors still includes the required minimum number of Directors that, pursuant to the legislation in effect at any given time, meet the above requirements.

Slates must be filed at the Issuer's registered office and published in accordance with ruling legislation. Slates containing a number of candidates equal to or greater than three must include candidates from both genders, with the candidates belonging to the gender least represented accounting for at least one-third (rounded up) of the candidates.

Upon the first renewal of the Board of Directors after the Company's Flotation Date, the slates shall be comprised of candidates from both genders, with the candidates belonging to the least represented gender accounting for at least one-fifth (rounded up) of the candidates.

Each shareholder may file or participate in the filing of only one slate and each candidate may be listed only on one slate, on penalty of becoming ineligible. Only shareholders who alone or together with other shareholders hold at least 2.5% of the share capital with voting rights in ordinary shareholders' meetings or a different investment percentage set by the laws or regulations in effect at any given time, are entitled to file slates of candidates. In this respect, it is noted that in its resolution no. 19856 of 25 January 2017, Consob set at 1% the percentage of investment required pursuant to article 144-*quater* of the Issuers' Regulation, for filing slates of candidates for the appointment of the Company's boards of directors and statutory auditors.

Affidavits by which the individual candidates accept their nomination and attest, under their own responsibility, that there are no issues making them unelectable or incompatible and that they meet the requirements of current legislation for election to their respective posts shall be filed together with each slate within the deadline required by the laws and regulations in effect at any given time. The affidavits must be accompanied by a curriculum vitae setting forth the personal and professional background of each candidate and specifying whether the candidate qualifies as independent, in accordance with the provisions of laws and regulations in effect, and those of any corporate governance codes of conduct adopted by the Company. Slates that are not prepared in accordance with the provisions of the Articles of Association shall be deemed to have never been filed. Each voting right holder may vote only for one slate.

At the end of the balloting, the candidates from the two slates that received the highest number of votes will be elected as follows:

- a) a number of Directors equal to the total number of Directors that must be elected, minus 1 (one) or 2 (two), shall be drawn, in the sequential numerical order in which



- they are listed on the slate, from the slate that received the highest number of votes, as described below;
- b) the remaining Director shall be drawn from the slate that received the second highest number of votes at the Shareholders' Meeting and is not in any way connected, directly or indirectly, with the shareholders who filed or voted for the slate that received the highest number of votes, only if this slate was voted by less than 5% of share capital with voting rights at ordinary shareholders' meetings or twice the percentage of investment in share capital as established by the laws and regulations in effect at any given time applicable to slate filing;
  - c) conversely, when the list that received the second highest number of votes is voted by at least 5% of share capital with voting rights at ordinary shareholders' meetings or twice the percentage of investment in share capital as established by the laws and regulations in effect at any given time applicable to slate filing, both remaining directors shall be drawn from the slate in the sequential numerical order in which they are listed on the slate;
  - d) when more slates were voted by at least 5% of share capital with voting rights at ordinary shareholders' meetings or twice the percentage of investment in share capital as established by the laws and regulations in effect at any given time applicable to slate filing, the two remaining directors shall be drawn, one for each slate, from the first two minority slates that received the second highest number of votes in the sequential numerical order in which they are listed on the slate.

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

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

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

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 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 for the possible successor to the Chief Executive Officer then in office, defining his 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 (“**Succession Planning**”).

On 11 January 2016, after Chopin Holdings S.à r.l. sold its stake in the Company, five of the eleven directors at that date tendered their resignations, to take effect at the next Shareholders' Meeting.

In consequence of those resignations and also the significant changes in the Company ownership structure, the Board of Directors meeting held on 12 January 2016 decided to allow the Shareholders' Meeting to appoint the entire Board of Directors.

To that end, all the other directors tendered their own resignations at the same meeting, to take effect at the next Shareholders' Meeting.

Therefore, that Shareholders' Meeting was convened for 29 April 2016.

Consequently, the Remuneration and Nomination Committee, acting within the scope of its own responsibilities and to support the Board of Directors with the eventual submission of its own slate of candidates to the Company Board of Directors pursuant to Article 13.8 of the Articles of Association: *i)* made several recommendations pursuant to Article 3.4. (iv) of the Remuneration and Nomination Committee Regulation concerning nomination of the candidates to be elected to the Company Board of Directors, defining a list of names including, inter alia, members of the senior management team of the Company and the Group, several of whom were deemed fit, according to the results of the Succession Planning, to be chosen as the new chief executive officer (“**Slate 1**”) and *ii)* resolved to present the results of its Succession Planning to the Board of Directors together with the aforementioned recommendations and Slate 1.

Considering the recommendations made by the Remuneration and Nomination Committee and the results of Succession Planning, the Company Board of Directors approved Slate 1 at its meeting on 25 March 2016, and subsequently published it.

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 Slate 1. 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. It consequently: *i)* elected Marco Nespolo as the new Chief Executive Officer of the Company, granting him

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

Considering the recent renewal of the Board of Directors and consequent definition of the new governance structure of the Company through the appointment of Marco Nespolo as Chief Executive Officer and Gianandrea De Bernardis as Executive Deputy Chairman of the Company, no need to update the Succession Planning has arisen as at the date of this Report. During the year covered by this Report, new senior managers have been appointed at the Company, in a process that might be completed in 2017. Therefore, it is believed that the Succession Planning will be updated in 2017.

## 4.2. COMPOSITION

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

After setting the number of directors at eleven during the Shareholders' Meeting 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.

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 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 current laws and regulations for assuming that position, the Board of Directors meeting held on 3 May 2016 confirmed that the Directors Fabio Cerchiai, Mara Caverni, Aurelio Regina, Marco Maria Fumagalli, Valentina Montanari and Giulia Bongiorno fulfilled the prerequisites for qualification as independent directors pursuant to Article 148(3) Consolidated Law on Finance (applicable to the directors pursuant to Article 147-*ter*, paragraph 4, Consolidated Law on Finance) and the Code. At its meeting on 7 June 2016 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.

The following tables illustrate the changes in the composition of the Board of Directors during the Year.

#### COMPOSITION OF THE CURRENT BOARD OF DIRECTORS, APPOINTED BY THE SHAREHOLDERS' MEETING ON 29 APRIL 2016

NAME	POSITION
Fabio Cerchiai	Independent Chairman
Gianandrea De Bernardis	Executive Deputy Chairman
Marco Nespolo	Chief Executive Officer
Sabrina Delle Curti	Executive Director
Andrea Mignanelli	Executive Director
Roberto Mancini	Executive Director
Mara Caverni	Independent
Aurelio Regina	Independent
Marco Maria Fumagalli	Independent
Valentina Montanari	Independent
Giulia Bongiorno	Independent

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

## COMPOSITION OF THE BOARD OF DIRECTORS FROM 1 JANUARY 2016 UNTIL 29 APRIL 2016

NAME	POSITION
Fabio Cerchiai	Independent Chairman
Gianandrea De Bernardis	Chief Executive Officer
Marco Nespolo	Executive Director
Sabrina Delle Curti	Executive Director
Francisco Javier De Jaime Guijarro	Non-executive Director
Giorgio De Palma	Executive Director
Mara Caverni	Independent
Aurelio Regina	Independent
Andrea Ferrante	Non-executive Director
Giampiero Mazza	Executive Director
Federico Quitadamo	Non-executive Director

Five of these directors were executive directors as defined by the Code and six directors were non-executive and independent.

\* \* \*

<sup>8</sup> In addition to the aforementioned individuals, Slate 1 also included: Arabella Caporella and Simona Pesce, and both meet the conditions to be considered independent pursuant to Article 148(3) Consolidated Law on Finance and the Corporate Governance Code.

<sup>9</sup> 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.

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

The Directors Fabio Cerchiai, Gianandrea De Bernardis, Marco Nespolo, Sabrina Delle Curti, Andrea Mignanelli, Roberto Mancini, Giulia Bongiorno, Mara Caverni and Aurelio Regina were drawn from Slate 1<sup>8</sup>, submitted by the outgoing Board of Directors, pursuant to Article 13.8 of the Articles of Association. Slate 1 received votes representing 62.782% of the voting shares.

The Directors Marco Maria Fumagalli and Valentina Montanari were drawn from Slate 2<sup>9</sup>, submitted by a group of institutional investors: Aletti Gestielle SGR S.p.A. manager of the fund Gestielle Cedola Italy Opportunity; Amber Capital Italia SGR S.p.A., manager of the fund Alpha UCITS Sicav/Amber Equity Fund; Arca S.G.R. S.p.A. manager of the funds: Arca Azioni Italia and Arca Economia Reale Equity Italia; Ersel Asset Management SGR S.p.A. manager of the fund Fondersel PMI; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI Italia; Eurizon Capital SA manager of the funds: Eurizon EasyFund - Equity Italy LTE; Eurizon EasyFund - Equity Italy; Fideuram Investimenti S.G.R. S.p.A. manager of the fund Fideuram Italia; Fideuram Asset Management (Ireland) Limited manager of the fund Fonditalia Equity Italy; Interfund Sicav manager of the fund Interfund Equity Italy; Mediolanum Gestione Fondi Sgr pA manager of the funds: Mediolanum Flessibile Italia and Mediolanum Flessibile Sviluppo Italia; Mediolanum International Funds Limited-Challenge Funds – Challenge Italian Equity; Pioneer Asset Management SA manager of the fund PF-

Italian Equity; Pioneer Investment Management SGR pA manager of the fund Pioneer Italia Azionario Crescita, which together owned a shareholding representing 1.767% of the share capital. The shareholders who submitted Slate 2 declared that they had no relationships with the shareholders that own a controlling or relative majority stake, as defined by law and the Articles of Association. Slate 2 received votes representing 32.414% of the voting shares.

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

### **FABIO CERCHIAI**

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

He served on the boards of directors of important financial companies both in Italy and abroad. In addition to his position as Chairman of the Issuer, he is currently chairman of Atlantia S.p.A., of Autostrade per l'Italia S.p.A., of Arca Vita S.p.A. and Arca Assicurazioni S.p.A., of SIAT S.p.A. and of Fest Fenice Servizi teatrali. 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 ANSPC – Associazione Nazionale per lo Sviluppo dei Problemi di Credito and a director of AISCAT – Associazione Italiana Società Concessionarie Autostrade e Trafori. He is a member of Assonime's and Fondazione Censis' Management Boards. He is also a director of Quadrivio Group S.p.A.. Since 2011 he has been adjunct professor at Università Cattolica del Sacro Cuore in Milan - School of Banking, Finance and Insurance.

### **GIANANDREA EDOARDO DE BERNARDIS**

Gianandrea De Bernardis was born in Milan on 15 September 1964, graduated summa cum laude from Polytechnic University in Milan with a degree in electronic engineering and earned a master's degree in business administration from SDA Bocconi. He began his career at the end of 1980s in the United States as a software engineer in the telecommunications area at AT&T Bell Laboratories and Wang Laboratories Intecom Inc. From 1991 to 1993 he honed his skills at Saras S.p.A., an oil refiner, as head of performance and production control. Subsequently, from 1995 to 1999, he worked at The Boston Consulting Group, mainly managing industry and consumer-related projects. In 1999, he was named general manager of AMPS S.p.A., the provider of local public services in Parma, and worked on important development and restructuring projects, including the acquisition of the ENEL networks, diversification into telecommunications (Albacom.AMPS S.p.A.), geographic expansion, process reengineering and the sale of a significant interest in the company to the Edizione Holding/San Paolo IMI investment consortium.

From 2001 to 2009, Mr. De Bernardis served as chief executive officer of TeamSystem S.p.A. helping nurture the company through its growth process. He has been chief executive officer of Cerved Group S.p.A. from June 2009 to 29 April 2016. In addition to his position as Deputy Chairman of the Issuer, he has been Chairman of the Board of Directors of the subsidiary Cerved Group S.p.A. since January 2016.

### **MARCO NESPOLO**

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

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

### **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 Paris at PricewaterhouseCoopers in 1993, relocating to London in 1998, where she worked for PricewaterhouseCoopers Transaction Services. Between 1994 and 1996, she served as chief financial officer at a subsidiary of a multinational group. In 1999, she became partner at PricewaterhouseCoopers in Italy, where she remained until 2011, serving first as head of the European Private Equity Transactions Division, from 2003 to 2005, and, subsequently, as the head of the Italian Private Equity Division, from 2005 to 2011 and as a member of the global private equity team. In 2008, she was included in the Ready-for-board women list. In 2012, she founded New Deal Advisors S.p.A. of which she is the managing partner.

She has and does hold positions as independent director at several well-known companies (e.g. Snai S.p.A., holding the position of chairman of the board of directors, and ERG S.p.A., and also holding the position of member of the risk and control committee and the nomination and remuneration committee). Until 2010, she was a visiting professor at the Master's Program in Merchant Banking at Carlo Cattaneo University – LIUC in Castellanza (VA) She is the co-author of various publications on the M&As, private equity and due diligence. She is registered with the register of Chartered Accountants and Chartered Auditors.

### **AURELIO REGINA**

Aurelio Regina was born in Foggia on 15 August 1963 and earned a summa cum laude degree in political science from the Free University of Social Studies in Rome. He was an assistant professor both at the Methods for International Conflicts Resolutions Department and at the Global Strategy Department at the War College of the Italian Armed Forces, and, in 1986, served at the United Nations in New York on issues related to Middle East conflicts. In 1988, he became the head of communications, relations with public institutions

and legislative studies at Procter & Gamble Italia. In 1991, he was named director of corporate affairs for the Philip Morris Companies Group in Italy and, subsequently, managing director of Philip Morris Corporate Services Inc. and managing director of Philip Morris S.r.l..

From 2008 to 2012, he was Chairman of Unindustria – Association of the Manufacturers and Businesses of Rome, Frosinone, Rieti and Viterbo (formerly Association of the Manufacturers and Businesses of Rome) and Chairman of Confindustria Latium. He has been Chief Executive Officer of British American Tobacco Italia, a BAT group company, a tobacco multinational, and served as chairman of Sistemi & Automazione S.p.A. and as director of Sviluppo Italia S.p.A., from 2011 to 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, a company for Unioncamere Lazio's internationalisation. 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 as member of the board of Aspen Institute Italia (association). He is chairman of Manifatture Sigaro Toscano S.p.A. and a member of the board of directors of Sisal SpA and Sisal Group SpA, and also a partner and member of the board of directors of Egon Zehnder International S.p.A.

### **SABRINA DELLE CURTI**

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

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

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

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

In July 2015 she was appointed General Counsel of the Cerved Group and head Legal and Corporate Affairs Department. In August 2016 she also became head of institutional affairs for the Group. Since September 2015 she has also served as member of the board of directors of Cerved Information Solutions S.p.A., a company where she also serves as secretary of the Board of Directors.

Committed to social welfare projects, she has undertaken a collaboration with the non-profit Doppia Difesa ONLUS founded by attorney Giulia Bongiorno and actress Michelle Hunziker, which offers support to women who have suffered violence, abuse and discrimination.

For several years she has cooperated with the Private Law Department of the Faculty of Economics at Milan Bicocca University, under the supervision of Prof. Franceschelli.



### **ANDREA MIGNANELLI**

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

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

He is currently a member of the board of directors at the Issuer and also at Cerved Credit Collection S.p.A., Cerved Legal Services S.r.l., SC Re Collection S.r.l. and Codifi S.p.A.

### **ROBERTO MANCINI**

Roberto Mancini was born on 04 May 1971 and graduated in economics and business administration from the University "Federico II" of Naples.

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

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

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

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

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

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

### **MARCO MARIA FUMAGALLI**

Marco Maria Fumagalli was born on 22 September 1961. He graduated with a degree in Economics and Business at the Università Cattolica del Sacro Cuore in Milan. After working for several years in the Administration and Finance departments of multinational compa-

nies, 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 *Chartholder (Chartered Financial Analyst)*. Since 2015 he has been a member of the Steering Committee of the Governance Forum of E&Y Italia.

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

Since April 2015 he has been Chairman of the Board of Statutory Auditors of Yoox Net-a-Porter Group SpA.

#### **VALENTINA MONTANARI**

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

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

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

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

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

#### **GIULIA BONGIORNO**

Giulia Bongiorno was born on 22 March 1966. In 1989 she graduated summa cum laude with a degree in law and became a criminal lawyer in July 1992. She also won the Toga d'oro ("Golden Robe") award, which is reserved to the most brilliant new lawyers.

In 1995 she joined the pool of defence lawyers representing former Prime Minister Giulio Andreotti in his widely reported trials in Palermo and Perugia.

She specialises in criminal law, especially white collar crime. She also specialises in the drafting and updating of organisational and management models pursuant to Legislative Decree 231/2001 (Administrative Liability of Entities).

She also specialises in sports law and cases before sports justice bodies.

Together with Judge Roberto Garofali, she is editor of the series published by the publishing house "Nel Diritto Editore", entitled "Casi di penale. Atti e pareri", a practical manual for the preparation of aspiring lawyers.

An independent candidate who ran on the Alleanza Nazionale party slate, she was elected to the Italian Chamber of Deputies in 2006. During the 15th Italian Parliament, she was a member of the Justice Committee and the Jurisdiction Board.

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

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

Since 2012 she has been an independent member of the Board of Directors of Juventus Football Club S.p.A., since 2013 she has been Chairman of the Supervisory Body of Terna Plus S.r.l. and since July 2016 she has been Chairman of the Supervisory Body of the Ospedale Israelitico hospital.

## MAXIMUM NUMBER OF POSTS THAT MAY BE HELD AT OTHER COMPANIES

<sup>10</sup> Application criterion 1.C.3.

The Corporate Governance Code<sup>10</sup> requires that the Board of Directors express its opinion regarding the maximum number of boards on which a director or statutory auditor may serve - in other listed companies, financial companies, banks, insurance companies or companies of a considerable size - compatibly with the obligation to perform effectively his/her duties as a Company director, taking also into account the service of directors on committees established internally by the Board of Directors.

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

- a) the Board of Directors in office until 29 April 2016 did not express its opinion;
- b) in motivating the discrepancies between the Code's recommendations, the Board of Directors believed that the responsibility for determining the suitability of candidates to the post of director, based also on the posts held at other companies, rests first of all, with the shareholders upon the appointment of directors and, secondly, with the individual directors, upon accepting their election;
- c) although the Board of Directors - as previously constituted - decided not to adopt a specific rule governing the maximum number of posts that can be held, based on the above reasons, the real adequacy in terms of the time available to each director - also considering their work and professional commitments, the number of posts of directors and statutory auditors held in other listed companies, financial companies, banks, insurance companies or companies with a considerable size - to effectively perform their respective duties, was assessed by each director currently in office at the time of accepting the office;

- d) the opinion of the Board of Directors - as previously constituted - may be further discussed and assessed by the Board of Directors currently in office, also to consider the Company's real needs and, more in general, the possible development of the 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.

<sup>11</sup> See application criterion 1.C.2 of the Code.

<sup>12</sup> Pursuant to application criterion 2.C.2 of the Corporate Governance Code.

In accordance with the Corporate Governance Code<sup>11</sup>, the posts of directors currently held by some directors of Cerved at companies other than the Company, at the date of this Report, are summarised in Table 2 ("Structure of the Board of Directors and Committees") attached hereto and listed in detail in Annex 1 ("List of Directors' offices").

## INDUCTION PROGRAMME

On 12 May 2016 the Board of Directors elected by the Shareholders' Meeting on 29 April 2016 approved an induction programme for the Year<sup>12</sup> ("**Induction Programme 2016**"), divided into two sessions and aimed at providing the directors with adequate knowledge of the business sector in which the Company and Group operate, business dynamics and their evolution, the principles of proper risk management, and the applicable statutory, regulatory and self-regulatory framework.

In particular, during these sessions, which were held on 23 June 2016 and 26 September 2016 and with the support of top management at the Group, representing both the business functions and the corporate functions, the following topics were discussed:

- corporate, organisational and operating structure of the Group;
- market performance and strategy for each segment of the Group in which it operates: *Credit Information, Marketing Solutions and Credit Management*;
- management of processes for the development and supply of products and services;
- database and information sources.

## 4.3. ROLE OF THE BOARD OF DIRECTORS

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

The Board of Directors meets on a regular basis. During the year, the Board of Directors met 19 times. In accordance with the financial calendar, it will meet 4 times in 2017. Four meetings have already been held since the end of the Year: on 13 January, 7 February, 15 February and 24 February 2017 (when this Report was approved).

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, appointed pursuant to Article 154-*bis* of the Consolidated Law on Finance and Article 19 of the Articles of Association (the "**Manager in charge of Financial Reporting**"), the Investor Relator and the Corpo-

<sup>13</sup> 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"*.

<sup>14</sup> See paragraph 15.3 of the Articles of Association.

<sup>15</sup> Pursuant to application criterion 1.C.5 of the Corporate Governance Code.

<sup>16</sup> The reference to punctuality has been included in the comment on Article 1 of the Corporate Governance Code.

<sup>17</sup> See application criterion 1.C.1 of the Code.

rate Development Director, the chief executive officers of the Subsidiaries and, in general, the senior managers of the Issuer and the Group companies who are in charge of the company departments have specific responsibilities, in order to provide detailed information as relevant to the matters on the agenda, as provided by the Corporate Governance Code<sup>13</sup>.

In accordance with the Articles of Association<sup>14</sup>, notices of Board meetings were given by means of a registered letter, or a fax or an email at least three days before the date of the meeting, or, in urgent cases, at least 24 hours before the date of the meeting. The notices listed the place, date and time of the meeting and the items on the agenda.

The Chairman, also assisted by the Secretary to the Board of Directors, ensures that timely and complete pre-meeting information is sent at least two days before the date of the Board meeting, adopting the necessary modalities to preserve the confidentiality of the supplied information and data and that the documentation related to the items on the agenda is sent to the directors well in advance of the date of each meeting<sup>15</sup>. The notice that is generally deemed adequate for providing information before the board of directors meeting is about two days prior to the meeting. This deadline was normally met during the Year, except in those cases where, due to the complexity of the matters discussed, the supporting documents were provided to the directors and statutory auditors as soon as they were available, and always in time for the Board of Directors meetings.

If in specific cases, inter alia to preserve the confidentiality of the information provided (for example, in connection with projects of particular strategic relevance to the business of the Company and the Group), it is not possible to provide the pre-meeting reports sufficiently in advance, the Chairman shall ensure that adequate and timely<sup>16</sup> details will be provided during the board of directors meetings, so that informed decisions may be taken.

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

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

In accordance with ruling applicable legislation and in line with the recommendations of the Corporate Governance Code<sup>17</sup>, the Board of Directors, acting as a body, has exclusive jurisdiction with regard to the following decisions:

- a) reviewing and approving the strategic, business and financial plans of the Issuer and the Group and periodic monitoring of their implementation;
- b) defining the Issuer's corporate governance system and the Group's structure;
- c) definition of 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) assessment of the adequacy of the organisational, administrative and accounting structure of the Issuer, and that of the highly strategic Subsidiaries, with specific reference to the effective functioning of the internal control and risk management

system that might be relevant in view of the medium-long term sustainability of the Issuer's activity (the **"Risk and Control System"**);

- e) defining the frequency, which need not be more than quarterly, with which the delegated bodies must report to the Board of Directors about the work they performed in the exercise of the powers delegated to them;
- f) assessing the general performance of the Issuer's operations, specifically taking into account the information received from the delegated bodies, and periodically comparing actual results with budgeted results;
- g) adopting resolutions about transactions executed by the Issuer and its subsidiaries, when the transactions are particularly significant in terms of the Issuer's strategy, operating performance or financial position; to that effect, it shall establish general criteria for identifying highly material transactions;
- h) assessing, at least once a year, the performance of the Board of Directors and its committees, as well as the Board's size and composition, taking also into account such elements as the professional characteristics and the management skills and other expertise of the Board members, as well as the length of their service on the Board;
- 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.

<sup>18</sup> See paragraph 19.2 of the Articles of Association.

<sup>19</sup> Pursuant to application criterion 1.C.1.c of the Corporate Governance Code.

<sup>20</sup> 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 ("whistle-blowing" systems) 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".

In addition to exercising the powers attributed to it by the law, in accordance with the Articles of Association<sup>18</sup> the Board of Directors resolves on the following items:

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

For the purposes of the activity described in point (d), all Subsidiaries were considered highly strategic given the importance of their respective business and/or the fact that they are subject to authorisations and particularly complex laws and provisions. In its meeting of 24 February 2017, based on the information and evidence gathered with the support of the investigation work carried out by the Risk and Control Committee and considering the assumptions and the assessments of the manager in charge of the Risk and Control System (the **"Risk and Control Manager"**), the Internal Audit Manager (who also coordinates and monitors enterprise risk management) and the Manager in charge of Financial Reporting, the Board of Directors subsequently assessed the adequacy of the Issuer's and the Subsidiaries' organisational, administrative and accounting structure, concluding that there are no issues such to jeopardise the overall adequacy and effectiveness of the Cerved Group's Risk and Control System<sup>19</sup>.

Although it was not listed on FTSE-MIB, the Company undertook a preliminary analysis during the Year to implement a whistle-blowing system at the Group level which would be in line with international market practice<sup>20</sup>.

<sup>21</sup> In the Comment on Article 1 of the Corporate Governance Code, we read "The Committee emphasises the key role played by the board of directors in assessing the effective performance of the internal control and risk management system that might assume significance in view of the medium-long term sustainability of the issuer's activity. When confronted with material circumstances, the Board of Directors acquires the necessary information and takes all appropriate measures to protect the Company and its market disclosures".

<sup>22</sup> Pursuant to application criterion 1.C.1.e of the Corporate Governance Code.

<sup>23</sup> Recommended by application criterion 1.C.1.g of the Corporate Governance Code.

During the year, consistently with the recommendations made by criterion 1.C.1.b of the Corporate Governance Code, the Board of Directors defined the nature and level of risk compatible with the Issuer's strategic objectives in relation to monitoring of the risks connected with the various operating areas of the Company. Its assessments included the risks that might assume significance in view of the medium-long term sustainability of the Issuer's activity. Moreover, when confronted with material circumstances, the Board of Directors acquired the necessary information and took all appropriate measures to protect the Company and its market disclosures<sup>21</sup>.

Furthermore, the Board of Directors periodically checked the general performance of operations, 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.

Finally, the Board of Directors promoted an annual self-assessment process<sup>23</sup> that involves the directors filling out special questionnaires prepared by an independent third party, the law firm MN Tax & Legal, whose reference partner for the self-assessment process of the Issuer is the lawyer Emiliano Nitti, who also holds the following offices at the Cerved Group: Chairman of the Board of Statutory Auditors of Consit Italia S.p.A. and Recus S.p.A. (until 1° September 2016, when Recus S.p.A. was merged by incorporation into Finservice S.p.A., now Cerved Credit Collection S.p.A.); Standing Statutory Auditor of Finservice S.p.A. (now Cerved Credit Collection S.p.A.), Cerved Credit Management Group S.r.l., Cerved Credit Management S.p.A. and Cerved Rating Agency S.p.A.; Chairman of the Supervisory Body of Cerved Rating Agency S.p.A. and Consit Italia S.p.A.; Member of the Supervisory Body of Cerved Group, Finservice S.p.A., Cerved Credit Management S.p.A., Cerved Legal Services S.r.l. and Cerved Information Solutions S.p.A..

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).

<sup>24</sup> Application criterion 1.C.1.g of the Code.

In accordance with the Corporate Governance Code's recommendations<sup>24</sup>, the Board of Directors carried out a self-assessment also for the year under review. The self-assessment questionnaires were sent to all directors on 27 January 2017 and the answers to questionnaires were then collected anonymously and aggregated into a summary document which was examined by the Board of Directors during the meeting held on 24 February 2017.

The self-assessment made positive findings on the performance, size and composition of the Board of Directors and its committees. In particular, it turned out that

- a) the Board of Directors has an adequate number of members for the size and complexity of the organisational structure, and the diversification of the Company and Group business;
- b) the minutes of the Board of Directors meetings are drafted in an analytical, clear and complete manner and give a detailed presentation of how the approved decisions are taken, by also providing the reasons therefor;
- c) the dialogue between non-Executive Directors and the Chief Executive Officer during board meetings was open and constructive;
- d) the number and type of Board of Directors Committees adequately covered the topics requiring preliminary and detailed examination.

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

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

- to the Deputy chairman; and
- to the Chief Executive Officer.



The following powers were delegate to the Deputy Chairman and the Chief Executive Officer on 29 April 2016, with their election on 3 May 2016, and were subsequently modified on 13 July 2016.

#### 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 incapacitation, 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, inter alia on the basis of information to be provided by the Chief Executive Officer, terms and conditions of possible transactions of significant strategic, economic, capital or financial importance to the Company and Group so that they may be proposed to the Board of Directors together with the Chief Executive Officer;
- c) partly on the basis of information to be provided by the Chief Executive Officer, conduct monthly examinations of general operating performance and implementation of the strategic, industrial and financial plans of the Company and Group, in view of providing timely and relevant information if necessary or appropriate to the Board of Directors together with the Chief Executive Officer;
- d) represent the Company in all types of legal proceedings – including enforcement proceedings and collective creditor proceedings – both as plaintiff and as defendant, in all jurisdictions of any type and level, make settlements or abandon claims judicial and extrajudicial controversies, with independent power of signature for amounts not exceeding Euro 250,000 and jointly with the Chief Executive Officer up to Euro 500,000 for each individual settlement and/or abandonment of claim;
- e) negotiate terms and conditions, stipulate, amend, rescind and terminate agreements for the purchase, sale, exchange or transfer of real estate, equity investments, business units or parts of businesses with independent power of signature up to the limit of Euro 250,000 per individual transaction, and with the joint signature of the Chief Executive Officer, up to the limit of Euro 500,000 per individual transaction;
- f) negotiate terms and conditions, and execute, amend, cancel and withdraw from operating leases and finance leases for movable property, including leases for more than one year, all of the above provided that the Company's total annual expense commitment does not exceed the amount of Euro 250,000 and, jointly with the Chief Executive Officer, up to Euro 500,000 per transaction;
- g) negotiate terms and conditions, stipulate, amend, rescind and terminate agreements for the acquisition of databases to be distributed to third parties and agreements to outsource the distribution of services and products of the Company inside and/or outside Italy, in all cases within the limit of Euro 250,000 per individual transaction and jointly with the Chief Executive Officer, within the limit of Euro 500,000 per single transaction;
- h) execute all types of bank transactions, open and close current accounts in the Company's name with banks, credit institutions, post and telegraph offices and other offices or entities; deposit all sums belonging to the Company; operate these

- accounts using any overdraft facilities within the limits of the available credit; authorise cash management transactions;
- i) negotiate the terms and conditions, stipulate, amend and rescind agreements for granting mandates to professionals; appoint and dismiss legal advisers and lawyers to represent and defend the Company in extrajudicial and/or judicial proceedings – including arbitrations, enforcement and collective creditor proceedings – both as plaintiff and as defendant, in any domestic or foreign jurisdiction, of any type and level, and enter into consulting agreements, albeit within the limit of Euro 250,000 per individual agreement and, with the Chief Executive Officer's joint signature, within the limit of Euro 500,000, per individual agreement;
  - j) within the limits of the powers granted to him, issue and revoke mandates and general or limited powers of attorney for certain acts or categories of acts, by appointing procurators and granting them with the power of company signature individually or jointly and with those attributions that he deems appropriate, including the power of sub-delegating authority.

#### 4.4.2. CHIEF EXECUTIVE OFFICER

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

- a) representing the Company before all public and private entities, banks, economic and territorial entities, offices and organisations of the public administration and responsible for tax related litigation, and entities providing social assistance, retirement and taxation services, more specifically with the right to execute all declarations, complaints and attestations, and complying with any other requirement of tax and social security regulations within the required deadlines and paying all related amounts;
- b) representing the Company, supervising and handling the external relations of the Company and the Group to which it belongs with entities, institutions, authorities, bodies and third parties, both inside and outside Italy, public and private, including (for example), Consob, Borsa Italiana, the press, information outlets, the media in general, economic and industry associations, the financial community, the scientific community, investors and stakeholders;
- c) examining, inter alia with the Deputy Chairman's support, the terms and conditions of possible transactions having significant strategic, economic, capital or financial importance to the Company and the Group that owns it, and proposing them to the Board of Directors together with the Deputy Chairman;
- d) informing the Deputy Chairman on a monthly basis about general operating performance and implementation of the strategic, industrial and financial plans of the Company and the Group, in order to guarantee the fairness and timeliness of the disclosures to give in this regard to the Board of Directors together with the Deputy Chairman;
- e) representing the Company in all types of legal proceedings – including enforcement proceedings and collective creditor proceedings – both as plaintiff and as defendant, in all jurisdictions of any type and level, make settlements or abandon claims judicial and extrajudicial controversies, with independent power of signature for amounts not exceeding Euro 250,000 and jointly with the Deputy Chairman up to Euro 500,000 for each individual settlement and/or abandonment of claim;
- f) 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;
- g) negotiating terms and conditions, stipulating, amending, rescinding and terminating agreements for the purchase, sale, exchange or transfer of real estate, equity investments, business units or parts of businesses with independent power of signature up to the limit of Euro 250,000 per individual transaction, and with the joint signature of the Deputy Chairman, up to the limit of Euro 500,000 per individual transaction;
  - h) 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 250,000 and, jointly with the Deputy Chairman, up to Euro 500,000 per transaction;
  - i) negotiating terms and conditions, making, amending, rescinding and terminating agreements for the purchase, sale and exchange of vehicles in general, inter alia through finance leases, with powers to exempt the public registrars from liability;
  - j) negotiating terms and conditions, executing, amending, rescinding and terminating supply contracts with suppliers of electric power, telephone service, gas, water and similar utilities, making and signing any and all declarations and requests that may be necessary and appropriate, including applications for transfer and cancellation of registration;
  - k) authorising payment of all approved expenses without amount restrictions;
  - l) approving sales prices, special sales terms, distribution contracts and agency contracts;
  - m) waiving receivables that are uncollectible or the collection of which would be unprofitable for amounts not greater than Euro 10,000;
  - n) 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 250,000 per individual transaction and jointly with the Deputy Chairman, within the limit of Euro 500,000 per single transaction;
  - o) 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 overdraft facilities within the limits of the available credit; authorising cash management transactions;
  - p) negotiating terms and conditions, executing, amending, rescinding and terminating loan agreements and otherwise assume financial debt up to the limit of total indebtedness of Euro 1,000,000 per reporting year;
  - q) demanding and collecting, including both principal and ancillary amounts, any sums or receivables under any title and for any reason owed to the Company, and issuing the respective receipts and releases;
  - r) paying the periodic remuneration to employees and the corresponding mandatory social security contributions;
  - s) hiring and firing 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

- neration, sign letters of employment and request approvals from the Employment Office of the Ministry of Labour; and exercising all powers related to the complement management of existing employment relationships; represent the Company in relations with trade unions and company organisations in general, including negotiations and making company collective bargaining agreements;
- t) delegating and revoking powers to managers or other Company employees and professionals within the limits of the powers granted to the Chief Executive Officer;
  - u) negotiating the 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 proceedings – including arbitrations, enforcement and collective creditor proceedings – both as plaintiff and as defendant, in any domestic or foreign jurisdiction, of any type and level, and entering into consulting agreements, albeit within the limit of Euro 250,000 per individual agreement and, with the Deputy Chairman's joint signature, within the limit of Euro 500,000, per individual agreement;
  - v) negotiating terms and conditions, stipulating, amending, rescinding and terminating agreements for the the sale and supply of goods and services produced in the course of the Company's ordinary operations, up to the limit of Euro 250,000 per individual transaction, and with the joint signature of the Deputy Chairman, up to the limit of Euro 500,000 per individual transaction;
  - w) appointing and dismissing representatives to negotiate tax disputes before administrative and jurisdictional authorities and before the courts, without any limitation as to the level of jurisdiction; receiving tax audit reports and asset surrender reports, appointing for that purpose experts and custodians, demanding and enforcing real offers, attachment and seizures of assets held by debtors and other parties and opposing and revoking such actions;
  - x) negotiating terms and conditions, executing, rescinding and terminating insurance and reinsurance contracts, executing policies with any entity or company;
  - y) handling any process aimed at obtaining licenses, authorisations and concessions;
  - z) exercising decision-making, spending, management and control powers concerning (i) determination of the aims, methods and tools for the processing of personal data by the Company, in its capacity and data controller pursuant to Section 4(f) of Legislative Decree 196/03 ("Data Controller"), and (ii) compliance with the related obligations imposed by current personal data protection laws, and represent the Company as the Delegate to exercise the Data Controller's data processing powers (the "Data Controller's Delegate" or "Privacy Delegate"), in relations with third parties, and to grant a limited power of attorney to represent the Company in administrative and judicial proceedings of all types and levels in relation to issues and controversies related to the aforementioned matter, 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;
- bb) submitting applications and performing any act at any public or private office inside or outside Italy as necessary, preparatory, functional or otherwise connected to

- registering, modifying, maintaining and extinguishing patents, trademarks, designs, brands, utility models, domain names, copyright and any other intellectual property right in general; appointing advisers, lawyers, professionals and correspondents inside and outside Italy for this purpose, by giving them the associated mandates;
- bb) acting as Employer and environmental protection manager of the Company, with all powers, independent signature authority, and full decision-making and spending authority in accordance with corporate procedures to make all decisions and take all initiatives in regard to occupational health, safety and hygiene and environmental protection, being able to act with the same prerogatives of the board of directors and in substitution of it in terms of functions and independent decision-making and financial authority; all of this shall be done without any limits, so that he can assume the powers, duties and responsibilities in these matters that are assigned to the board of directors under the articles of association. So that he may discharge his mandate, the Chief Executive Officer is granted authority over the employment relationship between the Company and its employees, including those operating at secondary production units, with the power – to be exercised in compliance with corporate procedures – to hire, dismiss and take disciplinary measures, organise work, assess its risks and verify that his own directives have been carried out. As the Employer and environmental protection manager, the Chief Executive Officer will have to:
- i. ensure the proper application of all existing and future statutory provisions as apply to the operating areas discussed here and in full compliance with all provisions, circulars, orders and implementing regulations, including the national collective bargaining agreements;
  - ii. stay constantly abreast of newly issued measures affecting the responsibilities delegated to him, and in regard to the best available techniques to be applied, in accordance with statutory provisions; he may draw on the assistance of consultants, and the work of senior managers, supervisors and employees in general, inter alia through the issuance of circulars and internal orders, as part of the coordinated organisation and implementation of legally mandated safety and environmental protection measures, systematically monitoring their effective and fair implementation;
  - iii. if he deems it will help achieve the assigned objectives, he may delegate performance of the operating obligations on the matters under his own responsibility, with the sole limit being the top management and/or corporate policy decisions and obligations that may not be delegated under the law – in regard to occupational safety and health –and particularly in regard to the limits imposed by Article 17 of Legislative Decree 81/2008 on the delegation of occupational health and safety functions;
  - iv. he may use the budget set by the Board of Directors to exercise his assigned powers, although he still has the duty and possibility to order purchases and expenditures beyond the limits set in the budget whenever, in occupational safety, environmental protection and third party safety matters, he finds it urgently necessary to do so, with the power to establish the priorities in performing the work.
- cc) In his capacity as employer and environmental protection manager, the Chief Executive Officer is also delegated the following powers:
- i. represent 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 re-

lated to the acts under his responsibility, signing the documents necessary for obtaining the issuance of authorisations, permits, extensions, deferrals and concessions, the signing of attestations, certificates, warnings, reports and similar documents, the hiring, firing and imposition of disciplinary measures as envisaged in the National Collective Bargaining Agreement, the protection of employees' privacy, and generally all powers related to the complete management of existing employment relationships; represent the company before all public and private authorities and entities, in order to obtain permits, concessions, licenses, approvals, opinions, authorisations and other measures necessary to perform the activity;

- ii. represent the Company before all court authorities and arbitration panels, inter alia in the matters covered by this resolution;
- dd) represent the Company by voting in the name and on behalf of the Company itself, at the shareholders' meetings of subsidiaries or investees, except for those resolutions on the following matters; changes in capital, issuance of bonds, mergers or demergers; amendments to the Articles of Association; adoption of stock option plans; purchase or sale of business or business units when they are subject to authorisation by the shareholders' meeting pursuant to Article 2364(1)(5) Italian Civil Code, and listing on any regulating market;
- ee) within the limits of the powers granted to him, 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 necessary and/or appropriate, including the power of sub-delegating authority.

<sup>25</sup> Pursuant to application criterion 2.C.5 of the Corporate Governance Code.

It is noted that, at the date of this Report, no instances of interlocking directorate exist<sup>25</sup>: indeed, Cerved's Chief Executive Officer, Marco Nespolo, does not hold any other directorships in companies, other than group companies, in which another director of Cerved acts as chief executive officer.

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

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

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

#### 4.4.4. EXECUTIVE COMMITTEE

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

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

#### 4.4.5. REPORTING TO THE BOARD OF DIRECTORS

The delegated bodies shall report promptly to the Board of Directors and the Board of Statutory Auditors at least on a quarterly basis and in any case in connection with any Board of Directors' meeting, about the activities carried out, the general performance of the Company's operations and its business outlook, as well as about any transaction with a material impact on the Company's financial position and results of operations, or transactions that are otherwise highly material because of their size or characteristics executed by the Company and the Subsidiaries. More specifically, they shall report on transaction in which they may have an interest, directly or on behalf of third parties, or which are influenced by the party that exercises guidance and coordination, if any.

### 4.5. OTHER EXECUTIVE DIRECTORS

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<sup>26</sup> Pursuant to application criterion 2.C.1 of the Corporate Governance Code.

In addition to the Chief Executive Officer, Marco Nespolo, and the Deputy Chairman, Gianandrea De Bernardis, another three executive directors belong to the Board of Directors<sup>26</sup>: Andrea Mignanelli, Roberto Mancini and Sabrina Delle Curti.

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

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

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

### 4.6. INDEPENDENT DIRECTORS

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<sup>27</sup> See application criterion 3.C.1 of the Code.

At its meeting on 3 May 2016 (the first meeting to be held after the Shareholders' Meeting on 29 April 2016, at which the current Company Board of Directors was held), the Board of Directors, acting on the information provided by each director and their curricula vitae (listing all the management and control positions they hold at other companies), decided that the Chairman, Fabio Cerchiai, and the non-executive directors Giulia Bongiorno, Mara Caverni, Marco Maria Fumagalli, Valentina Montanari and Aurelio Regina met the prerequisites for being considered independent, both pursuant to Article 147-ter, paragraph 4, and Article 148, paragraph 3 of the Consolidated Law on Finance, and pursuant to the Corporate Governance Code<sup>27</sup>. The Board of Directors published the result of its findings in a press release made to the market.

All the criteria envisaged in application criterion 3.C.1 were applied during assessment of

the prerequisites for independence. During the assessment, the Chairman of the Board of Directors asked the affected directors to provide any additional information as necessary for a complete and adequate assessment that the prerequisites for assuming the position as imposed by current law were in fact met.

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

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.

<sup>28</sup> Application criterion 3.C.5.

<sup>29</sup> 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"*.

As also envisaged by the Code<sup>28</sup>, the Board of Statutory Auditors found at its meeting on 7 June 2016 that the criteria and procedures adopted by the Board of Directors to assess the directors' independence were fair, and result of that review was reported in the Report of the Statutory Auditors to the Shareholders' Meeting pursuant to Article 2429 Italian Civil Code.

In accordance with the provisions of application criterion 3.C.6. of the Code, during the Year the independent directors – in addition to the meetings of the Board of Directors committees on which all six of them are members – met on two occasions with meetings convened ad hoc in the absence of other directors<sup>29</sup>: on 10 February 2016 (when the previous Board of Directors was still sitting, i.e. when there were three independent members) and on 22 December 2016. On 10 February 2016 issues related to the changes in the Corporate Governance Code and in applicable laws and regulations were discussed as well as the recent guidelines issued by Assonime and Assogestioni. On 22 December 2016, issues connected with corporate governance were discussed and, in particular, the rules and practices adopted thus far by the Company for holding and managing Board of Directors meetings.

## 4.7. LEAD INDEPENDENT DIRECTOR

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<sup>30</sup> 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.

Since the conditions set out in the Corporate Governance Code<sup>30</sup> were not met, the Board of Directors did not appoint an independent director as the lead independent director.



## 5. Treatment of Corporate information

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<sup>31</sup> Application criterion 1.C.1.j.

<sup>32</sup> 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.”*

<sup>33</sup> Pursuant to article 114.7 of the Consolidated Law on Finance and article 153-octies.8, letter (a) of the Issuers’ Regulation.

<sup>34</sup> 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.

<sup>35</sup> 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.

### MANAGING INSIDE INFORMATION

As recommended by the Corporate Governance Code<sup>31</sup>, on 23 June 2014 the Board of Directors approved a “procedure for internal management and external disclosure of inside information”.

After the MAR and the Implementing Regulation came into force, the Company Board of Directors adopted the Inside Information Procedure on 13 July 2016. This procedure regulates the internal management and external disclosure of “inside information”<sup>32</sup> concerning the Company and Group companies, and the conduct (i) of members of the administration, management and control bodies of the Company and Group companies, and (ii) all persons who, in consequence of their work or professional activity or the functions they perform, have regular or occasional access to inside information pertaining to the Company or Group companies (i) and (ii), collectively, the **“Recipients”**).

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

In accordance with the provisions of Article 18(1)(a) of the MAR and in accordance with the Implementation Regulation, the Company has set up a register of Recipients who have access to Inside Information.

The Inside Information Procedure is available on the Company’s website <https://company.cerved.com/it/documenti>, section “procedures”.

### INTERNAL DEALING

In accordance with applicable legislation and regulations<sup>33</sup>, on 23 June 2014, the Board of Directors approved a procedure governing the disclosure to the market of the transactions carried out by relevant persons and concerning the shares and the other financial instruments issued by the Company.

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

procedure to regulate the disclosure obligations applying to transactions executed by “relevant persons”<sup>34</sup> and by closely related persons<sup>35</sup>, involving shares of the Company or derivative instruments or other financial instruments connected with the shares of the Company, to guarantee maximum transparency towards the market and competent authorities, and the limits imposed on execution of those transactions by relevant persons and the persons closely related to them.

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

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

## 6. Board Committees

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

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

- the Remuneration and Nomination Committee, which in accordance with articles 5 and 6 of the Code, assists the Board of Directors with consultancy and advisory investigating functions, in the assessments and decisions related to the composition of the Board of Directors and the remuneration of Directors and Key Managers;
- the risk and control committee, pursuant to principle 7.P.3 of the Corporate Governance Code, with inquiry duties, consultative and advisory functions, in the evaluations and decisions related to the Risk and Control System and the approval of periodic financial reporting.
- the Related Party Committee, in implementation of the provisions contained in Article 2391-*bis* Italian Civil Code and in the implementing regulation adopted by Consob with Resolution no. 17221 of 12 March 2010 (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

<sup>36</sup> See application criterion 4.C.1.a of the Code whereby the committees of board of directors made up of more than eight members shall be made up of at least three members.

the stricter rules applying to the composition of the remuneration committee, as all of its members are independent directors.

Reference is made to the following paragraphs of this Report for a description of the composition<sup>36</sup>, functions, tasks, resources and activities that can be associated with the aforementioned committees.

## 7. Remuneration and Nomination Committee

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### COMPOSITION

On 31 March 2016, the Board of Directors appointed the remuneration committee, comprised of four independent non-executive directors whose term of office will expire with that of the Board of Directors. Its members are:

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

<sup>37</sup> Pursuant to principle 5.P.1 of the Code, the nomination committee must be made up, for the majority, of independent directors. Under principle 6.P.3, the remuneration committee shall be (exclusively) made up of independent directors or, alternatively, the committee may be made up of non-executive directors, the majority of which to be independent; in this case, the chairman of the committee is selected among the independent directors.

The Remuneration and Nomination Committee is only comprised of independent directors. Its composition complies with the principles of the Code governing the composition of the nomination committee and the remuneration committee<sup>37</sup>.

Furthermore, with respect to the requirements set out in the Code<sup>38</sup>, it is confirmed that all members of the Remuneration and Nomination Committee have adequate knowledge and experience of accounting and financial and/or remuneration matters, as evaluated by the Board of Directors at the time of nomination.

<sup>38</sup> See principle 6.P.3 of the Corporate Governance Code, whereby at least one committee member shall have adequate knowledge and experience in finance or remuneration policies.

### FUNCTIONS OF THE REMUNERATION AND NOMINATION COMMITTEE

As mentioned earlier, the Remuneration and Nomination Committee has performed all the tasks assigned to the remuneration committee by the Corporate Governance Code<sup>39</sup>. Specifically:

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

<sup>39</sup> 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, providing the Board of Directors with its recommendations regarding the use of such plans or systems and all significant technical issues related to their design and implementation. Specifically, submitting proposals to the Board of Directors regarding the incentive system that it deems most appropriate and monitoring the evolution and implementation of the incentive plans over time;
- d) submitting to the Board of Directors for approval the remuneration report and, more specifically, the remuneration policy for directors and key managers prior to its submission to the shareholders' meeting convened to approve the annual financial statements, within the deadline required by the law;
- e) reporting, through its chairman or another committee member designated by the chairman, to the Shareholders' meeting convened to approve the annual financial statements on the procedures applied for the purpose of performing its functions;
- f) perform any additional tasks that the Board of Directors assigned to it subsequently.

<sup>40</sup> See also application criteria 5.C.1 and 5.C.2 of the Corporate Governance Code.

<sup>41</sup> That is, respectively, (i) the maximum number of offices as director and statutory auditor that may be considered compatible with an effective performance of an Issuer director's duties (application criterion 1.C.3 of the Code) and (ii) the evaluation of the prior general authorisation to derogate from the rule prohibiting competition that the shareholders may grant, as permitted by article 2390 of the Italian Civil Code (application criterion 1.C.4).

The Remuneration and Nomination Committee is also entrusted with the following functions which, pursuant to the Code, are the responsibility of the nomination committee<sup>40</sup>. Specifically:

- a) to express opinions to the Board of Directors regarding its size and composition and express recommendations with regard to the professional skills necessary within the Board as well as with regard to the topics indicated by criteria 1.C.3. and 1.C.4 of the Corporate Governance Code<sup>41</sup>;
- b) to submit the Board of Directors candidates for directors offices in case of co-opting, should the replacement of independent directors be necessary;
- c) to recommend, in the case of renewals, the candidates for directors offices to be proposed, indicating their names and/or requirements;
- d) to prepare a plan for the succession of executive directors;
- e) to oversee the annual self-assessment of the Board of Directors and its committees pursuant to the Corporate Governance Code and, based on the outcome of such self-assessment, to express opinions to the Board of Directors about the size and composition of the Board;
- f) to provide the Board of Directors with periodic updates on the development of corporate governance rules, while submitting proposed adjustments;
- g) to prepare the plan for the periodic checks of the directors' independence and integrity requirements and that there are no issues making them ineligible or incompatible.

In 2016, the Remuneration and Nomination Committee met 6 times, for which minutes were regularly kept. Each meeting had an average duration of approximately 1 hour and 10 minutes. Reference should be made to Table 2 ("Structure of the Board of Directors") attached to this Report for information about the attendance percentage of each member of the committee in the above meetings. In accordance with the recommendations set out in application criterion 6.C.6 of the Corporate Governance Code, no Director shall participate in the Committee meetings during which proposals in respect of their remuneration are formulated to the Board of Directors.

On invitation by the Remuneration and Nomination Committee and in regard to specific

<sup>42</sup> Pursuant to application criterion 4.C.1.f of the Corporate Governance Code.

<sup>43</sup> Pursuant to application criterion 6.C.7 of the Corporate Governance Code.

<sup>44</sup> Pursuant to application criterion 6.C.6 of the Corporate Governance Code.

items on the agenda<sup>42</sup>, certain of its meetings were attended by the Chairman of the Board of Directors of Cerved, the Deputy Chairman, the Chief Executive Officer, the managing director of Cerved, the general counsel and head of the legal, institutional and corporate affairs department of the Cerved Group, Sabrina Delle Curti, the head of the human resources and industrial relations department, Daniele Pozza, and the Human Resources Director of the Cerved Group, Monica Magrì, and several consultants. The absence of any situations that might have comprised their independent judgement was verified<sup>43</sup>.

In any event, the Issuer's executive directors abstain from participation at Remuneration and Nomination Committee meetings where the proposals to the Board of Directors on their own remuneration are made<sup>44</sup>.

Partly on the basis of the general recommendations for committees made by application criterion 4.C.1.a of the Code and to ensure adequate functional and operating links with the delegated corporate units, the Chairman of the Board of Statutory Auditors was invited to attend several meetings of the Remuneration and Nomination Committee.

During the Year, the Remuneration and Nomination Committee performed the activities under its jurisdiction and, specifically, discussed, resolved and made proposals to the Board of Directors mainly on:

- the make-up of the new Board of Directors and the prerequisites of the candidates to the next Board of Directors to be elected;
- self-assessment of the Board of Directors;
- checking achievement of the 2015 short-term incentive objectives for the Cerved Group's managers, junior managers and employees;
- the Company's and the Cerved Group's remuneration policy;
- the 2016 Remuneration Report;
- determination of the Cerved Group performance bonuses;
- appointment of the Committee secretary;
- award of the pro-rated bonus for 2016;
- structure of the new corporate organisational chart;
- emoluments of directors assigned special responsibilities;
- assignment of targets for the Chief Operating Officer;
- revision of the implementing regulation of the "Performance Share Plan 2019-2021" and the proposed assignment of rights deriving from the "Performance Share Plan 2019-2021".

As recommended by the Corporate Governance Code (Comment on Article 5), the Remuneration and Nomination Committee has been engaged for presentation of the slate by the Board of Directors for its renewal at the Company Shareholders' Meeting held on 29 April 2016.

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 comprise their independence of judgement. During the Year, the Remuneration and Nomination Committee used the independent consultants at Key2People S.r.l. to assess the make-up of the Board of Directors and attorney Emiliano Nitti for the self-evaluation of the Board of Directors.

<sup>45</sup> Pursuant to application criterion 4.C.1.e of the Corporate Governance Code.

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

In accordance with its regulation, the Remuneration and Nomination Committee shall have the financial resources necessary to pay the fees of the above advisers or other experts and to perform the tasks assigned to it<sup>45</sup>. The Remuneration and Nomination Committee budget for the Year, as approved by the Board of Directors in its meeting of 03 May 2016, amounted to Euro 30,000.

Since the reporting date, the Remuneration and Nomination Committee has already met three times, on 25 January 2017, 15 February 2017 and 24 February 2017. The Chairman of the Remuneration and Nomination Committee has regularly reported as soon as possible to the Board of Directors on the activities of the Committee and the topics discussed at each of its meetings<sup>46</sup>.

## 8. Directors' remuneration

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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 13 March 2017 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/>, section governance/documents and procedures/procedures.

## 9. Risk and Control Committee

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<sup>47</sup> As recommended by principle 7.P.4 of the Corporate Governance Code.

### COMPOSITION

The Risk and Control Committee is composed of three independent non-executive directors<sup>47</sup>.

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

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

The Risk and Control Committee is chaired by Mara Anna Rita Caverni, appointed by the Board of Directors on 03 May 2016.

<sup>48</sup> See principle 7.P.4. of the Code.

<sup>49</sup> See principle 7.P.3.a (ii) of the Code.

<sup>50</sup> See application criterion 7.C.2. of the Code.

<sup>51</sup> See application criterion 7.C.1 of the Corporate Governance Code.

As required by the Corporate Governance Code<sup>48</sup> and the regulation of the Risk and Control Committee, at least one member of the committee has adequate experience of accounting and financial or risk management matters, evaluated by the Board of Directors at the time of appointment. In particular, as reported by the Risk and Control Committee at the meeting on 3 May 2016, all three members of the Committee have the prerequisite knowledge and experience in accounting, financial and risk management matters.

## FUNCTIONS OF THE RISK AND CONTROL COMMITTEE

The Risk and Control Committee has consultative and proposal making functions and, in accordance with the Corporate Governance Code<sup>49</sup>, the related committee regulation, and the best practices, supports, with an adequate preparatory activity, the assessments and decisions of the Board of Directors concerning the Risk and Control System and those concerning the approval of periodic financial reports.

Specifically, and in accordance with the Corporate Governance Code<sup>50</sup> and the best practices, the Risk and Control Committee, in assisting the Board of Directors:

- a) shall assess, jointly with the Manager in charge of Financial Reporting, with the input of the independent auditors and the Board of Statutory Auditors, the correct implementation of the accounting principles and their consistency for the purpose of preparing the consolidated financial statements;
- b) shall express opinions on specific issues concerning the identification of the main business risks;
- c) shall review the periodic reports on the assessment of the Risk and Control System and those addressing particularly significant issues prepared by the Internal Audit Manager;
- d) shall monitor the independence, adequacy, effectiveness and efficiency of the internal audit function and supervise 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) shall report to the Board of Directors, at least once every six months, in connection with the approval of the annual and half-year financial report, about the work it performed and the adequacy of the Risk and Control System; and
- g) shall support, with an adequate preparatory activity, the assessments and decisions of the Board of Directors concerning the management of the risks arising from prejudicial facts known by the Board of Directors.

Furthermore, again in accordance with the provisions of the Corporate Governance Code<sup>51</sup>, the Risk and Control Committee shall express its binding opinion on the following functions assigned to the Board of Directors:

- a) the definition of the guidelines of the Risk and Control System, ensuring that the main risks applicable to the Company and its Subsidiaries are correctly identified and adequately measured, managed and monitored, also determining the level at

which these risks are compatible with business management that is consistent with the strategic objectives defined;

- b) the periodic assessment, at least once a year, of the adequacy and effectiveness of the Risk and Control System, vis-à-vis the Company's characteristics and the relevant risk profile;
- c) the 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 Risk and Control System, and the rules coordinating the parties involved, while providing an assessment of the system's adequacy;
- e) an evaluation, with the input of the Board of Statutory Auditors, of the findings presented by the independent auditors in their management letter and in the report on the main issues identified during the legally-required audit; and
- f) the appointment, dismissal and remuneration of the Internal Audit Manager, consistent with the Company's remuneration policies and the provision of resources adequate to its duties, based on the proposal of the Director in charge of the Internal Control and Risk Management System.

The Risk and Control Committee operating rules, which no longer attribute it with the functions of the Related Party Committee, since a specific committee has been set up for that function (à propos see paragraph 10 below), were approved by the Board of Directors on 31 March 2014 and then amended most recently with the Board of Directors resolution of 13 July 2016.

<sup>52</sup> Pursuant to application criterion 4.C.1. of the Code.

During the Year, the Risk and Control Committee met 7 times, for which minutes were regularly kept<sup>52</sup>. Each meeting had an average duration of approximately 1 hour and 38 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.

<sup>53</sup> Pursuant to application criterion 7.C.3 of the Code.

Furthermore, in accordance with the relevant regulation, the Risk and Control Committee invited the Chief Executive Officer, the Director in charge of the Internal Control and Risk Management System, the Chairman of the Board of Statutory Auditors and other statutory auditors<sup>53</sup>, the Manager in charge of Financial Reporting, the General Counsel, the partner and PricewaterhouseCoopers S.p.A.'s reference manager (the accounting firm retained as independent auditor of Cerved), the head of the Company accounting and budget department, the members of the Supervisory Body pursuant to Legislative Decree 231/01. Furthermore, the Internal Audit Manager also participated in the meetings as secretary.

During the meetings carried out in 2016, 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 Risk and Control System and the aspects related to the remuneration of the department manager;
- the reports (including the half-year report) on the Internal Audit department's activities in 2015 and the 2016 action plan related to the Company and the Group;



- the progress of the activities defined in the 2016 Audit Plan and the events identified, in 2016, as significant for the Company and the Group;
- the proposed changes to this regulation and the definition of its budget and the 2016 action plan;
- the 2015 report on corporate governance and ownership structure prepared by the Company;
- Cerved's draft financial statements at 31 December 2015 and the half-year report at 30 June 2016;
- the Manager in charge of Financial Reporting's periodic report on the Risk and Control System covering the financial reporting process developed within the Group, specifically in relation to compliance with Law no. 262 of 28 December 2005, implementing the "Provisions to protect savings and regulations of financial markets" (the "**Law on Savings**");
- the activities performed by the Company in connection with the organisation, management and control model pursuant to Legislative Decree 231/2001 ("**231 Model**");
- the project of the development of the Group enterprise risk management (ERM) and the internal control and risk management initiatives.

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

At the date of this Report, the Risk and Control Committee has already met three times, on 30 January 2017, 13 February 2017 and 20 February 2017. At the last meeting, the Risk and Control Committee focused in particular on "*Non Financial Reporting-Corporate Social Responsibility*", in light of the statutory and regulatory compliance obligations applicable from the time that the separate financial statements for the year ending 31 December 2017 will be approved. The Issuer carried out an internal study in this regard, with the support of external experts specialising in this area. This study was aimed at proposing the implementation guidelines for application of the changes in regulations affecting "*Non Financial Reporting*" through a structured process of management, monitoring, collection and reporting of non-financial information and KPI (environmental, social, personnel, human rights, anti-corruption and anti-extortion information as needed to comprehend the performance of the business, its results, its situation and the impact of its activity). The project team, the scope and its planning are being defined as at the date of the Report.

The Chairman of the Control and Risk Committee has regularly reported as soon as possible to the Board of Directors on the activities of the Committee and the topics discussed at each of its meetings. In this regard, consistently with the provisions of the Code and best practice, the Risk and Control Committee has also prepared specific half-year reports on the activities performed by it during the Year.

In accordance with its regulation, the Risk and Control Committee shall have the financial resources necessary to pay the fees of independent consultants or other experts and to perform the tasks assigned to it. The Risk and Control Committee budget for the Year, as approved by the Board of Directors in its meeting of 03 May 2016, amounted to Euro 30,000.

<sup>54</sup> See application criterion 4.C.1.e of the Code.

In accordance with the Corporate Governance Code<sup>54</sup>, the Risk and Control Committee shall have the right to access the information and company departments necessary to perform its tasks and may use external consultants, in accordance with the terms specified by the Board of Directors. The Risk and Control Committee did not use independent consultants during the Year.

## 10. Related Party Committee

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### COMPOSITION OF THE RELATED PARTY COMMITTEE

The Related Party Committee was set up on 3 May 2016, in accordance with the Related Party Regulation and procedure adopted by the Company with a resolution on 28 May 2014.

<sup>55</sup> As recommended by principle 7.P.4 of the Corporate Governance Code.

The Related Party Committee is composed of three independent non-executive members<sup>55</sup>, all of whom were appointed on 3 May 2016 and whose term expires at the same time as that of the Board of Directors appointed by the Shareholders' Meeting held on 29 April 2016. Its term will expire when the separate financial statements at 31 December 2018 are approved. The members of the Related Party Committee are:

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

### FUNCTIONS ASSIGNED TO THE RELATED PARTY COMMITTEE

The Related Party Committee performs the duties and functions assigned to it by the Related Party Regulation, the Company procedure governing related party transactions, and the periodically applicable regulations aimed at guaranteeing the transparency and substantial and procedural fairness of the related party transactions of the Company and compliance with the principles set out in Article 2391-bis of the Italian Civil Code.

The Related Party Committee operating rules were approved by the Board of Directors on 13 July 2016.

Six meetings were held during the Year, including four of the Risk and Control Committee, which was also assigned the functions of the related party committee, and two – held on 12 May 2016 and 24 February 2017 of the Related Party Committee (which, as previously mentioned, was set up on 3 May 2016). All of the aforementioned meetings were regularly recorded in the minutes<sup>56</sup>. Each meeting had an average duration of approximately 1 hour 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 Related Party Committee in the above meetings.

<sup>56</sup> Pursuant to application criterion 4.C.1 .. of the Code

<sup>57</sup> Pursuant to application criterion 7.C.3 of the Code.

<sup>58</sup> See application criterion 4.C.1.e of the Code.

On invitation by the Risk and Control Committee (which at that time was assigned the duties of the related party transactions committee) and in regard to the specific items on the agenda, the Chief Executive Officer, the Director in charge of the Internal Control and Risk Management System, the Chairman of the Board of Statutory Auditors and other statutory auditors<sup>57</sup>, the Manager in charge of Financial Reporting, the General Counsel and head of legal, institutional and corporate affairs (inter alia in her capacity as Secretary of the Related Party Committee, after she was appointed on 12 May 2016), the assigned partner and manager of PricewaterhouseCoopers S.p.A. (the accounting firm retained as independent auditor of Cerved), and the head of the Company accounting and budget department attended certain meetings of the Committee.

During the meetings carried out in 2016, 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 on:

- assessment of related party transactions;
- meeting with the Independent Auditors;
- signing the shareholders agreement among the Group companies;
- approval of the Related Party Committee Regulation and its secretary;
- examination and approval of the not-to-compete agreement with the Chief Executive Officer.

The Related Party Committee has never met between the end of the Year and the date of this Report.

In accordance with its regulation, the Related Party Committee shall have the financial resources necessary to pay the fees of independent consultants or other experts and to perform the tasks assigned to it. The Related Party Committee budget for the Year, as approved by the Board of Directors in its meeting of 03 May 2016, amounts to Euro 30,000.

In accordance with the Corporate Governance Code<sup>58</sup>, the Related Party Committee shall have the right to access the information and company departments necessary to perform its tasks and may use external consultants, in accordance with the terms specified by the Board of Directors. The Related Party Committee did not use independent consultants during the Year.

# 11. Internal Control and Risk Management System

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## INTRODUCTION

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

<sup>59</sup> See the principle 7.P.2 of the Corporate Governance Code.

In accordance with the Corporate Governance Code<sup>59</sup>, the Risk and Control System helps guarantee the integrity of corporate assets, the efficiency and effectiveness of business processes, the reliability of information provided to corporate bodies and the market, statutory and regulatory compliance, and compliance with the articles of association and internal procedures.

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

- **first level control** (*Management – risk owner*): it identifies, assesses, manages and monitors the risks under its purview, in connection with it identifies and implements specific handling actions;
- **second level control** (*Management or functions in charge of monitoring risks and the adequacy of controls*): it monitors the principal risks confronting the Company (including compliance risks) to guarantee the effectiveness and efficiency of their handling, and verifies the adequacy and performance of the controls implemented in protection against the principal risks. It also provides support to the first level of control in defining and implementing adequate systems for management of the principal risks and related controls;
- **third level control** (*Internal Audit*): it provides independent and objective assurance on the adequacy and effective performance of the first and second level of control and, in general, assesses the efficiency and effectiveness of the Internal Control and Risk Management System.

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

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

- updated identification and assessment of the Group's main risks;
- risk assessment by Risk Owners;

- identification of the remedial actions agreed-upon with management and the respective implementation timetables.

The Group's Enterprise Risk Management model (and the related methodology), as approved by the Board of Directors on 16 March 2016, and implemented at Group level during the Year, was aimed at meeting both governance and compliance needs and management needs. The Internal Audit Manager reported the results of risk monitoring and related analyses relating to the Year at the Board of Directors meeting held on 24 February 2017.

A propos, it is pointed out that the Enterprise Risk Management model previously adopted by the Company had already been found adequate for the purposes of identifying and monitoring business risks. Nevertheless, the Company decided during the Year to refine the previously adopted model in view of constantly improving corporate governance.

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

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

With respect to management needs, the Enterprise Risk Management Model of the Cerved Group provides the corporate management with a tool to express and assess the risks and opportunities factors inherent to the Company's decision, strengthening its decision-making processes and the Risk Culture elements.

<sup>60</sup> Pursuant to application criterion 1.C.1.b of the Code.

<sup>61</sup> Pursuant to application criterion 7.C.1.c of the Code.

<sup>62</sup> Pursuant to application criterion 7.C.1.b of the Code.

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 all risks in its own assessments that can assume importance in view of the medium-long term sustainability of Company activity<sup>60</sup>.

On the basis of the report on the activity of the Risk and Control Committee, the Board of Directors approved the internal audit action plan for 2016 on 11 March 2016, after consulting with the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System<sup>61</sup> (who coordinated during the Year with all the participating business functions, through a constant and adequate flow of information). They found that the Company internal control and risk management system was effective, stating that it adequately matched the specific characteristics of the Company and its adopted risk profile<sup>62</sup>.

On 28 July 2016 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 2016, found that the internal control and risk management system was effective in terms of the characteristics of the Company.

On 24 February 2017 and after the annual report by the Risk and Control Committee on the activity performed by the Risk and Control Committee, found that the internal control and risk management system was substantially adequate and effective in terms of the characteristics of the Company.

## MAIN CHARACTERISTICS OF THE EXISTING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT APPLIES TO THE FINANCIAL REPORTING PROCESS

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

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

### d) **ASSESSMENT OF THE CONTROLS VIS-À-VIS THE RISKS IDENTIFIED**

The Risk and Control System related to financial reporting is assessed at least once every six months in order to ensure adequate accounting information in the

preparation of the annual separate and consolidated financial statements and the condensed interim consolidated financial statements.

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

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

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

## ROLES AND FUNCTIONS INVOLVED

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

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

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<sup>63</sup> Specifically, pursuant to principle 7.P.3.a(i) and application criterion 7.C.4 of the Code.

In its meeting of 03 May 2016, the Board of Directors confirmed Marco Nespolo as the Director in charge of the Internal Control and Risk Management System pursuant to the Corporate Governance Code<sup>63</sup>, effective from the Flotation Date. The Director in charge of the Internal Control and Risk Management System:

- a) identified the main business risks, taking into account the characteristics of the activities carried out by the Issuer and its Subsidiaries and periodically submits the results to the Board of Directors;

- b) implemented the guidelines defined by the Board of Directors, handling the design, implementation and management of the Risk and Control 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

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<sup>64</sup> See principle 7.P.3.b and application criterion 7.C.5 of the Code.

In its meeting of 31 March 2014, the Board of Directors, appointed Orazio Mardente Internal Audit Manager pursuant to the Corporate Governance Code<sup>64</sup> and effective from the Flotation Date. To ensure its independence, the internal audit function is not responsible for any operating unit and reports directly to the Board of Directors. The Internal Audit function reports to the Board of Directors, the Risk and Control Committee, the Director in charge and the Statutory Auditor of the Internal Control and Risk Management System, who are informed, through periodic executive summaries, of the results of the activities carried out. .

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

On 24 February 2017, the Board of Directors, upon proposal of the Director in charge, subject to the favourable opinion of the Control and Risk Committee and after hearing the Board of Statutory Auditors, set the Internal Audit manager's remuneration in line with the Company's policies and calculated at Euro 50,000.00 the annual budget of the Internal Audit department to carry out its functions and ensure its independence. Each of the board of the directors of the Subsidiaries assigned the same internal audit engagement to Cerved's internal audit department through a specific resolution.

In performing the activities assigned to it, the Internal Audit department must guarantee, in addition to a conduct that is ethical and compliant with the principles of the Code of Ethics for internal auditors (integrity, objectivity, confidentiality and competence), compliance with international standards for the practice of internal auditors and other applicable best practices or codes (including the Corporate Governance Code) that ensure the department's



suitability and quality. In performing its activities, the Internal Audit department may have unfettered access to the information and Company's departments necessary for the performance of its duties, and may rely on the support of external consultants, in accordance with the terms determined by the Board of Directors.

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

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

The Internal Audit department assesses the adequacy of the Company's information systems and the reliability of the available information in light of the complexity of the operating context and the size and geographic footprint of the Company and checks the adequacy of the organisational safeguards adopted by the Company for the physical, logistic and organisational security of the Company's information system. The Internal Audit department performs an independent and objective assurance and consulting activities aimed at providing, through a systematic and professional approach, an independent assessment of the Company's governance, risk management and control processes. In addition to the above responsibilities, the Internal Audit department also provides support to other players of the Risk and Control System who monitor compliance and risk management issues, in order to facilitate compliance with the law and monitor the Company's exposure and vulnerability to risks.

<sup>65</sup> See application criterion 7.C.5 of the Code.

Specifically, pursuant to the Corporate Governance Code<sup>65</sup>, in addition to the above, the Internal Audit Manager:

- a) checks, on an ongoing basis and based on specific needs, while complying with international standards, the operation and the suitability of the Risk and Control System, through an audit plan approved by the Board of Directors, applying a structured process that analyses and defines the priorities of the main risks;
- b) has direct access to all information useful to perform his duties;
- c) prepares periodic reports which provide (i) adequate information about his activities, the manners by which risk management is carried out and compliance with defined risk mitigation plans and (ii) an assessment of the suitability of the Risk and Control System;
- d) promptly prepares reports on particularly significant events;
- e) sends the reports in points c) and d) to the chairman of the Board of Statutory Auditors, the chairmen of the Risk and Control Committee and the Board of Directors and the Director in charge of the Internal Control and Risk Management System;
- f) checks, as part of the audit plan, the reliability of the information systems, including the accounting systems.

During the Year, the Internal Audit Manager:

- performed the audits set out in the approved 2016 plan, reporting on the outcome of the activities carried out;
- performed specific activities (the so-called special functions), based on the requests or recommendations of the Group's management;
- carried out the activities related to the Law on Savings, checking the companies (and the related processes) that were qualitatively and quantitatively relevant to compliance, through testing and specific auditing activities, the operating effectiveness of the controls over the accounting administrative risks and monitoring the progress of the implementation of improvement actions;
- coordinated and monitored the Enterprise Risk Management activities, performing analyses, monitoring and assessment of the principal business risks;
- assisted the SB, including of other Cerved Group's companies, with the performance of specific audits, periodic checks and analyses of the evidence from SB information flows;
- assisted Cerved's personnel with the formalisation of new procedures or the updating of existing ones based on the findings of the specific audits carried out for Cerved or at Group level;
- 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 231 Model and 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 9001:2008 quality system;
- periodically assessed the suitability of the internal control and risk management system;

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

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In its resolution dated 13 March 2015, the Board of Directors adopted a 231 Model based on the "Guidelines for the design of organisational, management and control models pursuant to Legislative decree 231/01" approved by Confindustria on 7 March 2002 and last updated in 2014.

The 231 Model was updated on 16 March 2016 as per the Board of Directors' resolution.

Cerved's 231 Model is comprised of:

- a general part, which illustrates the logic of Legislative Decree 231/2001, the salient aspects of the Supervisory Body rules, and the principal protocols comprising the Issuer's 231 Model;
- several special parts, whose purpose is to list the crimes that could potentially occur within the Company and the related sensitive activities, illustrate some of

the potential manners by which unlawful conduct could occur and list the rules of conduct that should be complied with and the pre-emptive measures that should be implemented.

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

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

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

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

- crimes committed in transactions with public the administration;
- computer crimes and unlawful processing of data;
- crimes involving organised crime;
- corporate crimes;
- crimes against industry and commerce;
- market abuse crimes;
- receiving stolen property, money laundering and recycling of assets obtained through crime, including self money laundering;
- inducement to refrain from providing testimony or providing false testimony to the judicial authorities;
- crimes involving copyright violations;
- negligent manslaughter and negligent serious injury and extremely serious injury caused by violation of occupational safety laws;
- environmental crimes.

The Company is assessing the impact of recent legislative amendments on its own 231 Model

- the new Law 199/2016 entitled "Measures to combat undeclared work, exploitation of labour in agriculture and realignment of compensation in the agricultural sector" (the "anti-gangmaster law") amends Article 25-*quinquies* of Legislative Decree 231/2001, by imposing the administrative liability of entities for the new offence of "Unlawful intermediation and exploitation of labour", with direct imposition of monetary sanctions (from four hundred to one thousand units) and bans;
- the entry into force on 27 July 2016 of Legislative Decree 125 of 21 June 2016 ("Implementation of Directive 2014/62/EU on protection of the euro and other currencies against counterfeiting through criminal law"), which amends Articles 453 and 461 of the Italian Criminal Code concerning the offences of counterfeiting money, public debt paper and official stamps, previously cited by Legislative Decree 231/2001 on the administrative liability of entities.

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

The SB was appointed pursuant to Cerved's 231 Model on 13 March 2015 and will remain in office until the approval of the Company's draft financial statements at 31 December 2016. It is comprised of Davide Mantegazza (a non-company member), who acts as Chairman, Orazio Mardente (Internal Audit Manager) and Emiliano Nitti (a non-company member).

The Board of Directors meeting on 24 February 2017 appointed the new Supervisory Body of the Company, with the following members: Mara Vanzetta (a non-company member), designated as Chairman, Orazio Mardente (Internal Audit Manager) and Emiliano Nitti (non-company member).

## 11.4. INDEPENDENT AUDITORS

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<sup>66</sup> Implementing directive 2006/43/EC on the legally-required audits of annual separate and consolidated accounts which modified directives 78/660/EEC and 83/349/EEC and repealed directive 84/253/EEC.

On 25 March 2014, pursuant to articles 13 and 17 of Legislative decree no. 39 of 27 January 2010<sup>66</sup>, the Issuer's Shareholders called in an ordinary meeting, based on a reasoned recommendation by the Board of Statutory Auditors, adopted a resolution, effective as of the filing of the application to list the Company's shares on the Mercato Telematico Azionario, assigning the engagement to perform the legally-required audit of the Company's financial statements for years from 2014 to 2022 to PricewaterhouseCoopers S.p.A..

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

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

On 03 May 2016, upon a proposal by its Chairman and based on a favourable opinion of the Board of Statutory Auditors, as required by the provisions of article 154-bis of the Consolidated Law on Finance and consistent with the requirements of article 19.4 of the Articles of Association, the Board of Directors appointed Giovanni Sartor, the Issuer's Chief Financial Officer effective, who meets the above requirements, Manager in charge of Financial Reporting.

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

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

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

The Manager in charge of Financial Reporting:

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

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

- formalise specific Company's procedures, including through amendments or integrations to existing procedures, when the procedures make reference to or deal with issues concerning the development of accounting and financial reports;

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

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

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

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

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Coordination among the parties involved in the Risk and Control 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 required to attend meetings of the Risk and Control Committee. The calendar of Risk and Control Committee meetings has been set. This calendar envisages that six committee meetings be held during the year. Extraordinary meetings may also be held as required by the Company. Other parties that are not members of the Risk and Control Committee may be invited to attend Committee meetings for the purpose of providing information and expressing opinions on issues within their jurisdiction with regard to certain aspects of the Risk and Control System, consistent with individual items on the meeting's agenda. The Internal Audit Manager also participates in the meetings of the Risk and Control Committee, acting as secretary.

## 12. Interests of Directors and related party transactions

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

The Company qualifies as a “recently listed company” at the approval date of this Report, pursuant to Article 3(1)(g) of the Related Party Regulation. Nevertheless, it is pointed out that, in compliance with the provisions of the Related Party Regulation, the Company will no longer be able to call itself a “recently listed company” beginning on the date that its financial statements at 31 December 2016 are approved.

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

## 13. Statutory Auditors' appointment

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

established in accordance with article 2397 of the Italian Civil Code. Slates containing a number of candidates equal to or greater than three must include candidates from both genders, so that at least one of the candidates to the post of standing auditor and at least one of the candidates to the post of alternate auditor listed on the slate belongs to the least represented of the two genders.

Only shareholders who alone or together with other shareholders hold at least 2.5% of the share capital or a different investment percentage set by the laws or regulations in effect at any given time, are entitled to file slates of candidates. The equity ownership threshold for Cerved was determined by Consob pursuant to article 144-*quater* of the Issuers' Regulation with resolution no. 19856 of 25 January 2017, and is equal to 1%. Each shareholder may file or participate in the filing of only one slate and each candidate may be listed only on one slate, on penalty of becoming ineligible.

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

The presentation, filing and publication of the slates shall be governed by the provisions of laws and regulations in effect at any given time. Slates shall consist of two sections: one for candidates to the post of standing auditor and one for candidates to the post of alternate auditor. Each voting right holder may vote only for one slate. The appointment of the statutory auditors shall be carried out as follows:

- a) a total of 2 (two) standing auditors and 1 (one) alternate auditor shall be drawn, in the sequential numerical order in which they are listed on the slate, from the slate that received the highest number of votes;
- b) the remaining standing auditor, who shall serve as chairperson, and the other alternate auditor shall be drawn, in the sequential numerical order in which they are listed on the slate, from the slate that received the second highest number of votes and is not in any way connected, directly or indirectly, with the shareholders who filed or voted for the slate that received the highest number of votes. In the event that multiple minority slates receive the same number of votes, the eldest among the candidates for standing auditor and alternate auditor listed on each slate shall be appointed;
- c) if only one slate is filed, the entire Board of Statutory Auditors shall be drawn from that slate, provided that it obtained a simple majority of the votes.

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



being replaced, with the candidate listed next on the slate to which the auditor that is being replaced belonged or, alternatively, the first candidate in the minority slate that received the second highest number of votes.

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

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

If, for any reason, the implementation of these procedures does not allow the replacement of statutory auditors designated by minority shareholders, the shareholders shall proceed with a vote by relative majority, subsequent to the appointment of candidates by shareholders who, alone or together with other shareholders, hold in the aggregate a number of voting shares equal at least to the percentage mentioned above with regard to the slate filing procedure. However, checking the results of the balloting of the last voting does not include the votes of shareholders who, based on communications provided pursuant to legislation in effect, hold, directly, indirectly or jointly with other shareholders belonging to a shareholders' agreement that is significant pursuant to article 122 of the Consolidated Law on Finance, the relative majority of the votes that may be cast at a shareholders' meeting and the shareholders who control, are controlled or are under joint control by them. The vacancy filling procedures of the Articles of Association described above shall always ensure compliance with current gender parity legislation. Statutory auditors may be re-elected. The Articles of Association do not require the appointment of more than one minority statutory auditor.

## 14. Composition and activities of the Board of Statutory Auditors

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

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

Persons who hold a number of positions greater than the limits set forth in article 144-*terdecies* of the Issuers' Regulation or are affected by issues that make them ineligible or require their resignation or do not meet the integrity and professionalism requirements of current laws and regulations may not be appointed. For the purposes of article 1.2, letters b) and c), of the Ministry of Justice Decree no. 162 of 30 March 2000, which specifies the professionalism and integrity requirements for the members of the boards of statutory auditors of listed companies (the "Decree 162/2000"), subjects that are closely related to the Issuer's scope of activities include commercial law and tax law, business economics and corporate finance and the sectors related to the Issuer's area of activity.

The Board of Statutory Auditors currently in office was appointed on 14 March 2014, upon the Issuer's incorporation, and integrated on 28 May 2014 following the resignation of the standing auditor Fabio Oneglia, replaced by Laura Acquadro and the alternate auditor Andrea Alberico, replaced by Renato Colavolpe. The term of office of the current Board of Statutory Auditors, comprised of the standing auditors Paolo Ludovici (Chairman), Ezio Simonelli and Laura Acquadro and the alternate auditors Lucia Foti Belligambi and Renato Colavolpe will end with the approval of Cerved's financial statements at 31 December 2016.

<sup>67</sup> 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".

<sup>68</sup> 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 satisfy 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". The Company will consider the possibility of adjusting to these modifications beginning from the first renewal of the Board of Statutory Auditors after the end of the financial year beginning in 2015, consistently with the provisions of paragraph IX of the section "Guidelines and transitory rules" of the Code.

The members of the Board of Statutory Auditors meet the independence requirements set out in article 148.3 of the Consolidated Law on Finance and the Corporate Governance Code<sup>67</sup>, as described in the information memorandum related to the public offer for the sale and subscription and Cerved shares' admission to trading on the MTA, published on 6 June 2014. Furthermore, the Company requires that, every year, each statutory auditor confirm and/or update their curriculum vitae and confirm that they still meet the above independence requirements and applicable integrity and professionalism requirements<sup>68</sup>.

The Company has also defined and formalised the Related Party Procedure which also applies to individual statutory auditors.

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

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.

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

#### **PAOLO LUDOVICI**

Paolo Ludovici was born in Rome on 9 July 1965 and graduated summa cum laude from Luigi Bocconi University in Milan with a degree in business economics. He has been registered with the Milan Register of Chartered Accountants since 1991 and, in 1995, became a member of the Register of Chartered Auditors. Since 2014 he has been a partner of Ludovici & Partners, of which he is the founding member. Between 1991 and 2014 he worked at Maisto e Associati, becoming a partner in 2000. He teaches tax law at the Business Management School of the Luigi Bocconi University, at Luiss Management, Il Sole 24 Ore and

Borsa Italiana. He specialises in domestic and international company reorganisations, M&A and structured finance transactions, personal assets and trusts planning and tax issues related to collective investment undertakings. He published important articles about the above matters. He writes for "Il Sole 24 Ore" and important tax magazines, is a lecturer at tax conventions and teaches tax law at post-university master's programmes. He is currently chairman, member of the board of statutory auditors or sole auditor, according to the case, at different companies, including companies of the Alpitour Group (inter alia Alpitour S.p.A.) and the Ospedale San Raffaele Group (inter alia Ospedale San Raffaele S.r.l.), Associazione Italiana Private Banking, Asset Italia SpA, Elle 52 Investimenti S.r.l., FASTER S.p.A., FLOS S.p.A., Gotha Cosmetics S.r.l., Kartell S.p.A., Sintonia S.p.A., Vitale & Co. S.p.A., Vodafone Servizi e Tecnologie S.r.l. and Vodafone Gestione S.p.A., White Bridge Investments S.p.A., Brunelleschi S.p.A. Finally, he is chairman of the board of directors of Luchi Fiduciaria S.r.l.

### **EZIO SIMONELLI**

Ezio Simonelli was born in Macerata on 12 February 1958 and graduated summa cum laude in economics and business administration from the University of Perugia in 1980. He has been a member of the Ordine dei Dottori Commercialisti (Association of Chartered Accountants) of Milan since 1982 and is a Statutory Auditor pursuant to Ministerial Decree 12 April 1995 – Official Gazette 31 bis of 1995, and a registered journalist since 1997. Under the government of Canada's measure, acknowledged by the Italian Ministry for Foreign Affairs in March 2013, he has been appointed honorary consul of Canada in Milan. Since June 2014, he has been deputy secretary to the Milan and Lombardy consular corps. He is managing partner at Studio Legale e Tributario Simonelli Associati, a legal and tax firm of over 20 professionals based in Milan. He holds positions as chairman and member of the board of statutory auditors at listed and unlisted companies and, in particular, Alba Leasing S.p.A., Branchini Associati S.p.A., Immobiliare Bofac S.p.A., Lega Calcio Service S.p.A., MARR S.p.A., Mediaset S.p.A., Alisarda S.p.A., a Sisal Group company (including Sisal Group S.p.A.), Vortice Elettrosociali S.p.A., Kering Ewewear S.p.A. He is also liquidator of the Lega Calcio Professionisti and chairman of the board of directors of Immobiliare Leonardo S.r.l. and Tamid Sport Marketing S.r.l., and is also sole director of Gosen S.r.l. and Gosen immobiliare S.r.l. Finally, he is the author or co-author of several tax, audit and corporate finance monographs.

### **LAURA ACQUADRO**

Laura Acquadro was born in Milan on 1 December 1967 and earned a summa cum laude degree in economics from Luigi Bocconi university in Milan in 1991 and a summa cum laude law degree from the University of Milan in 1997. She has been a member of the Milan Register of Charter Accountants since 1994 and a Chartered Auditor since 1999. She is a member of the Register of Technical Consultants to the Court of Milan. Ms. Acquadro is a partner of the Studio Professionale Acquadro e Associati in Milan, where her activities include providing consulting services in the corporate and tax areas, both nationally and internationally, and support in connection with extraordinary business transactions and valuations of business enterprises, having developed specific skills in the real estate sector. She serves as statutory auditor in several companies, specifically, Equita SIM S.p.A., Spig S.p.A., Jcoplastic S.p.A., Alem S.p.A., Manco S.p.A., Metalcolor S.p.A., 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., Metalimmobiliare S.p.A., Pronto Service Jolly S.p.A. in liquidation, Associazione Teatri di Milano and Fondazione VIDAS. She also serves as a director in Società Finanziamenti Vari S.r.l., Immobiliare Tibaldi S.r.l., Edilnovanta S.p.A., Centro Alto Milanese S.r.l., T.P.2 S.r.l. and Società Immobiliare Tangenziale Paulllese S.r.l.

### **LUCIA FOTI BELLIGAMBI**

Lucia Foti Belligambi was born in Catania on 19 July 1972 and earned a degree in economics and business administration from the University of Catania in 1997 and a master's degree in law and tax practice from Il Sole 24 Ore in 1998. She was admitted to the Milan Register of Chartered Accountants in 2001 and is a Chartered Auditor pursuant to Ministerial Decree of 18 December 2001 – Official Gazette no. 1 of 2002. Lucia Foti Belligambi is a partner of Studio Legale e Tributario Simonelli Associati in Milan, where her activities involve mainly providing consulting support in the tax and corporate areas to multinationals and groups of publicly traded companies in Italy. She has been featured speaker at tax-related conventions and master programmes. She is a Statutory Auditor at different companies and, in particular, at Biotecnica Instruments S.p.A., Bopel S.r.l., Branchini Associati S.p.A., Finlombarda Gestione SGR S.p.A., Generalcostruzioni S.r.l., Manufactures Dior S.r.l. and Perani & Partners S.p.A.

### **RENATO COLAVOLPE**

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

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

During the meetings of the Board of Statutory Auditors, the chairman provides the other statutory directors with any information and updates relevant to the Company's perfor-

<sup>69</sup> In accordance with the application criterion 2.C.2 of the Corporate Governance Code.

<sup>70</sup> Pursuant to application criterion 8.C.4 of the Corporate Governance Code.

mance, while regularly providing information about the main updates of the applicable legislative framework and their impact on the Company. The Board of Statutory Auditors, as a body, possesses an adequate knowledge of the sector in which the Issuer operates, of the Company's dynamics and their evolution, the principles of proper risk management, and the applicable statutory, regulatory and self-regulatory framework<sup>69</sup>.

Any member of the Board of Statutory Auditors holding a personal or third party interest in a specific Issuer's transaction shall promptly and exhaustively inform the other statutory auditors and the Chairman of the Board of Directors about the nature, terms, origin and extent of their interest.<sup>70</sup>

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

Since the end of the Year, the Board of Statutory Auditors has already met twice, on 9 January 2017 and 30 January 2017.

## 15. Relations with Shareholders

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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: <http://company.cerved.com/>. In this section shareholders can access all relevant information, including financial information (financial statements, interim and quarterly reports, presentations to the financial community and performance of the Company's financial instruments on Borsa Italiana) and documents which may interest the shareholders as a whole (press releases).

<sup>71</sup> Pursuant to application criterion 9.C.1 of the Code.

The Company established internally an Investor Relations Department responsible for managing relations with shareholders, which is headed by Pietro Giovanni Masera, who serves as the Company's corporate development and investor relations manager<sup>71</sup>.

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

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

Telephone +39 02 77 54 624

Address: Via dell'Unione Europea 6A-6B, San Donato Milanese;

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

## 16. Shareholders' Meeting

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

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

Under the Articles of Association, as required by article 2365.2, of the Italian Civil Code, the Board of Directors has jurisdiction over resolutions concerning mergers in the circumstances set forth in articles 2505 and 2505-*bis* of the Italian Civil Code, the establishment and closing of secondary offices, the designation of the directors empowered to represent the Company, the reduction of share capital in the event of withdrawal by shareholders, amendments to the Articles of Association in compliance with statutory requirements and the transfer of the registered office anywhere in Italy.

Both ordinary and extraordinary Shareholders' Meetings shall adopt resolutions with the majorities required by the law in each case, with regard both to duly convening the Shareholders' Meeting and the validity of adopted resolutions.

The resolutions of the Shareholders' Meeting, adopted pursuant to the law and the Articles of Association, are binding on all shareholders, including absent or dissenting shareholders, and shall be set forth in minutes drawn up in accordance with the legislation in effect at any given time and signed by the Chairman and the secretary or a notary selected by the Chairman. Pursuant to article 8 of the Articles of Association, ordinary and extraordinary Shareholders' Meetings, as a rule, are held in the municipality where the Company's registered office is located, unless the Board of Directors selects a different location, provided it is in Italy or in a country where the Company conducts its activities directly or through Subsidiaries or investees.

An ordinary Shareholders' Meeting must be convened at least once a year, to approve the financial statements, within 120 days from the end of the reporting year or 180 days as the Company is required to prepare consolidated financial statements or, otherwise, when required by special needs concerning the Company's structure and business object.

Notice of the Shareholders' Meeting shall be given within the deadline required pursuant to the applicable laws and regulations by means of an announcement published on the Company's website and with the manner required pursuant to the laws and regulations in effect at any given time, prior to the Shareholders' Meeting by a length of time that shall not be shorter than the minimum required pursuant to the law.

Ordinary and extraordinary Shareholders' Meetings shall be held on a single call, to which the majorities required pursuant to law shall apply. Under article 10 of the Articles of Association, the parties eligible to vote may be represented at the Shareholders' Meeting pursuant to law, by means of a proxy granted in the manner required by current legislation. The proxy may be notified to the Company also electronically, sending it by email in the manner specified in the notice of Shareholders' Meeting.

The Company does not avail itself of the option provided for by the law to designate a representative to whom the Shareholders may grant a proxy with voting instructions for all or some of the items on the agenda of the Shareholders' Meeting.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, should the Chairman be absent or incapacitated, by the deputy chairman or the Chief Executive Officer, if they are present; otherwise, the Shareholders shall elect their chairman from among the attendees.

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

<sup>72</sup> See application criterion 9.C.3 of the Code.

The Shareholders' Meeting Regulation is available at the Company's registered office and website <https://company.cerved.com/>, section governance/documents and procedures/documents. It was adopted for the purpose of governing the orderly and effective progress of the shareholders' meetings and facilitate the exercise of rights by shareholders, in accordance with the provisions of laws implementing EC Directive no. 2007/36/EC ("Shareholders' Rights Directive") and the recommendations set forth in the Corporate Governance Code<sup>72</sup>.

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

Again in accordance with the Shareholders' Meeting Regulation, the Chairman shall determine the manner by which shareholders may ask to take the floor and address the Shareholders' Meeting and the order in which this will occur as well as the subject and the relevance of the individual item discussed and the number of parties asking to take the floor and any questions submitted by the shareholders prior to the Shareholders' Meeting that the

<sup>73</sup> Recommended by application criterion 9.C.2 of the Corporate Governance Code.

Company has not already answered, and shall determine in advance the duration of questions and follow-ups, as a rule not more than ten minutes for questions and five minutes for follow-ups, so that the Shareholders' Meeting may complete its activities in a single meeting.

Four of the eleven directors in office participated in the Shareholders' Meeting of 29 April 2016; the Board of Directors reported on the activities carried out and those planned and committed to ensuring that shareholders are provided with adequate information about the elements necessary to enable them to take reasoned decisions on the relevant matters<sup>73</sup>.

## 17. Additional Corporate Governance practices

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

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

## 18. Changes after the reporting date

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

To be thorough, it is hereby confirmed that effective on 6 February 2017, the Issuer moved its registered office to Via dell'Unione Europea 6A-6B, San Donato Milanese.

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Milan, 24 February 2017

On behalf of the Board of Directors

The Chairman  
Fabio Cerchiai



**TABLE 1 - THE OWNERSHIP STRUCTURE**

SHARE CAPITAL				
	NO. OF SHARES	% OF SHARE CAPITAL	LISTED (STATE THE MARKETS)/UNLISTED	RIGHTS AND OBLIGATIONS
Ordinary shares	195,000,000	100%	Mercato Telematico Azionario organised and managed by Borsa Italiana	Ordinary rights/obligations (equity, administrative, control, disposal, contribution)
Multiple-vote shares	N.A.			
Shares with restricted voting right	N.A.			
Shares with no voting right	N.A.			
Other	N.A.			

  

OTHER FINANCIAL INSTRUMENTS (ASSIGNING THE RIGHT TO ACQUIRE NEWLY ISSUED SHARES THROUGH SUBSCRIPTION)				
	LISTED (STATE THE MARKETS)/ UNLISTED	NO. OF SECURITIES OUT- STANDING	CLASS OF SHARES EARMARKED FOR CONVERSION/EXERCISE	NO. OF SHARES SERVICING THE CONVERSION/EXERCISE
Convertible bonds	N.A.			
Warrants	N.A.			

**TABLE 1** Continues

SIGNIFICANT SHAREHOLDINGS			
REPORTING PARTY	DIRECT SHAREHOLDER	% INTEREST IN COMMON SHARE CAPITAL	% INTEREST IN VOTING SHARE CAPITAL
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
	<b>TOTAL</b>	<b>5.097</b>	<b>5.097</b>
WELLINGTON MANAGEMENT GROUP LLP	Wellington Management International Ltd	0.421	0.421
	Wellington Management Company LLP	9.498	9.498
	<b>TOTAL</b>	<b>9.919</b>	<b>9.919</b>
CAPITAL RESEARCH AND MANAGEMENT COMPANY	Capital Group International Inc.	0.962	0.962
	Capital Research and Management Company	3.547	3.547
	<b>TOTAL</b>	<b>4.509</b>	<b>4.509</b>
AVIVA INVESTORS GLOBAL SERVICES LIMITED	Aviva Investors Global Services Limited	3.956	3.956
	<b>TOTAL</b>	<b>3.956</b>	<b>3.956</b>

**TABLE 2 - STRUCTURE OF THE BOARD OF DIRECTORS**

MEMBERS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT*	BOARD OF DIRECTORS <sup>1</sup>							NO. OF OTHER POSTS HELD ***	RISK AND CONTROL COMMITTEE			RELATED PARTY COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
			IN OFFICE SINCE	IN OFFICE UNTIL	SLATE **	EXEC.	NON-EXEC.	INDEP. CODE	INDEP. TUF		(*)	(*)	(**)	(*)	(**)	(*)	(**)
FABIO CERCHIAI	1944	25/03/2014	29/04/2016	Approv. FS at 31/12/2018	BoD		X	X	X	13	19/19	4/4	M	1/1	P	3/3	M
GIANANDREA DE BERNARDIS	1964	25/03/2014	29/04/2016	Approv. FS at 31/12/2018	BoD	X				1	18/19						
MARCO NESPOLO •	1973	25/03/2014	29/04/2016	Approv. FS at 31/12/2018	BoD	X				5	19/19						
SABRINA DELLE CURTI	1975	22/09/2015	29/04/2016	Approv. FS at 31/12/2018	BoD	X				0	18/19						
ANDREA MIGNANELLI	1969	29/04/2016	29/04/2016	Approv. FS at 31/12/2018	BoD	X				5	12/12						
ROBERTO MANCINI	1971	29/04/2016	29/04/2016	Approv. FS at 31/12/2018	BoD	X					11/12						
MARA CAVERNI	1962	30/04/2014	29/04/2016	Approv. FS at 31/12/2018	BoD		X	X	X	3	18/19	8/8	P	1/1	M	5/6	M
AURELIO REGINA	1962	30/04/2014	29/04/2016	Approv. FS at 31/12/2018	BoD		X	X	X	7	18/19	7/8	M			6/6	P
GIULIA BONGIORNO	1966	29/04/2016	29/04/2016	Approv. FS at 31/12/2018	BoD		X	X	X	3	9/12					2/3	M
MARCO MARIA FUMAGALLI	1961	29/04/2016	29/04/2016	Approv. FS at 31/12/2018	m		X	X	X	1	11/12			3/3	M	1/1	M
VALENTINA MONTANARI	1967	29/04/2016	29/04/2016	Approv. FS at 31/12/2018	m		X	X	X	2	12/12	4/4	M				

**TABLE 2** Continues

DIRECTORS WHO LEFT THEIR OFFICE DURING THE REPORTING YEAR								
FRANCISCO JAVIER DE JAIME GUIJARRO	1964	25/03/2014	25/03/2014	Approv. FS at 31/12/161	N/A	X	10	0/7
GIORGIO DE PALMA	1974	14/03/2014	14/03/2014	Approv. FS at 31/12/161	N/A	X	5	3/7
ANDREA FERRANTE	1979	14/03/2014	14/03/2014	Approv. FS at 31/12/161	N/A	X	1	6/7
GIAMPIERO MAZZA	1969	14/03/2014	14/03/2014	Approv. FS at 31/12/161	N/A	X	1	4/7
FEDERICO QUITADAMO	1984	14/03/2014	14/03/2014	Approv. FS at 31/12/161	N/A	X	0	4/7
NUMBER OF MEETINGS HELD DURING THE REPORTING YEAR: 19			RISK AND CONTROL COMMITTEE: 8 RELATED PARTY COMMITTEE: 1				REMUNERATION AND NOMINATION COMMITTEE: 6	
<i>Quorum</i> required to file minority slates by minorities for the appointment of one or more members (article 147-ter Consolidated Law on Finance): 2.5% or the percentage set by Consob regulation								

(\*\*) 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 UNTIL	SLATE **	INDEP. CODE	ATTENDANCE AT BOARD OF STAT. AUDITORS MEETINGS ***	NO. OF OTHER POSTS HELD ****
CHAIRMAN	Paolo Ludovici	1965	14/03/2014	14/03/2014	Approv. FS at 31/12/2016	N/A	X	4/5	22
STANDING AUDITOR	Laura Acquadro	1967	28/5/14	28/5/14	Approv. FS at 31/12/2016	N/A	X	5/5	25
STANDING AUDITOR	Ezio Simonelli	1958	14/03/2014	14/03/2014	Approv. FS at 31/12/2016	N/A	X	4/5	18
ALTERNATE AUDITOR	Lucia Foti Belligambi	1972	14/03/2014	14/03/2014	Approv. FS at 31/12/2016	N/A	X		7
ALTERNATE AUDITOR	Renato Colavolpe	1953	28/5/14	28/5/14	Approv. FS at 31/12/2016	N/A	X		23
-----STATUTORY AUDITORS WHO LEFT THEIR OFFICE DURING THE REPORTING YEAR-----									
N/A									
NUMBER OF MEETINGS HELD DURING THE REPORTING YEAR: 5									
Quorum required to file minority slates by minorities for the appointment of one or more members (article 148 Consolidated Law on Finance): 1% as set by Consob resolution no. 19856 of 25 January 2017.									

quinquiesdecies of the Issuers' Regulation.

**ANNEX 1 - LIST OF POSTS HELD BY DIRECTORS**

DIRECTORS	OTHER COMPANIES WHERE THEY HOLD A POST	POST HELD AT THE COMPANY OR EQUITY INTEREST HELD
NAME AND SURNAME		
Fabio Cerchiai	ATLANTIA S.p.A.	Chairman of the Board of Directors
	AUTOSTRADE PER L'ITALIA S.p.A.	Chairman of the Board of Directors
	EDIZIONE S.r.l.	Chairman of the Board of Directors
	SIAT – SOCIETA' ITALIANA ASSICURAZIONE E RIASSICURAZIONE S.P.A.	Chairman of the Board of Directors
	UNIPOLSAI ASSICURAZIONI S.p.A.	Deputy chairman of the board of directors
	FEST FENICE SERVIZI TEATRALI S.r.l.	Chairman of the Board of Directors
	ARCA VITA S.p.A.	Chairman of the Board of Directors
	ARCA ASSICURAZIONI S.p.A.	Chairman of the Board of Directors
	ANSPC – ASSOCIAZIONE NAZIONALE PER LO SVILUPPO DEI PROBLEMI DEL CREDITO	Deputy chairman
	AISCAT – ASSOCIAZIONE ITALIANA SOCIETÀ CONCESSIONARIE AUTOSTRADE E TRAFORI	Director
	QUADRIVIO S.p.A.	Director
	CENSIS – FONDAZIONE CENTRO SYUDIO INVESTIMENTI SOCIALI	Member of the Steering Committee
	ASSONIME	Member of the Steering Committee
Gianandrea De Bernardis	CERVED GROUP S.p.A.	Chairman of the Board of Directors
Mara Anna Rita Caverni	ERG S.p.A.	Independent director, member of the risk and control committee, member of the remuneration and nomination committee
	SNAI S.p.A.	Chairman of the Board of Directors
Marco Nespolo	CERVED GROUP S.p.A.	Chief Executive Officer
	CERVED CREDIT MANAGEMENT GROUP S.r.l.	Director
	CERVED CREDIT MANAGEMENT S.p.A.	Director
	CERVED RATING AGENCY S.p.A.	Chairman of the Board of Directors
	CONSIT ITALIA S.p.A.	Director
Sabrina Delle Curti	/	/
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
	CODIFI S.P.A.	Director

Segue **ALLEGATO 1**

Marco Maria Fumagalli	YOOX NET-A-PORTER GROUP SPA	Chairman of the Board of Statutory Auditors
	4.5 S.R.L.	Director
Roberto Mancini	CERVED CREDIT COLLECTION S.p.A.	Director
	MANCIO S.R.L.	Sole Director
	JUVENTUS FOOTBALL CLUB SPA	Independent Director
Giulia Bongiorno	TERNA PLUS SRL	Chairman of the Supervisory Board
	OSPEDALE ISRAELITICO	Chairman of the Supervisory Board
	FONDAZIONE MUSICA PER ROMA	Chairman of the Board of Directors
	CENTRO STUDI AMERICANI	Chairman
	ASPEN INSTITUTE ITALIA	Director
Aurelio Regina	EGON ZEHNDER INTERNATIONAL S.p.A.	Director
	MANIFATTURE SIGARO TOSCANO S.p.A.	Chairman of the Board of Directors
	SISAL S.P.A.	Director
	SISAL GROUP S.p.A.	Director
Valentina Montanari	OXFAM ITALIA ONLUS	Director
	MEDIOLANUM GESTIONE FONDI SGR P.A.	Director





*This is an English courtesy translation of the original documentation prepared in Italian language.  
Please consider that only the original version in Italian language has legal value.*