



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

**FINANCIAL YEAR 2022**

**PURSUANT TO ARTICLES 123-BIS OF LEGISLATIVE DECREE NO.  
58/1998 AND 89-BIS OF CONSOB REGULATION NO.  
11971/1999**

(traditional administration and control model)

Issuer: Civitanavi Systems S.p.A.

Website: [www.civitanavi.com](http://www.civitanavi.com)

**Date of approval of the Report: 16 March 2023**

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## **GLOSSARY**

<b>Auditing Company</b>	Indicates the auditing firm BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi 94, enrolled in the Register of Companies of Milan, Monza Brianza and Lodi, registration number, tax code and VAT number 07722780967, enrolled under no. 167991 in the Register of Statutory Auditors pursuant to Articles 6 et seq. of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135 of 17 July 2016.
<b>Board of Statutory Auditors</b>	Indicates the Issuer's Board of Statutory Auditors.
<b>Bylaws</b>	Indicates the Company's Bylaws in force at the date of this Report.
<b>Civil Code/C.C.</b>	Means Royal Decree No. 262 of 16 March 1942 -XX, as amended from time to time.
<b>Civitanavi Group or Group</b>	Collectively means the Issuer and Civitanavi UK Ltd, a company with registered office in Great Britain, Prospect House, Whetstone, London N20 9AE, registration no. 12812536, directly controlled by the Issuer pursuant to Article 2359 of the Italian Civil Code and Article 93 of the TUF.
<b>Code or Corporate Governance Code</b>	Refers to the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.
<b>Consob</b>	Designates the Commissione Nazionale per le Società e la Borsa (National Commission for Companies and the Stock Exchange) with its registered office in Rome, Via G.B. Martini n. 3.
<b>Consob Market Regulations</b>	Refers to the Regulation issued by Consob by resolution no. 20249 of 28 December 2017 on markets.
<b>Council or Board of Directors</b>	Means the Board of Directors of the Issuer.
<b>Euronext Milan</b>	Indicates Euronext Milan, a market managed by Borsa Italiana where shares, shares of SIIQs, convertible bonds, option rights and warrants are traded.
<b>Exercise</b>	Indicates the financial year 2022.
<b>General Shareholder Dialogue Policy</b>	Indicates the Policy approved - at the proposal of the Chairman, also in his capacity as Chief Executive Officer - by the Issuer's Board of Directors on 24 March 2022, also taking into account the commitment policies adopted and communicated to the public by institutional investors and active managers and in line with Recommendation no. 3 of the Corporate Governance Code.
<b>Instructions to the Stock Exchange Regulations</b>	Indicates the Instructions to the Regulation of Markets organised and managed by Borsa Italiana, in force at the date of the Report.
<b>Issuer or Civitanavi Systems or Company</b>	Indicates Civitanavi Systems S.p.A. with registered office in Via del Progresso 5, 63827 Pedaso (FM), VAT number, tax code and registration number 01795210432, R.E.A. FM-200518.

<b>Issuers' Regulation</b>	Means the implementing regulation of the Consolidated Law on Finance, concerning the regulation of issuers, adopted by Consob with resolution no. 11971 of 14 May 1999, as amended and supplemented from time to time.
<b>Italian Stock Exchange</b>	Indicates Borsa Italiana S.p.A., a company of the London Stock Exchange group, with registered office in Milan, Piazza degli Affari, no. 6.
<b>Listing Prospectus or Prospectus</b>	Indicates the Prospectus of the Company filed with Consob on 22 February 2022, following communication of the measure of approval with note of 2 February 2022, protocol no. 0196579/22.
<b>MAR Regulation</b>	Denotes Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
<b>OPC procedure</b>	Indicates the procedure relating to the execution of transactions with Related Parties, adopted by the Issuer in compliance with the provisions of Article 2391-bis of the Italian Civil Code and the RPT Regulation.
<b>Qualitative and quantitative criteria</b>	Indicates the qualitative and quantitative criteria for assessing the independence requirements of directors and statutory auditors, defined by the Board of Directors in its resolution of 24 March 2022, pursuant to recommendation 7, first sentence, letters c) and d), in Article 2 of the Corporate Governance Code.
<b>Related Parties Regulation or RPT Regulation</b>	Refers to the regulation containing provisions on related parties transactions, adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented.
<b>Remuneration report</b>	Means the report on the remuneration policy and compensation paid prepared by the Company pursuant to Article 123-ter T.U.F. and 84-quater Consob Issuers' Regulation.
<b>Report</b>	Indicates this report on corporate governance and ownership structure drawn up pursuant to Article 123-bis of the Consolidated Law on Finance.
<b>Shareholders' Meeting</b>	Means the shareholders' meeting of the Issuer.
<b>Shares or Ordinary Shares</b>	Means the ordinary shares of the Issuer
<b>SME</b>	Indicates small and medium-sized enterprises issuing listed shares as referred to in Article 1(1)(w-quater) of the Consolidated Law on Finance.
<b>Stock Exchange Regulations</b>	The Regulations of Markets organised and managed by Borsa Italiana, approved by the Board of Directors of Borsa Italiana, in force at the date of the Report.
<b>Subsidiaries</b>	Indicates the companies directly or indirectly controlled by the Company pursuant to Article 93 of the Consolidated Law on Finance. " <b>Control</b> " and " <b>to control</b> " have the corresponding meanings.
<b>Trading Commencement Date</b>	Indicates the date of commencement of trading of the Shares on Euronext Milan, i.e. 17 February 2022.

*This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.*

**TUF or Consolidated Law  
on Finance**

Means the "Consolidated Law on Finance", adopted by Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

## **Introduction**

This Report, approved by the Board of Directors on 16 March 2023, illustrates the corporate governance system and ownership structure of Civitanavi Systems as at 16 March 2023, prepared in accordance with Article 123-bis of the Consolidated Finance Act and in light of the recommendations of the Code, as well as taking into account the document "format for the report on corporate governance and ownership structure" (9th Edition January 2022) prepared by Borsa Italiana.

On 31 January 2022, Borsa Italiana arranged for the listing of the Shares on Euronext Milan, and trading of the Shares on that market commenced on 17 February 2022 (the "**Trading Commencement Date**").

## **1. Issuer Profile**

The Issuer, incorporated in Italy on 4 June 2012, operates in the design, development, production and marketing of inertial navigation and stabilisation systems used in the Aerospace and Defence (in the space, ground, aeronautical and naval sectors) and industrial (in the mining and Oil& Gas sectors).

The Issuer undertakes to manage the dialogue with all its shareholders through correct, transparent and differentiated forms of engagement, believing that the establishment and maintenance of a constant and ongoing relationship with all the main stakeholders is in its own specific interest, as well as a duty towards the market.

In this sense, on 24 March 2022, the Board of Directors approved an ad hoc policy with the aim of conforming the rules of corporate governance and management of dialogue with Shareholders to the principles enshrined in the Corporate Governance Code. In fact, the Shareholders' Dialogue Policy is intended to pursue the objective of raising the level of transparency and involvement of investors, as promoted by the Shareholder Rights Directive II with reference to institutional investors and asset managers, as a functional tool to ensure the sustainable success of Civitanavi Systems, which is substantiated by the creation of long-term value for the benefit of Shareholders, taking into account the interests of all other stakeholders and the impacts that its operations may have at an environmental, social and economic level.

At the date of approval of this Report, the Company, pursuant to the provisions of Article 1, paragraph 1, letter w-quarter.1) of the Consolidated Law on Finance and Article 2-ter of the Issuers' Regulation, is an SME, as the simple average of daily capitalisations calculated with reference to the official price, recorded during the year, is below the threshold of € 500 million.

The fulfilment of the SME qualification requirements, as required by the TUF, are verified on the basis of the simple average of the daily capitalisations calculated by reference to the official price, recorded during the year, which must be lower than the threshold of Euro 500 million.

Consob, pursuant to Article 2-ter, paragraph 5 of the Regulation on Issuers, publishes the list of SMEs, based on the capitalisation value it has calculated.

It should also be noted that the Company does not fall within the Corporate Governance Code's definition of a "large company", but rather within the definition of a "concentrated ownership company".

Civitanavi System's Corporate Governance system is structured according to the traditional administration and control model and consists of the following bodies:

- Shareholders' Meeting;
- Board of Directors; and
- Board of Auditors.

The *governance* of Civitanavi Systems also consists of the following committees within the Board of Directors: (i) the Control and Risk Committee and Related Parties Transactions; and (ii) the Remuneration and Appointments Committee.

In accordance with the relevant regulations, the accounts are audited by an auditing company registered in the special register kept by Consob. A Supervisory Board has also been appointed pursuant to Legislative Decree 231/2001, which oversees the proper functioning of the Company's Organization, Management and Control Model pursuant to Legislative Decree 231/2001, as amended, and takes care of its updating.

Civitanavi Systems adheres to and complies with the Corporate Governance Code, approved by the Corporate Governance Committee of Borsa Italiana in January 2020, with the additions and adjustments resulting from



the characteristics of the Group indicated in this Report (available on Borsa Italiana's website: <http://www.borsaitaliana.it>).

## **2. Information on the ownership structure (ex art. 123-bis, paragraph 1, TUF)**

### **a) Share capital structure (ex art. 123-bis, paragraph 1, lett. a), TUF)**

At the date of approval of the Report, the share capital of Civitanavi Systems is Euro 4,244,000.00 divided into 30,760,000 Shares, with no indication of nominal value. The Shares are listed on Euronext Milan.

The following table represents the breakdown of the Company's share capital into shares

Share category	No. of shares	% of share capital	Listing market	Rights and obligations
Ordinary shares	30,760,000	100%	Borsa Italiana - Euronext Milan	Ordinary shares are registered, freely transferable and indivisible and each of them entitles the holder to one vote at all ordinary and extraordinary meetings of the Company, as well as to other property and administrative rights in accordance with the applicable provisions of the law and the Bylaws.
Preference shares	-	-	-	-
Multiple-vote shares	-	-	-	-
Other categories of shares with voting rights	-	-	-	-
Savings shares	-	-	-	-
Convertible savings shares	-	-	-	-
Other categories of non-voting shares	-	-	-	-
More	-	-	-	-

At the date of approval of the Report, no other financial instruments granting the right to subscribe to newly issued ordinary shares of the Issuer have been issued.

The Shares are subject to the dematerialisation regime pursuant to Articles 83-bis et seq. of the TUF.

### **b) Restrictions on the transfer of securities (pursuant to Article 123-bis(1)(b) of the Consolidated Law on Finance)**

At the date of approval of the Report, there is no limitation on the free transferability of the Shares imposed by any clause in the Bylaws or by the terms of issue.

It should be noted that the stock option plan implemented by the parent company Civitanavi Systems Ltd, which provides for the allocation of option rights for the subscription of shares of the Issuer for the benefit of employees of the Issuer itself, also provides for the assumption by the aforementioned employees of a lock-up restriction that will not allow them to dispose of the shares received for a period of 18 months that can be waived only and exclusively upon the occurrence of the following conditions: (i) that market sales occur at a price of not less than €5 per share (ii) that off-market sales occur at a price of not less than €4 per share corresponding to the initial listing price.

**c) Significant shareholdings in the capital (pursuant to Article 123-bis(1)(c) of the Consolidated Law on Finance)**

The Shares are placed in the centralised management system provided for by the TUF.

At the date of approval of the Report, the Company is an SME; therefore, pursuant to Article 120, paragraph 2, of the Consolidated Law on Finance, the relevant threshold for the purpose of disclosure obligations of significant holdings is 5% of the share capital with voting rights.

On the basis of the notifications received pursuant to Article 120 of the Consolidated Law on Finance, the shareholders who, at the date of approval of the Report, hold more than 5% of the Issuer's share capital with voting rights, directly and/or indirectly, including through intermediaries, trustees and subsidiaries, are indicated in the table below.

SIGNIFICANT HOLDINGS IN THE CAPITAL			
Declarant	Direct shareholder	Share of ordinary capital	Share of voting capital
Civitanavi Systems LTD	Civitanavi Systems LTD	70.3%	70.3%

**d) Securities conferring special rights (pursuant to Article 123-bis(1)(d) TUF)**

At the date of this Report, the Company has not issued any securities conferring special rights of control.

**d.1) Special powers of the State**

The Company - in consideration of the provisions of Prime Ministerial Decree No. 108 of 6 June 2014 ("**DPCM 108/2014**") and Articles 10 and 12 of Prime Ministerial Decree No. 179 of 18 December 2020 ("**DPCM 179/2020**") and considering the relevance of its business to the sectors of defence and national security, dual-use technologies and non-military aerospace infrastructures and technologies - considers that it falls within the sectors of strategic importance to which the Golden Power regulations apply.

First of all, with reference to the relevance of the Company's activities to the non-military aerospace technologies and dual-use items sectors, referred to in Prime Ministerial Decree 179/2020, the following should be noted.

In accordance with the provisions of Article 2, paragraph 2, of Decree Law No. 21 of March 15, 2012, converted with amendments by Law No. 56 of May 11, 2012 ("**Golden Power Decree**"), any resolution, act or transaction adopted by the Issuer which results in changes in the ownership, control or availability of, or changes in the destination of, strategic assets (including resolutions of the shareholders' meeting or administrative bodies concerning the merger or demerger of the company, the transfer abroad of the company's registered office, the amendment of the company's object, the dissolution of the company, the amendment of any clauses in the articles of association adopted pursuant to Article 2351, third paragraph, of the Italian Civil Code or introduced pursuant to Article 3, paragraph 1, of Decree-Law No. 332 of 31 May 1994, converted, with amendments, by Law No. 474 of 30 July 1994, as last amended by Article 3 of the Golden Power Decree, the transfer of a company or business unit in which such assets are included or the assignment of such assets as collateral, as well as the transfer of technologies) is subject to the obligation of notification, by the Issuer, within 10 days and in any case before its implementation, to the Presidency of the Council of Ministers.

Similarly, resolutions of the shareholders' meeting or of the administrative bodies concerning the transfer of subsidiaries holding the aforementioned assets are subject to the same notification requirements.

Also subject to notification by the Issuer in accordance with the provisions of Art.2, paragraph 2-bis, of the aforesaid regulations, the resolutions, acts or transactions that have the effect of changes in the ownership, control or availability of the said assets in favor of a person outside the European Union and the resolutions of the shareholders' meeting or governing bodies having as their object the merger or demerger of the Issuer, the transfer of the company or branches thereof in which the said assets are included or the assignment of the same as a guarantee, the transfer of subsidiaries holding the said assets or that has the effect of transferring the registered office to a country outside the European Union, acts or transactions that have the effect of changing the destination of strategic assets, as well as any resolution that has as its object the modification of the

corporate purpose, the dissolution of the company or the modification of statutory clauses that may have been adopted pursuant to Article 2351, third paragraph, of the Civil Code or introduced pursuant to Article 3, paragraph 1, of Decree-Law No. 31 May 1994, no. 332, converted, with amendments, by Law No. 474 of July 30, 1994, as most recently amended by Article 3 of the Golden Power Decree.

The President of the Council of Ministers shall give notice of any veto within 45 days from the notification, except in the cases of suspension provided for by the applicable legislation, and it is provided that, until the notification and in any case until the expiry of the terms provided for by the applicable legislation, the effectiveness of the resolution, act or relevant transaction must be suspended and that, only after the expiry of the aforementioned terms, the transaction may be carried out.

In addition to the above, by virtue of the amendments introduced by Decree-Law No. 23 of 8 April 2020, converted, with amendments, by Law No. 40 of 5 June 2020 ("**Liquidity Decree**") to Decree-Law No. 105 of 21 September 2019, converted, with amendments, by Law No. 133 of November 18 2019 ("**Special Powers in Strategically Relevant Sectors Decree**") (Article 4-bis, Paragraph 3 and Paragraph 3-bis), the acquisition of stakes in the Issuer's share capital by:

- (i) foreign entities, including those belonging to the European Union, of such importance as to determine the permanent establishment of the purchaser by reason of the assumption of control of the company whose shareholding is the object of the purchase, pursuant to Article 2359 of the Italian Civil Code and the TUF; and
- (ii) foreign entities not belonging to the European Union (as identified pursuant to Article 2, paragraph 5-bis of the Golden Power Decree) which grant a share of voting rights or of the capital of at least 10%, taking into account the shares or quotas already directly or indirectly held, when the total value of the investment is equal to or greater than one million Euros, it being understood that acquisitions of shareholdings which determine the exceeding of the thresholds of 15%, 20%, 25% and 50% of the capital must also be notified by the latter entities.

Pursuant to Article 2, paragraph 5, of the Golden Power Decree, the notification must be made by the purchaser, within 10 days of the completion of the acquisition, to the Presidency of the Council of Ministers. In calculating the relevant shareholding subject to the notification obligations, account is taken of the shareholding held by third parties with which the purchaser has entered into one of the agreements provided for in Article 122 of the TUF or provided for in Article 2341-bis of the Italian Civil Code.

Secondly, in view of the fact that, as anticipated, the Issuer's business is also relevant to the defence and national security sector, the special powers apply in the event of a threat of serious prejudice to essential defence and national security interests, as identified pursuant to Article 1(1) of the Golden Power Decree, i.e:

- (a) the imposition of specific conditions relating to security of supply, security of information, technology transfer and export control in the case of the acquisition, for any reason whatsoever, of shareholdings in undertakings engaged in activities of strategic importance for the national defence and security system;
- (b) vetoing the adoption of resolutions by the shareholders' meeting or administrative bodies of an undertaking referred to in subparagraph a), concerning the merger or demerger of the company, the transfer of the company or branches thereof or of subsidiaries, the transfer abroad of the registered office, modification of the corporate purpose, dissolution of the company, modification of any clauses in the bylaws adopted pursuant to article 2351, third paragraph, of the Italian Civil Code or introduced pursuant to article 3, paragraph 1, of decree-law no. 332 of 31 May 1994, converted, with amendments, by Law 474 of 30 July 1994, as most recently amended by Article 3 of the Golden Power Decree, the transfer of rights in rem or rights of use relating to tangible or intangible assets or the assumption of restrictions conditioning their use, including by reason of the company being subject to insolvency proceedings;
- (c) opposition to the acquisition, for any reason whatsoever, of shareholdings in an undertaking referred to in subparagraph a) by an entity other than the Italian State, Italian public entities or entities controlled by the latter, where the acquirer comes to hold, directly or indirectly, including through successive acquisitions, through an intermediary or through entities otherwise connected, a level of shareholding in the voting stock capable of jeopardising in the specific case the interests of defence and national security. To this end, the shareholding held by third parties with whom the acquirer has entered into one of the agreements referred

to in Article 122 of the Consolidated Law on Finance, as amended, or those referred to in Article 2341-bis of the Civil Code, is also deemed to be included.

For the purposes of exercising the powers referred to in subparagraph b), the Issuer is required to notify the Presidency of the Council of Ministers full information on any act, resolution or transaction to be adopted that falls within the definition given, so as to allow the timely exercise of the power of veto. The Presidency of the Council of Ministers may exercise the powers referred to in subparagraph b) within 45 days from the date of the notification, without prejudice to the right to suspend the deadline in the event of the need for preliminary investigations.

Moreover, for the exercise of the powers referred to in subparagraphs (a) and (c), any person acquiring a significant shareholding in a company holding strategic assets in the fields of defence and national security shall notify the acquisition within 10 days to the Presidency of the Council of Ministers, at the same time submitting the necessary information, including a general description of the proposed acquisition, the acquirer and its scope of operations. Notification must be given if the acquirer comes to hold, as a result of the acquisition, a shareholding in excess of the 3% threshold, and acquisitions which result in the thresholds of 5%, 10%, 15%, 20%, 25% and 50% being exceeded are subsequently notified. Also in this case, the power to oppose the acquisition or to impose conditions is exercised by the Presidency of the Council within 45 days from the notification, without prejudice to the right to suspend the deadline in case of preliminary needs. Until the notification and, subsequently, until the expiry of the time limit for the conclusion of the proceedings, the voting rights of the purchaser and those having a content different from the patrimonial one, are suspended.

Unless the act constitutes a criminal offence and without prejudice to the cases of invalidity provided for by law, failure to comply with the notification obligations referred to above (both in the sectors referred to in Prime Ministerial Decree 179/2020 and in those referred to in Prime Ministerial Decree 108/2014) entails the application of a pecuniary administrative sanction up to twice the value of the transaction and in any case not less than 1% of the cumulative turnover achieved by the companies involved in the last financial year for which the financial statements have been approved.

**e) Employee shareholding: mechanism for exercising voting rights (*pursuant to Article 123-bis(1)(e) of the TUF*)**

At the date of approval of the Report, there is no employee shareholding system in respect of which voting rights are not exercised directly by employees.

**f) Restrictions on voting rights (*pursuant to Article 123-bis(1)(f) of the Consolidated Law on Finance*)**

Each Ordinary Share confers the right to vote without limitation.

**g) Shareholders' agreements (*pursuant to Article 123-bis(1)(g) TUF*)**

At the date of approval of the Report, the Company is not aware of any agreements between shareholders.

**h) Change of control clauses (*pursuant to Article 123-bis(1)(h) of the Consolidated Law on Finance*) and provisions of the Bylaws on takeover bids (*pursuant to Articles 104(1-ter) and 104-bis(1) of the Consolidated Law on Finance*)**

*Change of control clauses*

At the date of approval of the Report, the Company is not a party to any agreements that take effect, are amended or terminate in the event of a direct and/or indirect change of control of the contracting company.

It should be noted that the contract with entered into by the Company with Intesa Sanpaolo S.p.A. on October 24 2019 contains negative pledge, internal cross default and change of control clauses, commitments to do and not to do, as well as disclosure obligations on the part of the Issuer.

*Statutory provisions on takeover bids*

The Bylaws do not provide for any exceptions to the provisions on takeover bids on the *passivity rule pursuant to Article 104, paragraph 1-ter, of the Consolidated Law on Finance* or the application of the neutralisation rules pursuant to Article 104-bis, paragraph 1, of the Consolidated Law on Finance.

**i) Powers to increase share capital and authorisations to purchase treasury shares (*pursuant to Article 123-bis, paragraph 1, letter m), TUF*)**

*Capital increases*

At the date of approval of the Report, no powers, not even partial, have been granted to the Board, pursuant to Article 2443, first paragraph, of the Italian Civil Code.

*Own shares*

At the date of approval of the Report, the Company's Shareholders' Meeting had not authorised any share buyback programmes and the Company did not hold any treasury shares.

**l) Management and coordination activities (*pursuant to Article 2497 et seq. of the Civil Code*)**

At the date of approval of the Report, the Company is not subject to management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code.

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The information required by Article 123-bis, paragraph 1, letter i) of the Consolidated Law on Finance (*"agreements between the company and the directors ... which provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid"*) is illustrated in the Report on remuneration policy and compensation paid which will be published pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Issuers' Regulations (Section 8).

The information required by Article 123-bis, paragraph 1, letter l), first part, of the Consolidated Law on Financial Intermediation concerning the *"rules applicable to the appointment and replacement of directors (...) as well as to the amendment of the Bylaws, if different from the laws and regulations applicable in addition"* is illustrated in the section of the Report relating to the Board of Directors (Section 4).

The information required by Article 123-bis, paragraph 1, letter l), second part, of the Consolidated Law on Financial Intermediation concerning the *"rules applicable (...) to the amendment of the bylaws, if different from the laws and regulations applicable in addition"* is illustrated in the Report section dedicated to the Shareholders' Meeting (Section 13).

**3. Compliance (*pursuant to Article 123-bis(2)(a), first part, TUF*)**

Civitanavi has formally adhered, with effect from the Trading Commencement Date, to the Corporate Governance Code, which is available to the public on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

The Board of Directors has resolved to adhere to the principles contained in the Code, also adapting its own governance system to the regulatory provisions.

Regarding the possible non-adherence to one or more of the recommendations of the Code, please refer to what is specifically indicated in the different sections of this Report.

The Company is not subject to any non-Italian law provisions affecting its corporate governance structure.

**4. Board of Directors**

**4.1. Role of the Board of Directors**

Pursuant to the regulations in force for companies with shares listed on regulated markets and in accordance with the recommendations of the Corporate Governance Code, the Board of Directors plays a central role in the governance system and is responsible for the functions and strategic and organisational policies of the Company and the Group. In view of its role, the Board of Directors meets at regular intervals and operates in such a way as to ensure that its functions are carried out effectively.

The Board of Directors is vested with the broadest powers for the administration of the Company, with the power to carry out all appropriate acts for the achievement of the corporate purposes, with the exception of those acts reserved - by law and by the Bylaws- to the Shareholders' Meeting.

Pursuant to its own Rules of Procedure and in line with the contents of the new Code, the administrative body exercises its management activities by pursuing the objective of sustainable success, understood as the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to Civitanavi Systems.

In particular, the Board of Directors defines and approves the Company's and the Group's strategic guidelines, as well as the nature and level of risk compatible with these strategic guidelines, taking into account all the elements that may be relevant in view of sustainable success; in its activities, the Board is supported by the endoconsiliar committees that analyse - each for the areas of their respective competence - the issues relevant to the generation of long-term value.

The Board of Directors also promotes dialogue with the generality of its shareholders through fair, transparent and differentiated forms of engagement, believing that establishing and maintaining a constant and ongoing relationship with all the main stakeholders is in its own specific interest, as well as a duty towards the market.

In this sense, on 24 March 2022 the Board of Directors of Civitanavi Systems approved a Policy of Dialogue with General Shareholders in order to conform the rules of corporate governance and management of dialogue with Shareholders to the principles and recommendations enshrined in the Corporate Governance Code. In fact, the Shareholders' Dialogue Policy is intended to pursue the objective of raising the level of transparency and involvement of investors, as promoted by the Shareholder Rights Directive II with reference to institutional investors and asset managers, as a functional tool to ensure the sustainable success of Civitanavi Systems, which is substantiated by the creation of long-term value for the benefit of Shareholders, taking into account the interests of all other stakeholders and the impacts that its operations may have at an environmental, social and economic level.

For more detailed information on the powers reserved to the Board of Directors, please refer to Section 4.4 of the Report.

The Board of Directors resolved to avail itself of the right to waive the obligation to publish the prescribed disclosure documents on the occasion of significant mergers, spin-offs, capital increases through the contribution of assets in kind, acquisitions and disposals, pursuant to Articles 70, paragraph 8, and 71, paragraph 1-bis of the Consob Issuers' Regulations.

#### **4.2. Appointment and replacement (pursuant to Article 123-bis(1)(l), first part, of the Consolidated Law on Finance)**

The appointment and replacement of directors is governed by Articles 17 and 18 of the Bylaws which, in the text approved by the Extraordinary Shareholders' Meeting on 13 January 2022, are reproduced in full below.

##### **"ARTICLE 17**

*17.1 The Directors are appointed by the Shareholders' Meeting on the basis of the lists of candidates, in which the candidates must be indicated in a number not exceeding 11 (eleven) each with a progressive number, submitted by the Shareholders and filed at the Company's registered office within the terms and in compliance with the law and regulations in force at the time.*

*17.2 Only Shareholders who, alone or together with others, at the time of submitting the list, hold at least the minimum percentage of the share capital with voting rights at the Ordinary Shareholders' Meeting established by Consob, which will in any case be indicated in the notice of call, shall have the right to submit lists.*

*17.3 Each Shareholder as well as (i) Shareholders belonging to the same group, this being understood to mean the controlling party, including non-corporate, pursuant to article 2359 of the Italian Civil Code and article*

*93 of the Consolidated Law on Finance and any company controlled by, or under the common control of, the same party, or (ii) Shareholders who are party to the same shareholders' agreement pursuant to article 122 of the TUF, or (iii) Shareholders who are otherwise associated with each other by virtue of associative relationships relevant under the law, including regulations, in force, may not submit - or participate in the submission of - more than one list, not even through a third party or trust company. - more than one list, nor may they vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list if they determine the outcome of the vote.*

*17.4 Each candidate may stand for election on only one list, on pain of ineligibility.*

*17.5 Without prejudice to compliance with the criterion and, in any event, with any legislation guaranteeing gender balance, each list containing a number of candidates not exceeding 7 (seven) must contain and expressly indicate at least one director who meets the independence requirements established pursuant to the laws and regulations in force (the "Independent Directors"); if it contains a number of candidates exceeding 7 (seven), it must contain and expressly indicate at least two Independent Directors.*

*17.6 A list for which the provisions of these Bylaws are not complied with shall be deemed not to have been submitted. Each person entitled to vote may vote for only one list.*

*17.7 The lists submitted must be deposited at the Company's registered office, including by means of remote communication as indicated in the notice of call, and made available to the public within the terms and according to the procedures provided for by the law and regulations in force at the time.*

*17.8 All candidates must meet the honourableness requirements prescribed by current legislation and the relevant lists must be accompanied:*

*(i) the information relating to the identity of the Shareholders who have submitted the lists, with an indication of the total percentage of shareholding held, it being understood that the certification proving the ownership of such shareholding may also be produced after the lists have been deposited, provided that it is within the deadline set for the publication of the lists by the Company;*

*(ii) a declaration by the shareholders who have submitted the lists other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of connection, even indirect, with the latter, pursuant to the Bylaws and the laws and regulations in force at the time;*

*(iii) exhaustive information on the personal and professional characteristics of the candidates and a declaration by the candidates themselves attesting to the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements, including those of independence where applicable, provided for by the law, including regulations, in force at the time and by the Bylaws;*

*(iv) the declaration by which each candidate accepts his/her candidature;*

*(v) any other or different statement, information and/or document required by the law, including regulations, in force at the time.*

*17.9 At the end of the voting, the candidates of the two lists obtaining the highest number of votes, provided that they exceed half of the percentage of the share capital required for the presentation of the lists, to be calculated at the time of voting, are elected according to the following criteria:*

*(i) a number of Directors equal to the total number of members of the Board of Directors, as previously established by the Shareholders' Meeting, minus one, shall be drawn from the list obtaining the highest number of votes (the "Majority List"); within these numerical limits, the candidates shall be elected in the numerical order indicated in the list;*

*(ii) one Director shall be drawn from the list obtaining the second highest number of votes which is not connected in any way, not even indirectly, with the Shareholders who submitted or voted for the Majority List (the "Minority List"), in the person of the candidate indicated with the first number on that list.*

*17.10 In the event of a tie between two or more lists, a new vote shall be held by the Shareholders' Meeting, with regard exclusively to the lists that are tied, with the list obtaining the highest number of votes prevailing.*

*17.11 If the candidates elected in the manner described above do not ensure the appointment of as many Independent Directors as required by current legislation, the following procedure shall apply: the candidate not meeting the independence requirements elected last in numerical order from the list that obtained the highest number of votes shall be replaced by the first candidate meeting the independence requirements not elected from the same list in numerical order. Lastly, if this procedure does not ensure the presence of the necessary number of Independent Directors, the replacement will take place by resolution passed by the Shareholders' Meeting by majority vote, subject to the submission of candidates who meet the independence requirements.*

*17.12 Furthermore, if as a result of the above procedures the composition of the Board of Directors does not allow compliance with the provisions on gender balance, the candidate of the most represented gender elected as the last in numerical order of the only list submitted or, if more than one list is submitted, of the Majority List, shall be excluded and shall be replaced by the first candidate not elected, taken from the same list, belonging to another gender; so on and so forth until a number of candidates equal to the minimum number required by the rules in force from time to time on gender balance are elected.*

*17.13 If the procedure described above does not ensure, in whole or in part, compliance with the gender balance, the Shareholders' Meeting shall integrate the composition of the Board of Directors with the majorities required by law, ensuring that the requirement is met.*

*17.14 If only one list is submitted, the Shareholders' Meeting shall pass resolutions with the majorities required by law and all the Directors shall be elected from that list, in accordance with the relative progressive order. However, if the candidates elected in the manner described above do not ensure the presence of a minimum number of Directors meeting the independence requirements provided for by the law and regulations in force from time to time and compliance with the minimum requirements provided for by the law and regulations in force from time to time on gender balance, the Shareholders' Meeting shall appoint the Directors with the legal majorities, subject to the submission of nominations of candidates meeting the necessary requirements, in such a way as to ensure compliance with the minimum requirements provided for by law and regulations in force from time to time on the independence of Directors and gender balance.*

*17.15 In the absence of lists and in the event that by means of the list voting mechanism the number of candidates elected is lower than the number of Directors to be elected, or if the entire Board of Directors is not to be renewed, the Board of Directors shall be appointed or supplemented, respectively, by the Shareholders' Meeting with the majorities provided for by law and without recourse to list voting, so as to ensure compliance with the minimum requirements provided for by law and regulations in force at the time concerning the independence of Directors and balance between genders.*

*17.16 Notwithstanding any other or further provisions laid down by mandatory laws or regulations. "*

## **"ARTICLE 18**

*18.1 If, during the course of the financial year, one or more Directors cease to hold office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, provision will be made pursuant to Article 2386 of the Italian Civil Code as indicated below:*

*- if the outgoing director is taken from the Minority List, the Board of Directors shall appoint the replacement by co-optation pursuant to Article 2386 of the Italian Civil Code among the candidates belonging to the same list as the outgoing director, if they meet the requirements;*



*- if, for any reason, no names are available and eligible, or if the director who has ceased to hold office is taken from the Majority List, the Board of Directors shall appoint the replacement(s) by co-optation pursuant to Article 2386 of the Italian Civil Code without the need to submit lists or restrictions on the choice among the members of the lists submitted at the time;*

*In any case, the Board and the Shareholders' Meeting shall proceed with the appointment in such a way as to ensure - in addition to compliance with the principle of representation of minorities, as far as possible - the presence of a minimum number of Directors meeting the requirements of independence, and compliance with the minimum requirements of gender balance required by the law, including regulations, in force at the time.*

*18.2 The Directors so appointed shall hold office until the next Shareholders' Meeting, and those appointed by the Shareholders' Meeting shall hold office for as long as the Directors they replaced should have held office.*

*18.3 If, for any reason, the majority of the Directors appointed by the Shareholders' Meeting should cease to hold office, the entire Board of Directors shall be deemed to have resigned and therefore to have lapsed, and a Shareholders' Meeting must be urgently called by the Directors still in office, or in the event of their inactivity by the Board of Statutory Auditors, to appoint a new Board of Directors.*

*18.4 The loss of the independence requirements envisaged by the law and/or the regulations in force at the time for a director does not constitute a cause for disqualification if the minimum number of members - envisaged by the law, including regulations - in possession of the aforesaid independence requirements remain in office".*

It should be noted that according to the Bylaws, shareholders who, at the time the list is filed with the Company, individually or jointly hold a shareholding of at least the amount determined by Consob pursuant to the applicable laws and regulations, may submit a list for the appointment of Directors.

In order to ensure the election of at least one minority director, the Bylaws provide that the directors to be elected, except one, are taken from the list obtaining the highest number of votes cast by the shareholders, in the order in which they are presented. The last director is the candidate listed in first place on the minority list that is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the majority list and that obtained the second highest number of votes cast by shareholders. In the event of a tie between lists, a new vote shall be held by the Shareholders' Meeting, with regard exclusively to the lists that are tied, with the list obtaining the highest number of votes prevailing.

As regards the appointment mechanism adopted to ensure the election of the minimum number of independent directors pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance, the Bylaws provide that, without prejudice to compliance with the distribution criterion guaranteeing a balance between genders, the candidate who does not meet the independence requirements and is elected as the last in numerical order of the only list submitted or, if more than one list is submitted, the majority list, shall be excluded and replaced by the first unelected candidate from the same list belonging to another gender; so on and so forth until a number of candidates equal to the minimum number required by the regulations in force from time to time on gender balance are elected.

If only one list is submitted, the entire Board of Directors is drawn from that list if it obtains the majority required by law for the ordinary shareholders' meeting.

The members of the Board of Directors must meet the requirements of eligibility and honourableness required by law or any other requirement laid down by the applicable regulations.

Of the members of the Board of Directors, a minimum number corresponding to the minimum required by the legislation in force at the time must meet the independence requirements laid down by law.

The Bylaws do not provide for the possibility of the outgoing Board of Directors to submit a list.

The Bylaws also do not provide for the independence requirements of directors other than those set forth in Article 148, paragraph 3, of the Consolidated Law on Finance, as the Company adheres to the Code, the Board of Directors verifies the possession of the independence requirements also pursuant to the Code itself and invites, during the appointment of the administrative body by the Shareholders' Meeting, the candidates for the office of director included in the lists to declare also the possession of the latter, as adopted by the Company.

On 24 March 2022, the Board of Directors, with the favourable opinion of the Remuneration and Appointments Committee, approved the Quantitative and Qualitative Criteria to be used in the process of verifying the independence of the Company's directors and statutory auditors, to assess the significance of the relationship between a director/statutory auditor and the Company and/or the Group pursuant to Recommendation 7 of the Corporate Governance Code.

The Issuer hereby announces that it is not subject to any further legal rules regarding the appointment and replacement of the Board of Directors, nor are there any further rules other than those laid down in law and regulations in relation to amendments to the Bylaws.

Please refer to the table in Section 4.3.1 for the identification of Directors in office at the date of the Report who are independent pursuant to the Consolidated Law on Finance and the Corporate Governance Code, as well as to what is specifically indicated in Section 4.7.

Please refer to Section 7 for information on the role of the Board of Directors and its endoconsiliar committees in the processes of self-assessment, nomination and succession of Directors.

#### **4.3. Composition (pursuant to Article 123-bis(2)(d) and (d-bis) of the Consolidated Law on Finance)**

##### **Composition of the Board of Directors**

The Shareholders' Meeting held on 13 October 2021 and 21 December 2021 appointed the Board of Directors, after determining the number of members, their term of office and remuneration. In particular, the Shareholders' Meeting held on 13 October 2021 resolved to appoint Messrs. Andrea Pizzarulli, Michael Perlmutter and Thomas W. Jung as directors for three (3) financial years and until the date of the Shareholders' Meeting called to approve the financial statements as of 31 December 2023, as well as, effective as of the Trading Starting Date, Messrs. Laura Guazzoni and Maria Serena Chiucchi, the latter as independent directors. Subsequently, the Shareholders' Meeting held on 21 December 2021 integrated the administrative body, with effect from the Trading Commencement Date, by appointing Tullio Rozzi and Mario Damiani as independent director and non-executive director respectively.

The members of the Board of Directors of the Issuer, at the date of approval of the Report, are indicated in the following table

<b>First and last name</b>	<b>Charge</b>	<b>Date of first appointment</b>
Andrea Pizzarulli	Chairman of the Board of Directors and Chief Executive Officer	4 June 2012
Michael Perlmutter	Director*	13 October 2021
Thomas Jung	Director *	13 October 2021
Mario Damiani	Director *	21 December 2021
Laura Guazzoni	Independent Director**	13 October 2021
Maria Serena Chiucchi	Independent Director**	13 October 2021

Tullio Rozzi

Independent Director\*\*

21 December 2021

\*Non-executive director

\*\*Independent director pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4, of the Consolidated Law on Finance, as well as pursuant to the *Corporate Governance* Code.

No list voting was used for the appointment of the Board of Directors in office.

The members of the Board of Directors have declared that they meet the integrity requirements established for control members by regulation of the Ministry of Justice pursuant to Article 148, paragraph 4, of the Consolidated Law on Finance.

The following is a brief *curriculum vitae* of the members of the Board of Directors from which the competence and experience matured in corporate management and professionalism emerge and, with particular reference to the non-executive directors, that they are able to bring specific and suitable skills in terms of scope and professionalism to allow an attentive and punctual judgement in taking board decisions.

**Andrea Pizzarulli:** graduated in Optical Telecommunications at the Polytechnic University of Marche in Ancona. From 2000 to 2005 he worked as chief engineer for advanced optronic subsystems for the telecommunications industry at Terawave Communication in Silicon Valley (USA). Andrea Pizzarulli was also director of the Advanced Research Centre at GEM Elettronica, a private company working on Defense Inertial navigation systems based on fibre optic gyroscope technology. Previously, he was founder of Xanto Technology, a start-up developing cryptographic systems, as well as director of a microelectronic design centre in Turin. In 2012, Andrea Pizzarulli founded, together with Michael Perlmutter, Civitanavi, of which he is currently Chairman of the Board of Directors and CEO.

**Michael Perlmutter:** In 1973 he received his bachelor's degree and, later in 1975, a master's degree in electrical engineering as well as the degree of Electrical Engineer in 1975, all from the Massachusetts Institute of Technology. Michael Perlmutter has **served as** principal engineer at Raytheon Company and as a director at Northrop Grumman. In 1994 he co-founded Fibersense Technology, which was acquired by Northrop Grumman in 2002. From 2013 to 2021 he was a member of the Board of Directors of Sensoror AS in Norway. In 2012, Michael Perlmutter co-founded Civitanavi with Andrea Pizzarulli, where he currently serves as a director.

**Thomas Jung:** In 1992 he obtained a Master in Business Administration (MBA) from the University of St. Gallen in Switzerland. From 1992 to 1996 he worked in the finance and control department of Airbus Munich in Germany. From 1996 to 2015 he was president and managing director of Acutronic Group. From 1996 to the present, he is Chairman of Jung Technologies Holding AG, a company that holds 12.67% of the share capital of Civitanavi Systems Ltd (the latter controlling the Issuer). Since 2010 to date he has been Chairman of Giroud Olma AG. From 2012 to 2021 he was a member of the Board of Directors of Sensoror Holding AG.

**Mario Damiani:** In 1975, he graduated in Physics from La Sapienza University in Rome. Between 1969 and 1976, Mario Damiani served in the Italian Air Force, as Technical Officer up to the rank of Captain in the Costarmaereo General Management; in this position, he carried out technical and contract management activities for avionics communication, navigation and identification equipment. Between 1976 and 1994, Mario Damiani joined Elmer S.p.A. holding the position of avionics sales and marketing manager and taking part in the European co-operations of the main aeronautical programmes, such as Tornado, EH-101, EFA, NH-90. In 1986 he became manager of Elmer S.p.A., having also gained extensive experience in dealing with major Government Agencies and Bodies as well as major European and American aircraft manufacturers. Between 1994 and 1999, Mario Damiani was marketing and sales director of Elmer S.p.A., with responsibilities also in the defence, naval and land sectors. Between 1999 and 2001, he was marketing and sales director for the avionics activities of Marconi Avionics. From 2001 to 2005, following the merger of Elmer S.p.A. and MID (Marconi Italtel Difesa) into Marconi Mobile S.p.A., he was appointed Vice President and Director of Marconi Mobile Avionics Business Unit. Between 2006 and 2009, as part of the General Management of Selex Communications, he was appointed Director of the Civil and Military Market Italy with responsibility for business development and sales for the entire Selex product-systems and services portfolio. Between 2011 and

2014, Mario Damiani acted as consultant, for the aerospace and defence sector, to Selex Elsag and Selex Es. From 2015 to the present, he has been a consultant to the Issuer, with the role of Head of Strategy and Institutional Relations.

**Laura Guazzoni:** in 1989 she graduated in Business Administration from the Bocconi University of Milan and since 1991 she has been registered with the Milan Ordine dei Dottori Commercialisti and the Registro dei Revisori contabili (Register of Auditors) under no. 68312. Since 1994, she has been an adjunct professor of Business Economics and Management at Bocconi University. Since 1997 Laura Guazzoni has acted as a technical consultant to the judge at the Court of Milan. Laura Guazzoni is the owner of Studio Guazzoni in Milan, advising on corporate economics and management (management and control), corporate governance and finance, and financial instruments and securities markets. Laura Guazzoni is also involved in the valuation of companies and business units in the context of M&A transactions, contributions, sale of branches, estimation of share exchanges; valuation of intangible assets. Laura Guazzoni provides expert witnesses and expert witnesses in **arbitrations** and judicial proceedings both in civil and criminal matters on financial instruments, derivative contracts, banking relationships, business and intangible assets valuation. Laura Guazzoni acts as judicial custodian and judicial liquidator for the Court of Milan and advises on the administrative liability of companies and entities pursuant to Legislative Decree 231/01.

**Maria Serena Chiucchi:** In 1997, she graduated in Economics and Business at the University of Ancona. Subsequently, in 2002, she obtained a PhD in Planning and Control Systems. Maria Serena Chiucchi is currently a full professor in Business Administration at the 'G. Fuà' Faculty of Economics of the Università Politecnica delle Marche and she is also the Director of the Department of Management. In 2001 Maria Serena Chiucchi was a Visiting PhD Student at the Department of Accounting, Taxation and Business Law of New York University and in 2013 Visiting Professor in the Discipline of Accounting at the University of Sydney. Her research areas include: management control systems and strategic control, both for profit and non-profit organizations, the measurement and reporting of intangibles and intellectual capital, the measurement and reporting of sustainability, integrated reports and the innovation of business models. She is author of several national and international publications and coordinator of research groups in the same research areas. She is co-Editor of the Journal "Management Control" and Associate Editor of the Electronic Journal of Knowledge Management.

**Tullio Rozzi:** Tullio Rozzi graduated in Physics from the University of Pisa in 1965, followed by a Ph.D. in Electronic Engineering from the University of Leeds completed in 1968. This was the beginning of his long and brilliant academic career, first as a researcher at the Philips Research Laboratories (Nat. Lab.) in Eindhoven from 1968 to 1978; including the period spent as Visiting Academic in 1975 at the Antenna Laboratory of the University of Illinois. In 1975, he was also awarded the IEEE Microwave Prize. In addition, he has been a Full Professor of Electronic Engineering at the University of Liverpool (UK) since 1978. In 1981, he moved to the Chair of Electronics at the University of Bath, where, shortly afterwards, he became Head of Department and was awarded the title of D.Sc. Since 1988, he has been Full Professor of Electromagnetic Fields at the University of Ancona (now the Marche Polytechnic University), and since 1996 he has been Department Director until his retirement in 2011. Currently, he is in charge of the course of Optical Circuits and Components for the Degree Course in Information Engineering for the Nautical Sector at the Università Politecnica delle Marche in Ancona.

For the assessment of the independence requirements of the directors in office, please refer to what is specifically indicated in Section 4.7.

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2022**

Board of Directors													
Charge	Components	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List (C.o.D./m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. of other assignments (****)	Participation (*****)
Chairman Chief Executive Officer/CEO	Andrea Pizzarulli	1973	4.06.2012	13.10.2021	Approval of the 2023 budget	-	-	X		-	-	1	10/10
Director	Thomas Jung	1966	13.10.2021	13.10.2021	Approval of the 2023 budget	-	-		X	-	-	3	9/10
Director	Michael S. Perlmutter	1950	13.10.2021	13.10.2021	Approval of the 2023 budget	-	-	X		-	-	3	10/10
Director	Mario Damiani	1949	21.12.2021	17.02.2022	Approval of the 2023 budget	-	-		X			-	8/8
Director	Laura Guazzoni	1965	13.10.2021	17.02.2022	Approval of the 2023 budget	-	-		X	X	X	13	8/8
Director	Maria Serena Chiucchi	1971	13.10.2021	17.02.2022	Approval of the 2023 budget	-	-		X	X	X	4	8/8
Director	Tullio Rozzi	1941	21.12.2021	17.02.2022	Approval of the 2023 budget	-	-		X	X	X	-	8/8
----- DIRECTORS LEAVING DURING THE FINANCIAL YEAR -----													
Indicate the number of meetings held during the financial year: 10													

**Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (*pursuant to Article 147-ter of the Consolidated Law on Finance*): 2,50%**

#### **NOTES**

The following symbols must be entered in the "Load" column:

- This symbol indicates the director in charge of the internal control and risk management system.

○ This symbol indicates the *Lead Independent Director* (LID).

(\*) The date of first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the Issuer.

(\*\*) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board of Directors").

(\*\*\*) This column indicates whether the list from which each director was drawn is "of the Board of Directors" (indicating "BoD") or "minority" (indicating "m"). (indicating "BoD"), or "minority" (indicating "m").

(\*\*\*\*) This column shows the number of directorships or statutory auditor appointments held by the person concerned in other listed companies or companies of significant size. In the Corporate Governance Report, the offices are indicated in full.

(\*\*\*\*\*) This column shows the attendance of directors at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

### **Diversity criteria and policies in the composition of the Board of Directors and company organisation**

At the date of approval of this Report, the Company has not adopted a diversity policy in relation to the composition of its administrative body, as it does not exceed the parameters set out in Article 123-bis, paragraph 5-bis of the Consolidated Law on Finance.

However, Civitanavi Systems pays great attention to diversity and inclusion issues regardless of the requirements imposed by primary legislation.

The Board of Directors shall verify that the different components (executive, non-executive, independent) and the professional and managerial skills, including those of an international nature, are adequately represented in relation to the activities carried out by the Issuer, also taking into account the benefits that may derive from the presence on the Board of Directors of different age brackets and seniority of office, gender and professional skills and other aspects of diversity identified by the Issuer.

In particular, with reference to gender diversity, one-fifth of the members of the Board of Directors belong to the least represented gender in line with the provisions of current legislation.

### **Maximum accumulation of posts held in other companies**

The Board of Directors has not defined any general criteria regarding the maximum number of offices of administration and control in other companies compatible with the effective performance of the office of director of the Company. The Board of Directors has not defined any general criteria regarding the maximum number of administration and control positions in other companies that are compatible with the effective performance of the office of director of the Company.

Considering the positions held by its members in third party companies, the Board of Directors believes that the number and quality of the positions held does not interfere and is, therefore, compatible with an effective performance of the office of director of the Company. This is without prejudice to the right of the Board of Directors to make a different, reasoned assessment, which will be made public in the Annual Report on Corporate Governance and Ownership Structure and will be duly justified.

The Company, in accordance with Principle XII of the Corporate Governance Code, considers it essential that all Directors guarantee sufficient time for the diligent and responsible performance of their duties, taking into account both the number and quality of the positions they hold on the boards of directors and auditors of other companies, and the commitment required of them by the additional work and professional activities they perform and the positions they hold in associations.

As regards the offices held by the Issuer's directors in office at the date of approval of the Report in listed companies or in companies of significant size other than the Issuer, please refer to the following table.

<b>Name</b>	<b>Company/Body</b>	<b>Charge/Participation</b>	<b>Status</b>
<b>Andrea Pizzarulli</b>	Civitanavi Systems Ltd	Director	Existing
		Member	Existing
<b>Michael Perlmutter</b>	Civitanavi Systems Ltd	Chairman of the Board of Directors	Existing
		Member	Existing
	ACUTRONIC USA INC.	Director	Existing
	Acutronic Switzerland Ltd	Director	Existing
<b>Thomas Jung</b>	Civitanavi Systems Ltd	Director	Existing
		Member	Existing

*This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.*

	Jung Technologies Holding AG	Chairman of the Board of Directors	Existing
	Giroud Olma AG	Chairman of the Board of Directors	Existing
<b>Mario Damiani</b>	-	-	-
<b>Laura Guazzoni</b>	Be Cause SICAF S.p.A.	Chairman of the Board of Directors	Existing
	BG Saxo SIM S.p.A.	Chairman of the Board of Directors	Existing
	Generfid S.p.A. -Società Fiduciaria di Amministrazione e Trust	Director	Existing
	Openjobmetis S.p.A. - Employment Agency	Director	Existing
	Bracco Imaging Italia S.r.l.	Auditor	Existing
	Centro Diagnostico Italiano S.p.A.	Auditor	Existing
	Campus Bio Medico S.p.A.	Chairman of the Board of Auditors	Existing
	Certiquality S.r.l.	Mayor	Existing
	Gas plus S.p.A.	Chairman of the Board of Auditors	Existing
	Eurizon Capital Real Asset S.p.A.	Director	Existing
	Altea Green Power S.p.A.	Director	Existing
	Campus Bio Medico S.p.A.	Chairman of the Board of Auditors	Existing
	Bionics S.r.l.	Sole Auditor	Existing
<b>Maria Serena Chiucchi</b>	Polytechnic University of Marche	Member of the Academic Senate	Existing
	Department of Management, Marche Polytechnic University	Director of Department	Existing
	G. Fuà Faculty of Economics, Marche Polytechnic University	Member of the Faculty Council	Existing
	Research Centre for Minimally Invasive and Transcatheter Cardiac Surgery (Interdepartmental Centre of the Polytechnic University of Marche)	Member of the Council	Existing
<b>Tullio Rozzi</b>	Civitanavi Systems Ltd	Member of the Council	Existing



#### **4.4. Functioning of the Board of Directors (pursuant to Article 123-bis(2)(d) of the Consolidated Law on Finance)**

Pursuant to Article 19 of the Bylaws, the Board of Directors meets, including outside the registered office of the Company, provided that it is in the European Union, Switzerland, the United Kingdom or the United States of America, or by telematic means only, whenever the Chairman deems it appropriate and when a request is made by those entitled under the applicable legislation.

19.2 The Board of Directors is convened by the Chairman or, in his absence or impediment, by the Managing Director by means of a notice sent by post, telefax, e-mail or by the different methods established by the Board of Directors itself, as a rule at least 3 (three) days before the meeting or, in case of urgency, at least 1 (one) day before the meeting. Board meetings shall in any case be considered validly constituted, even in the absence of a formal convocation, if all the Directors and Statutory Auditors in office are present, and all those entitled have been informed in advance of the meeting and have not opposed the discussion of the items on the agenda.

19.3 Meetings of the Board of Directors may also be held by audio or video conference, provided that (a) the Chairman of the meeting is allowed to ascertain the identity of those present, regulate the proceedings of the meeting, and ascertain and proclaim the results of the vote; (b) the person taking the minutes is allowed to adequately perceive the events of the meeting to be recorded; (c) those present are allowed to take part in the discussion and vote simultaneously on the items on the agenda, and to view, receive or transmit documents.

By resolution of the Board of Directors of 13 October 2021, the Company adopted a regulation defining the rules of operation of the Board of Directors.

Pursuant to the aforementioned regulations, minutes must be taken at each meeting of the Board of Directors and signed by the Chairman of the Board of Directors and the Secretary. Copies of the minutes signed by the Chairman, or his deputy, or the Secretary in accordance with the Bylaws, shall be deemed to be complete evidence. The minutes are normally submitted for approval at the first subsequent Board meeting and, once transcribed in the appropriate company book, are kept by the Secretary and may be consulted, if requested, by each director and each member of the Board of Statutory Auditors as well as by other parties entitled to do so in accordance with the regulations applicable from time to time.

Pursuant to Article 20 of the Bylaws, the Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, with the power to perform all acts deemed appropriate for the achievement of the corporate purpose, excluding only those reserved by law to the Shareholders' Meeting. In addition to exercising the powers attributed to it by law, the Board of Directors is also competent to resolve on (a) mergers and demergers, in the cases provided for by law; (b) the establishment or termination of secondary offices; (c) the indication of which of the Directors shall represent the Company; (d) the reduction of the share capital in the event of the withdrawal of one or more Shareholders; (e) the transfer of the registered office within Italy; (f) the adaptation of the Bylaws to regulatory provisions. The attribution of these powers to the Board of Directors does not exclude the concurrent competence of the Shareholders' Meeting in the same matters.

The Board of Directors is also responsible for appointing, subject to the opinion of the Board of Statutory Auditors, the manager responsible for preparing the company's accounting documents, pursuant to Article 154-bis of the Consolidated Law on Finance.

The following matters are also reserved to the competence of the Board of Directors, in accordance with the Corporate Governance Code and the Rules of Procedure of the Board of Directors:

- a. examination and approval of the business plan of the Company and of the group it heads, also on the basis of the analysis of the issues relevant to the generation of long-term value carried out with the possible support of a committee whose composition and functions are determined by the Board of Directors;

- b. periodic monitoring of the implementation of the business plan and assessment of the general management performance by periodically comparing the results achieved with those planned;
- c. the definition of the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all the elements that may be relevant for the sustainable success of the Company;
- d. the definition of the Company's corporate governance system and the structure of the group to which it belongs
- e. assessment of the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal control and risk management system (see Section 9 of the Report for detailed information);
- f. resolutions on operations of the Company and its subsidiaries of significant strategic, economic, equity or financial importance for it, establishing for this purpose the general criteria for identifying significant operations;
- g. the adoption, at the proposal of the Chairman in agreement with the *Chief Executive Officer*, of a procedure for the internal management and external communication of documents and information concerning the Company, with particular reference to inside information (see Section 5 of the Report);
- h. periodic evaluation of the effectiveness of its work and the contribution made by its individual components, through formalised procedures whose implementation it oversees.

In addition, the Board of Directors:

- a) defines the guidelines of the internal control and risk management system in line with the Company's strategies and assesses, at least once a year, the adequacy of the system in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness;
- b) appoints and revokes the head of the *Internal Audit* function, defining his/her remuneration in line with corporate policies, and ensuring that he/she has adequate resources to perform his/her duties. If it decides to entrust the *Internal Audit* function, as a whole or by segments of operations, to a person external to the Company, it shall ensure that such person has adequate requirements of professionalism, independence and organisation and shall provide adequate reasons for such choice in the Corporate Governance Report;
- c) approves, at least once a year, the work plan prepared by the head of the *Internal Audit* function, after consulting the control body and the Managing Director;
- d) assesses whether it is appropriate to adopt measures to ensure the effectiveness and impartiality of judgement of other corporate functions involved in controls (such as *risk management* and legal and non-compliance risk monitoring functions), verifying that they have adequate professionalism and resources;
- e) assigns to the supervisory body or to a specially constituted body the supervisory functions under Article 6(1)(b) of Legislative Decree no. 231/2001. If the body does not coincide with the control body, the board of directors assesses the appropriateness of appointing to the body at least one non-executive director and/or one member of the control body and/or the holder of the company's legal or control functions, in order to ensure coordination between the various persons involved in the internal control and risk management system;
- f) assesses, in consultation with the supervisory body, the findings set out by the statutory auditor in any letter of recommendations and in the additional report addressed to the supervisory body;

- g) describes, in the report on corporate governance, the main features of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating the models and national and international *best practices* of reference, expresses its overall assessment of the adequacy of the system itself and gives an account of the choices made regarding the composition of the supervisory body referred to in point e) above.

The Board of Directors, when required by applicable laws, regulations or the Corporate Governance Code *pro tempore*, or when deemed appropriate:

- expresses, with a view to each renewal, an orientation on its optimal quantitative and qualitative composition, taking into account the results of the self-assessment;
- requires those who submit a list containing a number of candidates exceeding half of the members to be elected, to provide adequate information, in the documentation submitted for the filing of the list, on the compliance of the list with the orientation expressed by the Board of Directors, also with reference to the diversity criteria provided for by Principle VII and Recommendation 8 of the Corporate Governance Code, and to indicate their candidate for the office of Chairman of the Board of Directors, whose appointment is made according to the procedures identified in the Bylaws.

The orientation of the outgoing Board of Directors is published on the Company's *website* well in advance of the publication of the notice of call of the Shareholders' Meeting concerning its renewal. The policy identifies the managerial and professional profiles and skills deemed necessary, also in light of the Company's sectoral characteristics, considering the diversity criteria indicated by Principle VII and Recommendation 8 of the Corporate Governance Code and the guidelines expressed on the maximum number of offices in application of Recommendation 15 of the Corporate Governance Code.

The Board of Directors performs the aforementioned tasks, as well as the additional tasks assigned to it by the Corporate Governance Code, availing itself of the support of the committees set up within it, where envisaged by the Corporate Governance *Code* and/or the respective organisational regulations.

In implementation of the above, the Board of Directors, at the date of approval of the Report, has, *inter alia*:

- positively assessed the adequacy of the Company's general organisational, administrative and accounting structure, with particular reference to the internal control system and risk management; this assessment was carried out on the basis of the information and evidence gathered with the support of the preliminary activity carried out by the Control and Risk Committee and with the contribution of the Company's *management* and the Head of the *Internal Audit* function;
- evaluated the general management performance, taking into account, in particular, the information received from the Chief Executive Officer, as well as periodically comparing the results achieved with those planned;
- defined in a specific Procedure the general criteria for identifying operations of significant strategic, economic, equity or financial importance for the Company. Generally speaking, the following are identified as transactions of major importance:
  - (a) definition of the *budget* and strategic plan;
  - (b) sales or acquisitions, in any form, of company shareholdings, companies, company branches, real estate when the total amount exceeds Euro 5,000,000.00 (five million/00) per individual transaction;
  - (c) investments in technical assets for a total amount exceeding EUR 2 million per transaction;

- (d) leases (or sub-leases) of immovable property or rents or (sub-leases) of a company or company branch, including ultra-rents, with an annual rent exceeding Euro 1,000,000.00 (one million/00) per individual transaction;
- (e) settlements of disputes before any judicial authority or arbitrators for a total amount exceeding EUR 1,000,000.00 (one million/00) per individual transaction;
- (f) granting loans or guarantees, other than guarantees given in the context of commercial activities, for a total amount exceeding EUR 1,000,000.00 (one million/00) per individual transaction, whether in favour or in the interest of the Company and/or in the interest and/or in favour of companies (or even associations, foundations, consortia or bodies) directly or indirectly controlled by the Company itself, or whether in favour or in the interest of third parties;
- (g) assumption of loans, mortgages or in any case debt securities, in any form whatsoever and also therefore against issue of financial instruments for a total amount exceeding Euro 10,000,000.00 (ten million/00) per individual transaction;
- (h) signing of commercial contracts of a unit value, or of a total value if they relate to the same case, exceeding Euro 5,000,000.00 (five million/00)

During the Financial Year, ten meetings of the Board of Directors were held, each lasting an average of approximately 76 minutes, on the following dates: 19 January 2022, 29 January 2022, 25 February 2022, 24 March 2022, 29 April 2022, 4 July 2022, 23 September 2022, 28 October 2022, 25 November 2022 and 22 December 2022.

The number of meetings scheduled for the current year is 6 of which 2 have already been held at the date of approval of the Report. The tables in Section 4.3 of the Report show each Director's attendance at Board meetings held from 1 January 2022 to 31 December 2022.

The timeliness and completeness of the pre-meeting information is ensured by the Chairman of the Board of Directors through the distribution to the Directors of the documentation relating to the items on the agenda in the days immediately preceding the date set for the Board meeting and, in particular, normally at the same time as the notice of call. The rules of the Board of Directors provide that the documentation supporting the decisions to be taken, containing any proposals for resolutions and information suitable for supporting the work of the Board of Directors, shall be made available to the Directors and Auditors at least two days before the date set for the meeting, except in cases of urgency in which the documentation shall be made available as soon as possible, in any case, before the start of the Board meeting. This deadline for sending documents two days before the meeting, as set out in the Board of Directors' Rules of Procedure, has always been respected. On some occasions, for reasons of confidentiality and urgency, it was only possible to provide information on certain items on the agenda during the board meeting. On these occasions, the issues were in any case dealt with on a preliminary basis by the Committees set up within the Board, to the extent of their competence, and in any case, the Chairman ensured that adequate information was provided during the Board meetings.

During the year, the following persons, among others, attended the meetings of the Board of Directors, in order to provide appropriate information on the items on the agenda: the *Chief Financial Officer*, the Company's legal advisor, as well as the functions identified from time to time in the minutes of the Board meetings with reference to the specific items on the agenda.

#### **4.5. Role of the Chairman of the Board of Directors**

Pursuant to the combined provisions of the Bylaws and the rules of the Board of Directors, the Board of Directors elects a Chairman from among its members, if he is not appointed by the shareholders at the time of the appointment.

The meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or, in his absence or impediment, by the Vice-Chairman (if appointed), by the oldest director or by the director designated by those present.

The Chairman is obliged to promote the effective functioning of the corporate governance system by ensuring the balance of powers between the Company's decision-making bodies, and also plays a role in driving and coordinating the Board of Directors in the pursuit of the Company's interests.

The Chairman is responsible for convening the Board of Directors, setting the agenda, coordinating its work and ensuring that adequate information on the items on the agenda is provided to all Board members, as well as the power to propose Board resolutions.

The Chairman shall ensure the most appropriate management of the timing of Board meetings, favouring the optimisation of the debate and graduating the extent of the discussion according to the importance of the items on the agenda; in this perspective: (i) in agreement with the Chief Executive Officer (if different from the Chairman), it shall ensure that the Company's managers and those of the group companies it heads, responsible for the corporate functions competent according to the subject matter, attend Board meetings, also at the request of individual Directors, to provide the appropriate in-depth analysis of the items on the agenda; and (ii) it shall ensure adequate pre-meeting information and that the information provided during meetings is suitable to enable Directors to act in an informed manner when performing their role.

The Chairman shall ensure that Directors and Statutory Auditors can participate, after their appointment and during their term of office, in the most appropriate forms, in initiatives aimed at providing them with an adequate knowledge of the business sector in which the Company operates, of corporate dynamics and their evolution also with a view to the sustainable success of the Company itself, as well as of the principles of proper risk management and of the reference regulatory and self-regulatory framework.

The Chairman, together with the entire Board of Directors, ensures the adequacy and transparency of the self-assessment process.

During the financial year and until the date of approval of the Report, the Chairman:

- ensured the timeliness and completeness of the pre-meeting information by distributing to the Directors the documentation relating to the items on the agenda in the days immediately preceding the date scheduled for the Board of Directors' meeting and, in particular, usually at the same time as the notice of call, thus enabling the Directors to act in an informed manner in carrying out their role;
- has ensured, with the help of the Secretary of the Board of Directors, that the activities of the board committees with investigative, propositional and advisory functions are coordinated with the activities of the governing body;
- ensured that the *Chief Financial Officer* of the Company, as well as the other managers and heads of company departments competent according to the subject matter, were able to attend Board meetings, also at the request of individual directors, to provide the appropriate in-depth analysis of the items on the agenda;
- provided the directors with information that enabled them to obtain adequate knowledge of the business sector in which the Issuer operates, of the company dynamics and its evolution, of the principles of correct risk management and of the regulatory and self-regulatory framework of reference, in accordance with Article 3, Recommendation 12, letter d) of the Corporate Governance Code;
- ensured that the Board was informed of the development and significant content of the dialogue with the shareholders by the first available meeting.

The Chairman will, when carrying out the self-assessment process of the Board of Directors, which will take place every three years from the appointment of the Board (in view of its renewal), ensure its adequacy and transparency with the support of the Remuneration and Appointments Committee.

### **Secretary of the Council**

Pursuant to Article 21.8 of the Bylaws, the Board of Directors, upon the proposal of the Chairman of the Board of Directors, appoints a Secretary who possesses adequate requirements of professionalism, experience, independence of judgement and who is not in a situation of conflict of interest; and from time to time his substitute, if any, who may also be external to the Company for the entire duration of the appointment of the Directors or for one or more meetings.

According to Article 8 of the Board of Directors' Regulation, the Secretary may also be chosen from outside the members of the Board of Directors. In the event of his absence, the Board of Directors designates the person who is to replace him.

The Secretary supports the activities of the Chairman and provides impartial assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system. Furthermore, he draws up the minutes of each meeting and signs them together with the Chairman; he also takes care of keeping the minutes and the company books.

At the date of approval of the Report, the Board of Directors, on the instructions of the Chairman, has appointed a Secretary for the individual Board meetings.

## **4.6. Executive directors**

### **Managing Directors**

Pursuant to Article 21 of the Bylaws, the Board of Directors may delegate, within the limits set forth in Article 2381 of the Italian Civil Code, its own powers to one or more of its members, determining the content, limits and any procedures for exercising the delegation. It is within the powers of the delegated bodies to confer, within the framework of the powers received, delegations for single acts or categories of acts to Company employees and third parties, with the right to sub-delegate.

The Board of Directors may also delegate part of its powers to an Executive Committee, determining the limits of the delegation, the number of members and the operating procedures of the Committee itself, or it may appoint a General Manager and one or more Managers, determining their relative powers.

The Board of Directors also has the power to establish one or more endoconsiliar committees with advisory, proposing or control functions including, among others, those recommended by codes of conduct on corporate law promoted by companies managing regulated markets or by trade associations.

The delegated bodies shall promptly report to the Board of Directors and to the Board of Statutory Auditors - or, in the absence of delegated bodies, the Directors shall promptly report to the Board of Statutory Auditors - on the activities carried out, on the general management trend and on its foreseeable evolution, as well as on the most important operations from an economic, financial and equity point of view or due to their specific characteristics, carried out by the company and its subsidiaries; in particular, they shall report on the operations in which the Directors have an interest, on their own behalf or on behalf of third parties, or which are influenced by the person who may exercise management and coordination activities. The communication may be made during Board meetings or in writing. The communication shall be made promptly and in any case at least quarterly.

Pursuant to Article 24 of the Bylaws, legal representation of the Company and signing authority are vested in the Chairman and the Chief Executive Officer, within the limits of the powers conferred on them.

The Board of Directors has delegated certain powers to Andrea Pizzarulli (Chairman of the Board of Directors and Chief Executive Officer) and the Director Michael S. Perlmutter.

In particular, the Board of Directors on 13 October 2021 resolved to assign the following system of delegations and powers:

- (A) the Chairman of the Board of Directors, Andrea Pizzarulli, is conferred the legal representation and active and passive procedural representation of the Company towards third parties and in court, before any Court of any order and degree, and the free corporate signature;
- (B) the Chairman of the Board of Directors, Andrea Pizzarulli, also holds the position of Chief Executive Officer, with sole signing authority and representation of the Company, with all powers of ordinary and extraordinary administration, with the exclusion of those that the law and the Bylaws reserve for the Board of Directors, and with the express exclusion of the following powers, which remain the exclusive competence of the Board of Directors as a whole :
  - (i) definition of the *budget* and strategic plan;
  - (ii) sales or acquisitions, in whatever form, of shareholdings, companies, branches of companies, real estate when the total amount exceeds Euro 5,000,000 per transaction;
  - (iii) investments in technical fixed assets for a total amount exceeding €2,000,000 per transaction;
  - (iv) leases (or sub-leases) of immovable property or rents or (sub-leases) of a company or a branch of a company, including ultra-rents, for a total amount exceeding €1,000,000 per transaction;
  - (v) settlements of disputes before any judicial authority or arbitrators for a total amount exceeding Euro 1,000,000 per transaction;
  - (vi) granting of loans or guarantees, other than guarantees given in the course of business, for a total amount exceeding € 1,000,000 per individual transaction, whether in favour of or in the interest of the Company and/or in the interest of and/or in favour of companies (or even associations, foundations, consortia or bodies) directly or indirectly controlled by the Company itself, or whether in favour of or in the interest of third parties;
  - (vii) taking out loans, mortgages or, in any event, debt securities, in any form whatsoever, including against the issue of financial instruments, for a total amount exceeding EUR 10,000,000 per individual transaction;
  - (viii) signing of company contracts of a commercial nature having a unit value, or a total value where they relate to the same case, exceeding EUR 5,000,000.
- (C) to the Chief Executive Officer, Andrea Pizzarulli, the necessary powers so that, in the name and on behalf of the Company, he may perform, assuming direct responsibility, all the acts and carry out all the functions to directly and independently provide for all that is deemed necessary and useful for the constant, punctual compliance with, adaptation to and updating of the regulations and rules of good practice on safety and hygiene at work, environmental protection and fire prevention, waste management, with reference to all the regulations in force and the fields of application of the same. In particular, the Chief Executive Officer, Andrea Pizzarulli, who has the title of Employer pursuant to art. 2, paragraph 1, letter b) of Legislative Decree 81/2008, is entrusted with the specific matters of safety at work, accident prevention, environmental protection and waste management:
  - a) the power to appoint one or more technically qualified persons to entrust them with specific functions - including control and surveillance functions - related to accident prevention and hygiene in the workplace, as well as pollution prevention for the purpose of better safeguarding the environment. In particular, this determination is requested for the fulfilment of the technical functions

of constant compliance with the regulations in force, control, surveillance, maintenance and verification of the company structures and the level of training and information of employees.

Once the competent person(s) has (have) been identified, the Managing Director may delegate to them all the powers that are necessary, useful and appropriate for the purposes of complying with the regulations in force and protecting the Company;

b) the representation, to all effects, of the Company itself before all public and private bodies and organisations responsible for exercising the functions of supervision, verification and control, provided for by the general and specific regulations relating to accident prevention, occupational hygiene, environmental protection and fire prevention, including the National Institute for Insurance against Accidents at Work (I. N. A. I. L.), also for the purposes and to the effects of Presidential Decree no. 1124/1965, as well as, unless otherwise provided for by the Board of Directors, the right to submit and have the latter underwrite policies for the insurance cover of the Company against third-party and employee liability damage and any other policies that are appropriate and necessary to indemnify the Company against any damage;

c) the right to consult, when it deems it necessary, the Technical Consultants of the Company;

d) all the widest decision-making and signatory powers, with spending autonomy, within the administrative criteria of the Company, having the relevant financial supports, necessary to carry out the activities delegated to the Managing Director, including, among others, those which, by way of example only, are listed below:

1) to provide autonomously for the planning, organisation, management, verification and control of all activities aimed at implementing and complying with the regulations on environmental safety and hygiene, as well as the protection of the air, water and soil, insofar as necessary due to the activities of the business.

In particular, the aforesaid person, who is vested with all powers of determination and initiative, thus being able to act with the same prerogatives as his predecessor and in substitution of the same as regards functions and decision-making and patrimonial autonomy, within the framework of the administrative criteria of the Company, shall deal, with the aid of the services set up and existing for this purpose, with all the problems connected with and resulting from the application of the legal provisions issued and to be issued on the subject.

He shall, therefore, carry out the emergency, ordinary consumption and necessity expenses connected with this mandate, as well as all necessary investments, also determining the contractual relations, expenses and charges with other companies and specialised bodies responsible for safeguarding health;

2) must pay particular attention, for the performance of the task entrusted to him, to the regulations in force concerning, by way of example only:

(a) hygiene and safety in the workplace also with reference to temporary or mobile construction sites;

(b) environmental protection;

(c) fire prevention;

(d) waste management;

3. prepare and apply appropriate internal rules of general provisions and service orders in accordance with the legislation in force;

4) ensure that, within the framework of the organisational chart and the respective responsibilities of the subordinates, constant and strict compliance with the measures laid down is observed, as well as their observance by arranging appropriate inspections;



- 5) assessing the risks for the company and drawing up the relevant document in accordance with Articles 28 and 29 of Legislative Decree No. 81/2008, ensuring that the periodic meeting is called, in accordance with the terms and conditions established by Article 35 of Legislative Decree No. 81/2008;
- 6) carry out all the necessary steps to identify the prevention measures and prepare the implementation programmes accordingly;
- 7) organise, within the company or the production unit, the prevention and protection service, in particular by identifying and appointing - where appropriate and if allowed by Articles 31(6) and 34 of Legislative Decree 81/2008, also in his/her own person - the person in charge, previously ascertaining his/her aptitude and appropriate skills in compliance with the legislation governing the matter and after consulting the workers' representative;
- 8) consulting, in the cases and manner provided for by law, once elected or appointed, the safety representative, as well as providing the prevention and protection service with information on the nature of the risks, work organisation, planning and implementation of preventive and protective measures, description of the plants and production processes, data from the register of accidents and occupational diseases, and the requirements of the supervisory bodies;
- 9) allow workers to verify, in the manner provided for by law, through their institutional representative, the application of safety and health protection measures;
- 10) provide, promote, organise and supervise maximum information to the workers present in the company on any specific risks to which they may be exposed insofar as they are connected with the work, with reference to the specific duties actually performed, as well as on the health and safety risks connected with the activity of the company in general, disseminating the rules of prevention, safety and hygiene by any suitable means that may make them more useful, immediate and exhaustive to become acquainted with; provide special and general training for individual workers, also by organising and holding specific courses, if necessary by appointing one or more service companies;
- 11) constantly update the prevention measures, in relation to organisational and production changes that are relevant to occupational health and safety, or in relation to the degree of evolution of the prevention and protection technique;
- 12) to arrange, monitor and require, also in application of disciplinary rules, that everyone complies with the law and internal regulations on safety, hygiene and environmental protection, making appropriate use of everything made available to them;
- 13) ensure, within the framework of the proper training of workers, that all safety devices and personal protective equipment are always appropriate to the risks, are correctly used and are in perfect working order, making use for such control of the appointed personnel, assigned to this function by law or by the company organisational chart, who shall report for the appropriate disciplinary measures those employees who do not use or irregularly use or tamper with the personal protective equipment;
- 14) organise the provision of general precautions relating to workplaces and passageways, and those of a particular nature relating specifically to the construction, maintenance and use of fixed and mobile ladders, suspension bridges, guardrails, lighting systems, fire and discharge protection, etc;
- 15) adopt all the preventive, technical, organisational and information measures necessary for the performance of activities involving the manual handling of loads, as well as those of an equivalent nature and extent provided for by the regulations in force;
- 16) take care, in relation to the needs of safety at work, if necessary after obtaining the authorisations and concessions required by law, of the maintenance and repair of buildings and works intended as workplaces or workplaces, including ancillary services, installations, machines, apparatus, equipment, tools and instruments, as well as defence equipment;

- 17) arranging and adopting the personal means of general and specific protection for workers and the preparation and operation of emergency assistance;
- 18) ensure, in general, the maintenance and constant improvement of protective devices and means;
- 19) prepare emergency plans for cases of serious and immediate danger as provided for by the legislation in force, giving full and concrete implementation to all the prescriptions contained therein;
- 20) keep and compile the register of accidents at work in accordance with the law and, in any case, comply with the provisions of Article 18 letter R of Legislative Decree 81/2008;
- 21) constantly check that all machines, tools, utensils and anything else comply with the law, adapting them to new technologies in terms of safety, hygiene and ecology, as well as to the requirements of fire prevention regulations;
- 22) ensure the adoption of the necessary protective measures concerning machinery in general, and particularly the operation and location of engines, transmissions and gears, and in any case provide the required protection for each specific operation or machine, equipment or installation or activity involving the use of dangerous or harmful materials or products;
- 23) take the necessary preventive measures with regard to the means, apparatus and methods of lifting, transport and storage, also with regard to the safety of machines, hooks, brakes, ropes and chains, arresters and signalling devices, etc;
- 24) implement all necessary hygiene measures in the premises and spaces owned by or used by the Company, ensuring that the appropriate preventive means are prepared and provided, ensuring that the conditions of the working environments are and remain compliant with the legal requirements and that the processes involving the use of harmful agents are carried out in accordance with the prescribed work hygiene measures, as well as in compliance with the regulations on the disposal, discharge and emission of polluting agents;
- 25) adopt all appropriate preventive, evaluative, technical, hygienic, sanitary, protective, organisational, procedural and training-information measures relating to protection from possible carcinogenic and biological agents, in order to constantly comply with all the obligations laid down by law in this regard;
- 26) ensure that first aid facilities and hygiene services comply with the law and organise the physical and medical supervision of workers, appointing a competent doctor and carrying out preventive and periodic examinations under the supervision of qualified experts and authorised doctors;
- 27) require compliance by the competent doctor with the obligations laid down in Legislative Decree 81/2008, informing him/her of the processes and risks associated with the production activity;
- 28) take care of the duties provided for and regulated by the rules on environment and ecology, waste and emissions into the atmosphere, having to act in order to avoid any possible form of water, air and soil pollution.

In this context, check that the production site's wastewater is authorised and complies with the applicable tabular limits, and in any case take the necessary measures for periodic adjustment and control; in any case, take care to request or renew all the authorisations required by anti-pollution regulations for wastewater and residues of any kind, whether solid, liquid or gaseous;

- 29) arrange for and take care of the construction, operation and maintenance of smoke abatement systems, so as to ensure compliance with the legal limits in force from time to time;
- 30) ensure that the disposal of waste, of any kind and species, is carried out in compliance with the specific regulations governing the matter, in accordance with any authorisations that may be required or to be required and in any case through the use of duly authorised companies or bodies.

In this context, it shall request, renew and enforce all the authorisations that the matter in question may require, making the necessary communications to the Authorities;

31) arrange and implement all the necessary measures for compliance with fire prevention regulations and activate the procedures for requesting the necessary authorisations in order to obtain fire prevention certificates;

32) to take care of all administrative tasks related to ecology and to the matters covered by this delegation;

33. take appropriate measures to prevent the technical measures taken from causing a risk to public health and deterioration of the outdoor environment;

34) ensure that all legal obligations relating to the use of video display equipment are carried out and complied with, with particular reference to the provisions of Title VII of Legislative Decree 81/2008;

35) verify, in accordance with the provisions of Article 26 of Legislative Decree 81/2008, the technical and professional suitability of contractors or self-employed workers in relation to any activities to be carried out under contract or works contract, within the company or production unit. In this context:

(a) provide detailed information on specific risks and on prevention and emergency measures;

b) cooperate in the implementation of measures to protect against occupational hazards, which are incidental to the work activity covered by the contract;

(c) coordinate the relevant actions;

(d) require contractors or self-employed workers to provide them with the relevant information on how they are to work in the undertaking.

In relation to such activities, the Managing Director shall prepare, in accordance with Article 26(3) of Legislative Decree No. 81/2008, a specific risk assessment document indicating the measures adopted to minimise the risks of interference between the Company's activities and those of contractors and/or self-employed workers operating within the principal's company, ensuring that such document is attached to the contract or work contract, which shall specifically indicate the costs relating to work safety, with particular reference to those connected to the specific contract;

36) taking care, in compliance with Legislative Decree 81/2008, with particular reference to Title IV (temporary or mobile work sites), of the fulfilment of all obligations relating to the organisation of measures, the verification of safety and coordination plans equivalent to risk assessment, the identification of methods, the verification of the regular compilation of complaints, as well as the supervision of their implementation, the coordination of employees, technological adaptation, training and information of workers. In particular, assuming the role and function of principal on behalf of the Company, and thus carrying out adequate preliminary investigations for the choice and identification of the persons among whom to appoint the professional figures referred to in Article 89 of Legislative Decree no. 81/2008 and in particular the works supervisor, the coordinator for the design of the work and the coordinator for its implementation, and also verify, in case of direct contracting, the existence of adequate technical characteristics and prerogatives of the companies to which the works are to be entrusted. In this context, carry out all the necessary checks to ensure that the mandate given to the professionals is carried out in full compliance with current legislation and in particular with the provisions of Title IV of Legislative Decree 81/2008;

37) deal with relations with public and private bodies in charge of supervision and control in the above-mentioned matters, representing the Company in all offices and occasions, also vis-à-vis the Judicial Police Authorities, in the procedural and trial stages of ascertainment of any offences, with particular reference to the provisions of the special regulations on the subject and of Legislative Decree 758/94;

38) represent the Company in all relations with the competent Public Administrations as well as with the appointed control, verification and assessment bodies;

39) periodically report to the Board of Directors, reporting, if necessary in writing, on the progress of the activity in the field of accident prevention and health and safety at work, also in order to allow the Board of Directors itself, or whoever on its behalf, to prepare the tasks within its competence, with specific reference to the formal control of the activity carried out;

40) report to the Board of Directors any specific circumstance or situation with reference to which he is unable to fulfil the obligations provided for in the previous points;

41) designate a deputy in all circumstances in which the Managing Director is temporarily unable to perform his/her duties, due to illness or other justified absence, after having notified the Board of Directors of the impediment and the name of his/her deputy.

(D) to mandate the Chief Executive Officer to make any necessary terminological adjustments to the wording of the powers conferred on him by the previous resolutions that, however, do not substantially change the content of the resolutions.

On 29 April 2022, the Board of Directors granted Director Michael S. Perlmutter, severally and with single signature, the following powers:

- signing of company contracts of a commercial nature with a unit value, or in the aggregate where they relate to the same case, of less than Euro 5,000,000.00 (five million/00);
- appoint special attorneys ad negotia for certain acts or categories of acts within the scope of the powers granted.

#### **Chairman of the Board of Directors**

On 13 October 2021, the Board of Directors appointed Andrea Pizzarulli as Chairman of the Board of Directors.

The Chairman of the Board of Directors also acts as the Company's Chief Executive Officer.

#### **Executive Committee (ex art. 123-bis, paragraph 2, lett. d), TUF)**

At the date of approval of the Report, the Company has not established any executive committee.

#### **Disclosure to the Council by directors/delegated bodies**

At the date of approval of the Report, the Chief Executive Officer provided the Board of Directors, on a quarterly basis, with a report on the activities carried out and the main operations performed by the Company and its subsidiaries.

#### **Other executive directors**

At the date of approval of the Report, there are no other executive directors in addition to the Chief Executive Officer, Andrea Pizzarulli and the Director Michael S. Perlmutter. None of the non-executive directors, therefore: i) holds the position of Chief Executive Officer or Executive Chairman in a subsidiary of the Issuer with strategic importance or ii) holds management positions in the Issuer or in one of its strategically important subsidiaries.

#### **4.7. Independent Directors and *Lead Independent Director***

##### **Independent directors**

On 13 October 2021 and 21 December 2021, the Shareholders' Meeting appointed 3 (three) directors having the characteristics of independence provided for by Article 148, paragraph 3, of the TUF as well as Recommendation 7 of the Corporate Governance Code in the persons of Laura Guazzoni, Maria Serena Chiucci and Tullio Rozzi. The number of independent directors and their competences are adequate for the Company's needs and the functioning of the Board of Directors, as well as the constitution of the relevant committees.

In accordance with Recommendation 6 of the Corporate Governance Code, on 13 October 2021, 19 January 2022 and 24 March 2022, the Board of Directors assessed the existence of the independence requirements set forth in Article 148, paragraph 3, of the Consolidated Law on Finance and Recommendation 7 of the Corporate Governance Code, for directors Laura Guazzoni, Maria Serena Chiucci and Tullio Rozzi, based on the information provided by the interested parties or otherwise available to the Company, evaluating all the circumstances that appear to compromise the independence identified by the Consolidated Law on Finance and the Corporate Governance Code. At the date of approval of the Report, the last assessment of the independence requirements for independent directors was made on 16 March 2023. Each non-executive director provided all the elements necessary or useful for the Board of Directors' assessments.

On 24 March 2022, the Board of Directors, with the favourable opinion of the Remuneration and Appointments Committee, approved the Quantitative and Qualitative Criteria to be used in the process of verifying the independence of the Company's directors and statutory auditors, to assess the significance of the relationship between a director/statutory auditor and the Company and/or the Group pursuant to Recommendation 7 of the Corporate Governance Code.

The independence requirements of directors are in any case subject to evaluation by the Board during the course of the term of office if circumstances relevant to independence arise and in any case at least once a year.

The Board of Statutory Auditors has successfully verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

At the date of approval of the Report, the Chairman of the Company did not qualify as independent, since he is vested with executive powers and management powers.

Directors who, at the time of their appointment, have indicated their eligibility to qualify as independent, have undertaken to promptly notify the Board of Directors during their term of office of any changes in the content of their declaration of independence.

##### **Lead Independent Director**

The Board of Directors, in its meeting of 13 October 2021, taking into account that the Chairman of the Board of Directors holds significant management powers, appointed independent Director Laura Guazzoni as "*Lead Independent Director*", with conditional effectiveness as of the Trading Commencement Date, to perform the functions set forth in Article 3, Recommendation 14 of the Corporate Governance Code.

#### **5. Management of corporate information**

The Company approved the following procedures: (i) Procedure relating to the disclosure of inside information and the maintenance of the *insider* list, as last updated by resolution of the Board of Directors of 22 December 2022 in order to transpose the provisions of EU Regulation 2022/1210, which repealed and replaced Implementing Regulation (EU) No. 2016/347, and (ii) *Internal dealing* procedure, approved by the Board of Directors on 13 October 2021.

Copies of the updated procedures are available on the Issuer's website, "Corporate Governance" section.

The Inside Information Handling Procedure is intended to govern, in accordance with the MAR Regulation: (i) the management and treatment of inside information as well as the procedures to be observed for the communication, both within and outside the company, of inside information; and (ii) the establishment and management of the register of persons who, by reason of their work or professional activity, or the functions performed, have access, on an occasional or regular basis, to inside information ("**Insider List**").

It also incorporates certain Consob recommendations on the management of inside information contained in the Guidelines published by Consob in October 2017 and Legislative Decree No. 10/2018 introduced by Legislative Decree No. 107 of 10 August 2018, on "*Rules for the adaptation of national legislation to the provisions of the MAR Regulation*".

The Internal Dealing Procedure is intended to regulate the disclosure obligations towards Consob, the Issuer and the public and the behavioural procedures connected with the performance by "Managers" and "Relevant Persons", as defined therein, and by persons closely linked to them of transactions involving financial instruments issued by the Issuer.

The following is a brief description of the essential elements of the Procedure for the disclosure of inside information and the Procedure for internal dealing, in force at the date of approval of the Report.

### **Procedure for handling inside information**

#### **Definition of inside information**

Inside information is defined, pursuant to art. 7 of the MAR Regulation, shall mean information: (i) of a precise nature, i.e. which (a) refers to a set of circumstances which exists or may reasonably be expected to come into existence or to an event which has occurred or may reasonably be expected to occur, and (b) is sufficiently specific to enable conclusions to be drawn as to the possible effect of the set of circumstances or event referred to in subparagraph (a) on the prices of financial instruments issued by the Company (as identified in accordance with applicable legislation); (ii) has not been made public; (iii) relates directly or indirectly to the Issuer or to the companies directly or indirectly controlled by the Issuer or to the Issuer's financial instruments; and (iv) if made public, would be likely to have a significant effect on the prices of the Issuer's financial instruments, i.e., would be likely to be used by a reasonable investor as one of the factors on which to base his investment decisions.

In this respect, in the case of a prolonged process which is intended to bring about, or which determines, a particular circumstance or event, that future circumstance or event, as well as intermediate steps in that process which are related to the bringing about or determination of the future circumstance or event, may be regarded as information of a precise nature.

#### **Addressees of the Procedure on the disclosure of inside information**

The following persons shall be required to comply with the procedures defined in the Procedure on the disclosure of inside information (a) members of the Company's Board of Directors and Board of Statutory Auditors; (b) persons performing top management functions in the Company who, although not members of the bodies referred to in (a) above, have regular access to inside information and hold the power to take management decisions that may affect the future development and prospects of the Company and/or the Group; (c) persons who perform the functions referred to in points (a) and (b) above in a subsidiary; (d) persons who participate in the Company's share capital; (e) persons who have access to Inside Information in the exercise of their employment, profession or function; (f) any other person who possesses Inside Information in circumstances other than those referred to in the preceding points, when such person knows or should know that it is Inside Information.

### Handling of relevant and inside information

The addressees of the procedure - as identified above - are required to maintain absolute confidentiality with regard to relevant information and/or inside information of which they are aware. Privileged information must be treated with all necessary caution so that the relative circulation within the company context is carried out without prejudice to the confidential nature of the information itself, until such time as it is communicated to the market according to the procedures provided for by the procedure and by the applicable rules. A similar obligation exists for the handling of relevant information, until it is disclosed to the public according to the procedures provided for by the procedure and the applicable rules (because it has become privileged information or because it is deemed necessary or appropriate by the competent bodies of the Company), or until it loses its characteristics of relevance.

The addressees are also prohibited from (a) buying, selling or in any case carrying out operations on the financial instruments issued by the Company (including the cancellation or modification of orders when the order was forwarded before the person concerned came into possession of inside information), on their own behalf or on behalf of third parties, directly or indirectly, using inside information; (b) recommending or inducing others, on the basis of inside information, to carry out any of the operations under (a); (c) communicating inside information to third parties, outside the normal exercise of one's job, profession, function or office; in particular, it is absolutely forbidden to give interviews to the press or make statements in general that contain inside information concerning the Company and its subsidiaries, not yet disclosed to the market in accordance with the procedure. Communication to third parties of the recommendations or inductions referred to in subparagraph (b) shall be deemed to be an unlawful communication of inside information if the person communicating the recommendation or induction knows or should know that they are based on inside information.

The Board of Directors resolved to appoint Letizia Galletti as the contact *person* for the purposes of the Procedure relating to the disclosure of inside information, with effect from the Trading Commencement Date.

### Insider List

The Board of Directors also set up the *Insider* List, appointing the information contact person responsible for maintaining and updating it in order to ensure easy consultation and simple extraction of the data it contains.

### Internal dealing procedure

In accordance with the provisions of the MAR and TUF Regulations and related executive regulations, the Internal Dealing Procedure imposes on "Managers" and "Relevant Persons" strict disclosure obligations with respect to the Issuer and Consob concerning transactions in the Company's shares (or other financial instruments linked to them) (the "**Relevant Transactions**") carried out by, or on behalf of, them and/or persons closely associated with them, with the exclusion of transactions whose total amount does not reach 20.000 by the end of the calendar year (the "**Relevant Amount**"). In particular, once the Relevant Amount is exceeded:

- with regard to Managers and persons closely associated with them, all transactions subsequently carried out by the end of the year must be reported;
- with regard to Relevant Persons and persons closely associated with them, any transactions carried out whose total amount again reaches a value of a further Euro 20,000 by the end of the year shall be reported.

For the purposes of the *Internal Dealing* Procedure this means:

- for 'Manager':
  - (a) each member of the Issuer's Board of Directors and Board of Statutory Auditors;

- (b) any senior manager of the Company who, although not a member of the bodies referred to in subparagraph (a) above, has regular access to inside information relating directly or indirectly to the Company and has the power to take management decisions that may affect the future development and prospects of the Company;

– for "Relevant Persons":

anyone holding shares amounting to at least 10% of the Company's share capital, as well as any other person controlling the Company.

Managers and persons closely associated with them are required to notify Consob of Relevant Operations carried out by themselves or on their behalf within 3 working days of the date of execution of such operations. Relevant Persons shall notify Consob and publish information on Relevant Operations carried out by themselves and by the persons closely associated with them by the end of the fifteenth day of the month following the date of execution of the operation.

If the Managers and the Relevant Persons intend to use the Company for the notification of Relevant Operations to Consob, they shall inform the Company, respectively, within 3 working days from the date of execution of the transaction and within the end of the tenth day of the month following the date of execution of the transaction. The Company shall disclose to the public the Relevant Operations of which it has received notice, respectively, within 2 working days from the receipt of the notification of the operation from the Managers and/or the persons closely related to them and by the end of the open market day following the day on which it received the information from the Relevant Persons and/or the persons closely related to them.

Finally, the internal dealing procedure governs the prohibition for Managers to carry out - on their own behalf or on behalf of third parties, directly or indirectly - transactions in Civitanavi Systems financial instruments and related financial instruments during the 30 calendar days preceding the announcement (the so-called black-out period): (i) the preliminary results (or, where the Company does not approve preliminary results, the draft financial statements and consolidated financial statements); (ii) the half-yearly report; (iii) periodic financial information in addition to the annual and half-yearly financial reports.

The Board of Directors resolved to appoint the Investor Relator, Letizia Galletti, as the person in charge of the internal dealing procedure.

#### **6. Committees within the Board of Directors (pursuant to Article 123-bis, paragraph 2, letter d), Consolidated Law on Finance)**

In compliance with the Corporate Governance Code, which recommends that listed companies set up committees within the Board of Directors, with responsibility for specific matters, Article 21.4 of the Bylaws grants the Board of Directors the power to set up committees within the Board with advisory, proposal or control functions in accordance with applicable laws and regulations.

On 13 October 2021, the Board of Directors resolved to set up the following endoconsiliar committees with advisory and proposal-making functions, with effect subject to the Trading Commencement Date:

- the Remuneration and Appointments Committee, consisting of Laura Guazzoni, Maria Serena Chiucchi and Tullio Rozzi, all independent directors, with Laura Guazzoni as Chairman;
- the Control and Risk Committee and Related Parties Transactions, composed of Laura Guazzoni, Maria Serena Chiucchi and Tullio Rozzi, all independent directors, with Laura Guazzoni acting as Chairman.

In carrying out their functions, the committees have the right to access company information and functions, have adequate financial resources at their disposal and, in particular, within the terms established from time to time by the Board of Directors, may use, through the Company's structures, external consultants who are not in situations that compromise their independence of judgement.



Persons who are not members of the committee may attend committee meetings by invitation and with reference to individual items on the agenda. Minutes of committee meetings are kept by the respective secretaries.

The regulations of the endoconsiliar committees provide that, after each meeting, the Chairman of each committee shall inform the Board of Directors, at the first useful meeting, on the topics discussed and the observations, recommendations, opinions, formulated therein.

At the date of approval of the Report, none of the proposal and advisory functions of the endoconsiliar committees were reserved for the entire Board of Directors, under the coordination of the Chairman.

At the date of approval of the Report, the Board of Directors defined the tasks of the committees and determined their composition, giving priority to the competence and experience of their members, in accordance with Recommendation 17 of the Corporate Governance Code. It also determined the composition of the endoconsiliar committees, avoiding an excessive concentration of tasks of the respective members.

Below, and also referring to Sections 7.2 and 9.2 of the Report, the main characteristics of the endoconsiliar committees that make up the governance structure of Civitanavi Systems at the date of approval of the Report are described.

It should also be noted that, as of the date of approval of the Report, the Company has not established any Executive Committee.

This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.

### **STRUCTURE OF THE BOARD COMMITTEES AS AT 31 DECEMBER 2022**

Board of Directors		Control and Risk and RPT Committee		Remuneration and Appointments Committee	
Position/Qualification	Components	(*)	(**)	(*)	(**)
Chairman of the Board of Directors and Chief Executive Officer	Andrea Pizzarulli				
Director	Michael Perlmutter				
Director	Thomas Jung				
Director	Mario Damiani				
Independent director	Laura Guazzoni	6/6	P	2/2	P
Independent director	Maria Serena Chiucchi	6/6	M	2/2	M
Independent director	Tullio Rozzi	6/6	M	2/2	M
----- DIRECTORS LEAVING DURING THE YEAR -----					
-	-				
No. of meetings held during the year:		6		2	
NOTES (*) This column indicates the attendance of directors at committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8) (**) This column indicates the status of the director within the committee: "P": chairman; "M": member.					

## **7. Self-evaluation and succession of directors - Nomination Committee**

### **7.1. Self-assessment and succession of directors**

In line with Recommendation 22 of the Corporate Governance Code, the Company, which qualifies as a company with concentrated ownership, carries out a self-assessment process at least every three years, in view of the renewal of the board of directors, on the adequacy in terms of composition and functioning of the administrative body and of the intra-board committees.

In addition, the Board of Directors, when required by the applicable law, regulation or Corporate Governance Code *pro tempore*, or when deemed appropriate:

- may, with a view to each renewal, express an orientation on its optimal quantitative and qualitative composition, taking into account the results of the self-assessment;
- may require those submitting a list containing more than half the number of candidates to be elected to provide adequate information, in the documentation submitted for the filing of the list, on the conformity of the list with the orientation expressed by the Board of Directors, also with reference to the diversity criteria provided for by Principle VII and Recommendation 8 of the Corporate Governance Code, and to indicate their candidate for the office of Chairman of the Board of Directors, whose appointment shall be made according to the procedures identified in the Bylaws.

Any orientation of the outgoing Board of Directors is published on the Company's website well in advance of the publication of the notice of call of the Shareholders' Meeting relating to its renewal.

The Chairman, together with the entire Board of Directors, ensures the adequacy and transparency of the self-assessment process.

At the date of approval of the Report, the Board has not adopted a succession plan for the Chief Executive Officer and executive directors, nor have any procedures been adopted by the Company for the succession of top management.

### **7.2. Appointments Committee**

#### **Composition and functioning of the Appointments Committee (pursuant to Article 123-bis, paragraph 2, letter d), Consolidated Law on Finance)**

On 13 October 2021, the Board of Directors resolved, *inter alia*, to set up a Remuneration and Appointments Committee, with a term of office equivalent to that of the Board of Directors, with effect from the Trading Commencement Date.

The Remuneration and Appointments Committee is composed of three independent Directors, other than the Chairman of the Board of Directors, in the persons of Laura Guazzoni (as Chairman), Maria Serena Chiucchi and Tullio Rozzi. The Board of Directors has acknowledged that all three members have adequate knowledge and experience in financial matters or remuneration policies.

During the financial year, the Remuneration and Appointments Committee, in its capacity as the Appointments Committee, met once, with the meeting lasting 45 minutes. During the current financial year, the Committee met once. The percentage attendance of members of the Remuneration and Appointments Committee at meetings is shown in the table at the end of Section 6 of this Report.

At the invitation of the Chairman of the Remuneration and Appointments Committee, the members of the Board of Statutory Auditors, the Chairman of the Board of Directors, Mr. Andrea Pizzarulli, and the *Chief Financial Officer*, Mrs. Letizia Galletti, participated in the work of the Committee.

At the above meeting held during the Year, the Committee mainly carried out the following activities:

- In its capacity as Appointments Committee;
- verification of the requirements of independent directors;
- examination of the qualitative and quantitative criteria for assessing the significance of relationships that might be relevant for the purposes of correct application of the independence criteria.

### **Functions of the nomination committee**

The Remuneration and Appointments Committee has its own regulations governing its operation and duties, approved on 13 October 2021.

Pursuant to the Regulation, the Board of Statutory Auditors participates in the meetings of the Remuneration and Appointments Committee. The Chairman of the Remuneration and Appointments Committee may, from time to time, invite to committee meetings, with reference to individual items on the agenda, other members of the Board of Directors as well as representatives of company departments or third parties, whose presence may be useful for the best performance of the committee's functions. The Chairman of the Board of Directors and the Chief Executive Officer may attend committee meetings.

The Remuneration and Appointments Committee has the task of supporting, with an adequate preliminary activity, of a propositional and advisory nature, the assessments and decisions of the Board of Directors concerning remuneration and appointments.

In terms of appointments, the Remuneration and Appointments Committee is entrusted with the task of supporting the Board of Directors' assessments and decisions in the following activities, by means of an adequate preliminary activity of a propositional and consultative nature:

- self-evaluation of the governing body and its committees;
- the optimal composition of the board and its committees;
- identification of candidates for the office of director in the event of co-option;
- possible submission of a list by the outgoing governing body to be carried out in a manner that ensures its transparent formation and presentation;
- preparation, updating and implementation of any succession plan for the chief executive officer and other executive directors.

The Remuneration and Appointments Committee, in the performance of its duties, has the right to access the information and business functions necessary for the performance of its tasks as well as to use, at the Company's expense, external consultants, within the limits of the budget approved by the Board of Directors. In accordance with the provisions of the Corporate Governance Code, if the Remuneration and Appointments Committee intends to use the services of a consultant in order to obtain information on market practices regarding remuneration policies, it must first verify that the consultant is not in a situation that compromises its independence of judgement.

The Remuneration and Appointments Committee exchanges, in a timely manner, information relevant to the performance of its tasks with other bodies and functions of the Company performing relevant tasks in the field of finance or remuneration policies.

The Chairman of the Remuneration and Appointments Committee shall report to the first Board of Directors meeting held by the Committee and on the proposals and guidelines formulated in the most appropriate manner.

## **8. Remuneration of Directors - Remuneration Committee**

For information relating to this section, please refer to the relevant parts of the Report on remuneration policy and compensation paid published pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation on the website [www.civitanavi.com](http://www.civitanavi.com), "Governance" section.

## **9. Internal Control and Risk Management System - Control, Risk and Sustainability Committee**

### Composition and operation - General guiding principles

The internal control and risk management system consists of a set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the company.

The Board of Directors defines the guidelines of the internal control and risk management system consistent with the Company's strategies and evaluates its adequacy and effectiveness on an annual basis.

This section describes the internal control and risk management system in place at 31 December 2022 and the activities that the Board of Directors has initiated also through the Control and Risk Committee.

During 2022, the Board of Directors approved, with the assistance of the Control and Risk Committee, the guidelines for the internal control and risk management system, so as to structure effective and efficient internal processes aimed at ensuring that the main risks relating to the Company can be correctly identified, as well as adequately measured, managed and monitored, also determining the degree of compatibility of these risks with a management of the company consistent with the identified strategic objectives.

### Main features of the internal control and risk management system

The structural elements of the internal control and risk management system consist of (i) the system of powers and delegations, in line with the responsibilities assigned; (ii) the definition of the company's operational management and control methods; (iii) the information systems and procedures of the IT department supporting both management and production activities, including accounting and financial processes.

The control tools described above are monitored by the Company's *management* and, independently, by the internal audit function.

Within the internal control system, of particular importance is the risk management system, which Civitanavi has set up internally, at the initiative of the Chief Executive Officer. This process provides for the involvement of management in the identification of the main risks and uncertainties that could compromise the achievement of budget objectives and, consequently, the Strategic Plan.

Following the identification of these risks, an internal assessment and prioritisation of these risks is carried out, and risk response measures are identified and monitored throughout the year.

Civitanavi presented the Control and Risk Committee with 14 macro-risks, three of which were defined as high, attributable to external geopolitical factors. For all identified macro-risks, risk response strategies were defined by management and brought to the attention of the Control and Risk Committee.

The internal control and risk management system extends to financial reporting, which is an integral part of it, and is also governed by organisational procedures and provisions aimed at ensuring compliance with the general control principles predetermined by the Company (such as the proper segregation of duties, a correct system of delegations and powers), drawing inspiration from the main reference models and at the same time being the subject of periodic assessment and review of the control measures put in place in order to minimise corporate risks.

This system, therefore, as an integral part of the business activity, involves and applies to the organisational structure of the Company: from the Board of Directors, to the management and all company staff.

The Board of Directors has carried out an initial assessment of the adequacy of the internal control and risk management system with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness through the "Report containing a comparison of the Issuer's corporate governance system with the recommendations proposed by the Corporate Governance Code for Listed Companies" approved on 13 October 2021. This assessment is also supported by an active and continuous comparison between the Board of Directors and the Board of Statutory Auditors.

The control model envisages the involvement not only of the Board of Directors and the Control and Risk Committee and Related Parties Transactions, but also of the persons identified below:

- the Chief Executive Officer, who is responsible for verifying the proper functioning and overall adequacy of the internal control and risk management system;
- the Manager responsible for preparing the company's financial reports, in charge of implementing the administrative-accounting procedures governing the formation of periodic financial information;
- the Board of Statutory Auditors responsible for monitoring compliance with the principles of proper administration and the adequacy of the internal control and risk management system;
- the Head of Internal Audit, responsible for verifying the operation and suitability of the internal control and risk management system.

Mention should also be made of the Supervisory Board, which is responsible for supervising the adequacy of the organisational solutions adopted for the implementation of the internal control and risk management system, with particular reference to the organisational model pursuant to D. Legislative Decree 231/01, appointed in the first half of 2022, following the adoption of the Organisation, Management and Control Model. The work of the Supervisory Board began immediately, including frequent hearings with management, working with the Internal Audit function and initiating relations with the Control and Risk Committee and Related Parties Transactions.

#### *The internal control system in relation to financial reporting*

Civitanavi Systems has an internal control system to monitor the process of preparing financial information, which is part of the broader internal control and risk management system.

The internal control system on financial reporting is in fact defined as the set of activities aimed at identifying and evaluating actions or events whose occurrence or absence could partially or totally compromise the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness of financial information.

This system is designed to ensure that the management of administrative and accounting processes is adequate to ensure, with reasonable certainty, the reliability of financial reporting and the ability of the process of preparing the financial statements to produce timely and reliable accounting and financial information, in accordance with the reference accounting standards adopted.

Following the listing, the Chief Financial Officer, Letizia Galletti, manager in charge of drafting the accounting and corporate records, started a specific analysis of the internal control system for financial reporting in order to periodically check its effectiveness and efficiency and to allow an informed and supported statement to the market.

Below is a brief description of the activities conducted during the year to carry out the L262 Annual Plan to verify the effectiveness and efficiency of the internal control system mapped for financial reporting purposes

(L262 Model) inspired by national and international best practices in compliance with the requirements of Law 262/2005 (the so-called Savings Law).

The activities can be summarised as follows:

- identification of the main risks for financial reporting through a careful analysis of market communications, financial statement files, listing documentation, and issuer's audited financial statements. Identification of the relevant accounting accounts and formalisation of control objectives through the analysis of the Financial Assertions by financial statement area, to which the accounts of the audited financial statements were associated (scoping process);
- analysis of the general IT controls and in particular of the policies and procedures used by the IT function to manage its activities and organise the processing environment, applications and security of accounting data. These controls refer specifically to significant applications for the formation of accounting data, are recorded on the basis of international frameworks and support the effective operation of application controls and contribute to verifying the operational continuity of the corporate information system involved in financial reporting;
- analysis of the design of the Issuer's administrative and accounting processes and in particular the procedures and process controls that management has adopted to mitigate the risks identified in the scoping phase;
- verification of the operational effectiveness of manual and application controls of the operational processes mapped in the previous activities, as well as of general IT controls;
- identification of any areas for improvement against which the management, in agreement with the Manager in charge, defines action plans aimed at strengthening the internal control system, the execution of which is monitored by the Internal Audit function.

### **9.1. Chief Executive Officer**

The task of establishing and maintaining the internal control and risk management system pursuant to Article 6 of the Corporate Governance Code was entrusted by the Board of Directors on 13 October 2021 to the Chief Executive Officer, Andrea Pizzarulli.

In particular, by virtue of the above resolution, Andrea Pizzarulli was granted the following powers within the scope of the above-mentioned functions:

- identifying the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submitting them periodically to the examination of the Board of Directors;
- to implement the guidelines defined by the Board of Directors, providing for the design, implementation and management of the SCIGR, constantly monitoring its overall adequacy and effectiveness;
- requesting the Internal Audit function to carry out checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;
- promptly report to the Control and Risk Committee (or to the Board of Directors) on problems and critical issues that have emerged in the performance of its activities or of which it has become aware, so that the Committee (or the Board) can take the appropriate initiatives.

The Chief Executive Officer, in execution of the guidelines of the internal control and risk system approved by the Board of Directors, with the support of the Quality function, defined a process to identify the Company's main risks and uncertainties in relation to its strategic objectives over a medium-term time horizon, involving the Company's management. This process, initiated following the listing, was further deepened by involving a greater number of subjects and proceeding to a risk assessment that led to their prioritisation and the definition of adequate response plans aimed at bringing risks back to a level deemed acceptable, which will be monitored during 2023. The Chief Executive Officer, Andrea Pizzarulli, reported in a timely manner to the Control and Risk Committee, supported by the Executive in Charge and the Head of Internal Audit.

## **9.2. Control and Risk Committee**

On 13 October 2021 and 21 December 2021, the Board of Directors resolved to set up the Control and Risk Committee and Related Parties Transactions, effective as of the Trading Commencement Date.

### **Composition and functioning of the Control and Risk Committee (pursuant to Article 123-bis(2)(d) of the Consolidated Law on Finance)**

The Control and Risk Committee and Related Parties Transactions, in application of Recommendation 26 of the Corporate Governance Code, is composed of three independent directors (Laura Guazzoni, as chairwoman, Maria Serena Chiocchi and Tullio Rozzi), with adequate knowledge and experience in accounting and finance or risk management, recognised by the Board of Directors.

The Control and Risk Committee and Related Parties Transactions has its own regulations governing its functioning and duties, approved by the Board of Directors on 13 October 2021.

The entire Board of Auditors was constantly invited to participate in the work of the Control and Risk Committee and Related Parties Transactions.

From time to time, the Chairman may invite other members of the Board of Directors, as well as the Chief Executive Officer, the Manager in Charge of Financial Reporting/Chief Financial Officer, the Secretary of the Board of Directors, the head of the internal audit function as well as the heads of the company's corporate functions as well as other persons with reference to the individual items on the agenda, to provide information and express their opinions or whose presence may be of assistance to the better performance of the Committee's functions.

The meetings of the Control and Risk Committee and Related Parties Transactions are minuted. The minutes of the meetings are kept by the Secretary in chronological order and copies are sent to the members of the Committee as well as to the Chairman of the Board of Auditors.

### **Functions assigned to the Control and Risk Committee**

The Control and Risk Committee and Related Parties Transactions has the task of supporting the Board of Directors' evaluations and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports, also with a view to contributing to the Company's sustainable success; in particular, in assisting the Board of Directors, in accordance with Article 6 of the Corporate Governance Code, the Control and Risk Committee:

- (a) after consulting the manager responsible for preparing the company's financial reports pursuant to Article 154-bis of the Consolidated Law on Finance, the Independent Auditors and the Board of Statutory Auditors, it assesses the correct use of the accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- (b) assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;



- (c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- (d) expresses opinions on specific aspects relating to the identification of the main corporate risks;
- (e) examines periodic and particularly significant reports prepared by the internal audit function;
- (f) monitors the independence, adequacy, effectiveness and efficiency of the internal audit function;
- (g) may entrust the internal audit function with the task of carrying out checks on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;
- (h) reports to the Board of Directors, at least on the occasion of the approval of the annual and semi-annual financial reports, on the activities carried out and the adequacy of the internal control and risk management system.

As regards transactions with related parties, the Control and Risk Committee performs the functions assigned to it by the Board of Directors in the "Procedure for Transactions with Related Parties" adopted by the Company and published in the relevant section of its website.

During the financial year, the Control and Risk Committee and Related Parties Transactions met 6 times, with meetings lasting an average of approximately 45 minutes. In the current financial year, the Committee met once. The attendance of Committee members at meetings is shown in the table at the end of Section 6 of this Report.

At the above-mentioned meetings, the Control and Risk Committee and Related Parties Transactions mainly carried out the following activities:

- reviewed the results of the audits conducted in 2022 and the proposed Audit Plan for 2023;
- reviewed the results of the processes to identify major risks and monitor them;
- examined the results of the audit process concerning the financial statements and the correct use of accounting principles and their consistency for the purpose of preparing the consolidated financial statements;
- also gave the Council its opinion on:
  - the adequacy of the internal control and risk management system;
  - the work plan prepared by the Audit Manager for 2023;
  - the Report on Corporate Governance and Ownership Structure for the year 2022;
  - the recommendations formulated by the Corporate Governance Committee for 2022 ("Recommendations of the Corporate Governance Committee for 2022"), together with the accompanying letter by the Chairman Dr. Lucia Calvosa;
- reported to the Board twice on its activities, on the occasion of the approval of the 2022 half-year report and the 2022 budget.

Within the scope of its functions, the Control and Risk Committee and Related Parties Transactions had access to the information and corporate functions necessary to perform its duties, had access to financial resources and made use of external consultants, under the terms established by the Board of Directors.

### **9.3. Head of internal audit**

On 13 October 2021, the Board of Directors established, with effect from the Trading Commencement Date, the internal audit function referred to in Article 6 of the Corporate Governance Code and appointed Athena Professionisti e Consulenti Associati as the head of this function with effect from the Trading Commencement Date, noting that this company met the appropriate requirements of professionalism, independence and organisation. On 22 December 2022, the Board of Directors renewed the appointment of the external consultant Athena Professionisti e Consulenti Associati as head of the internal audit function, which expires on the date of the shareholders' approval of the financial statements as of 31 December 2023.

The Company's decision to outsource the internal audit function was taken in consideration of the greater expertise and efficiency that external consultants specialised in internal control and risk management issues can bring to the newly listed company and with the aim of ensuring the proper planning and execution of audits in the first years of listing.

The remuneration of the internal audit function was determined by the Board of Directors, based on an economic proposal submitted by the outsourcer and outlined in the assumption of the operational activities of the function. The Board of Directors also provided the function with an additional expense budget and ensured that the head of the internal audit function is provided with adequate resources to carry out his responsibilities.

The head of the internal audit function reports directly to the Board of Directors, is independent from the heads of the operational areas, including the Company's Administration and Finance area, has direct access to all information useful for the performance of his duties at the Company and reports periodically on his work to the chairmen of the Control and Risk Committee and Related Parties Transactions, the Board of Directors and the Board of Statutory Auditors, as well as to the Chief Executive Officer.

The head of the internal audit function:

- verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an annual audit plan, approved by the Board of Directors, after consulting the Board of Statutory Auditors and the Chief Executive Officer, based on a structured process of analysis and prioritisation of the main risks;
- has direct access to all information relevant to the performance of the task;
- provides periodic reports containing adequate information on its activities, on the way in which risk management is conducted and on compliance with the plans defined for their containment, as well as an assessment of the suitability of the internal control and risk management system, and sends them to the Chairmen of the Board of Statutory Auditors, the Control and Risk Committee and Related Parties Transactions and the Board of Directors, as well as to the director in charge of the internal control and risk management system;
- provides timely reports on particularly significant events, also at the request of the Board of Statutory Auditors, and sends them to the Chairmen of the Board of Statutory Auditors, the Control and Risk Committee and Related Parties Transactions and the director in charge of the internal control and risk management system;
- verifies, as part of the audit plan, the reliability of information systems including accounting systems.

In the course of the financial year and the meeting of the Board of Directors already held in 2023, the Head of Internal Audit:

- presented the annual work programme to the Control and Risk Committee and Related Parties Transactions and the Board of Directors;

- had direct access to all information useful for the performance of their duties;
- performed direct and specific control activities, consistent with the annual work plan;
- reported on its activities and findings to the Control and Risk Committee and Related Parties Transactions, the Company's Board of Statutory Auditors, the Executive Director in charge of supervising the functionality of the Internal Control System and the Chairman of the Company's Board of Directors.

On 16 March 2023, the Board of Directors approved the work plan for the year 2023 prepared by the head of the internal audit department, after consulting the Control and Risk Committee and Related Parties Transactions, the Board of Statutory Auditors and the Director in charge of the internal control and risk management system.

#### **9.4. Organisational model pursuant to Legislative Decree 231/2001 and Supervisory Board**

The Company adopted and effectively implements an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 ("**231 Model**") suitable to prevent the adoption of unlawful conduct by senior managers, executives or persons with decision-making powers and to hold the Company harmless, as far as possible, from the potential sanctions imposed on it.

Model 231 consists of a general part and 10 special parts.

The general part of Model 231 describes the function of Model 231, the reference regulatory framework, the structure of Model 231 adopted by the Company, the methods for identifying risks and analysing preventive measures, the Management and Control System in force in the Company, the functions and activities of the Supervisory Board and the disciplinary system in force.

The special parts relating to as many offence families provided for in the decree and abstractly applicable to the company are:

- Special Section A: Crimes in dealings with the Public Administration - Articles 24, 25 and 25 decies of Legislative Decree 231/2001;
- Special Section B: Corporate Crimes - Art. 25 ter Legislative Decree 231/2001;
- Special Section C: Crimes related to health and safety at work - Art. 25 septies Legislative Decree 231/2001;
- Special Section D: Computer crimes and unlawful processing of data and offences relating to violation of copyright - Art. 24 bis and Art. 25 novies of Legislative Decree 231/2001;
- Special Section E: Tax crimes - Art. 25 quinquiesdecies Legislative Decree 231/2001;
- Special Section F: Environmental Crimes - Art. 25 undecies Legislative Decree 231/2001;
- Special Section G: Crimes against Industry and Trade and Industrial Property Crimes - Art. 25 bis and 25 bis.1;
- Special Section H: Customs offences - Art. 25 sexdecies Legislative Decree 231/2001;
- Special Section I: Market abuse - Article 25 sexies of Legislative Decree 231/2001;
- Special Section J: Receiving stolen goods, money laundering, self laundering and offences related to non-cash means of payment - Articles 25 octies and 25 octies.1 of Legislative Decree 231/2001.

To supplement and accompany the General Section and the Special Sections, the Company has also drawn up the Code of Ethics, which, expressing the principles and ethical values of the Company, constitutes a first valid safeguard against the commission of the underlying offences and, more generally, against an effective, correct and transparent mode of conduct to which all corporate functions are bound. The Code of Ethics is available on the Company's website. The Company has also adopted a whistleblowing policy, made known to all personnel.

### **9.5. Auditing Company**

The auditors are responsible for auditing the accounts, assessing the reliability of the financial statements and expressing an opinion on their compliance with the relevant regulatory framework.

The Shareholders' Meeting of Civitanavi Systems held on 13 October 2021 (with effect from the Trading Commencement Date) appointed BDO Italia S.p.A, with registered office in Milan, Viale Abruzzo 94, registered with the Register of Companies of Milan, Monza Brianza and Lodi, registration number, tax code and VAT number 07722780967, registered no. 167991 with the Register of Auditors at the Ministry of Economy and Finance pursuant to Articles 6 et seq. of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135/2016, as the company responsible for auditing the accounts for the financial years 2021 to 2029 and for the limited audit of the Issuer's condensed half-yearly financial statements for the half-years ending 30 June of the financial years 2022-2029, as well as for verifying that the accounts are properly kept and that the operating events are correctly recorded in the accounting records during those financial years.

For the purpose of the listing process of the Shares on Euronext Milan, the Auditor has voluntarily audited the three-year financial statements for the years ended 31 December 2020, 2019 and 2018 of the Issuer, prepared in accordance with EU-IFRS, approved by the Board of Directors on 3 November 2021.

During the year, the Board of Directors, having consulted the Board of Statutory Auditors, assessed the results presented by the statutory auditor in the letter of suggestions and in the additional report addressed to the Board of Statutory Auditors.

### **9.6. Manager responsible for preparing the company's financial reports**

On 13 October 2021, the Issuer's Board of Directors appointed Letizia Galletti (the "**Financial Reporting Officer**") as the manager responsible for preparing the company's financial reports, whose appointment took effect on the Trading Commencement Date.

On this occasion, the Board of Directors recognised Letizia Galletti as a person suitable to hold this position, also in view of the requirements of professionalism and honourableness laid down in Article 32 of the Bylaws, pursuant to which the Executive in charge of Financial Reporting must be appointed from among persons with significant professional experience in the accounting, economic and financial sector, of at least five years, and any additional requirements established by the Board of Directors and/or by legal and regulatory provisions. The Manager in charge of preparing the company's financial reports has all the powers and means for the exercise of the tasks assigned to him by current legislation and the Bylaws, including direct access to all functions, offices and information necessary for the production and verification of accounting, financial and economic data, without the need for any authorisation.

Pursuant to Article 154-bis of the Consolidated Law on Finance, the Executive in Charge of Financial Reporting shall

- (i) prepare written statements accompanying the acts and communications of the Company disclosed to the market and relating to accounting information, including interim information;
- (ii) prepare adequate administrative and accounting procedures for the preparation of the annual financial statements and, where applicable, the consolidated financial statements, as well as any other financial reporting;

- (iii) certify, by means of a specific report on the separate financial statements and on the abridged half-yearly financial statements (a) the adequacy and effective application of the administrative and accounting procedures for preparing the separate financial statements; (b) that the documents are drawn up in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002; (c) that the documents correspond to the results of the accounting books and records; (d) the suitability of the documents to provide a true and fair view of the Issuer's equity, economic and financial situation (e) for the annual financial statements, that the report on operations includes a reliable analysis of the trend and results of operations, as well as the Issuer's situation, together with a description of the main risks and uncertainties to which they are exposed; (f) for the condensed half-yearly financial statements, that the interim report on operations contains a reliable analysis of the information referred to in art. 154-ter, paragraph 4, TUF.

The Manager in charge of preparing the company's financial reports is supported in carrying out his activities by the internal audit department, which has been found to be independent, competent and impartial in its judgment, as well as having sufficient economic and operational resources.

\* \* \*

As of the date of approval of the Report, apart from the Control and Risk Committee and Related Parties Transactions, the Chief Executive Officer and the Head of Internal Audit, there were no other corporate roles and functions with specific tasks in the area of internal control and risk management.

Also in view of the effectiveness of the SCIGR, during the year the Board of Directors did not deem it advisable to adopt additional safeguards to guarantee the effectiveness and impartial judgement of the corporate functions involved in the system.

#### **9.7. Coordination between actors involved in the internal control and risk management system**

The methods of coordination between the various parties involved in the internal control and risk management system are defined through the adoption of the rules of operation of the Board of Directors and Committees, which require periodic communication flows between the bodies and the various functions so that they are efficiently coordinated and interact constructively on an ongoing basis.

In this regard, it should be noted that the Company encourages meetings between these various parties for the purpose of coordination and exchange of information. It should be noted, in particular, that the members of the Board of Statutory Auditors are constantly invited to participate in the work of the Control and Risk Committee and Related Parties Transactions, and furthermore, at the invitation of the Committee Chairman and on individual items on the agenda, the Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit, members of the Supervisory Board, members of the Independent Auditors as well as consultants who have supported the Company on specific projects examined by the Committee, have participated in some meetings.

In compliance with the principles defined by the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, the Supervisory Board exchanged information flows with the management, the Board of Auditors and reported on a six-monthly basis to the Control and Risk Committee and Related Parties Transactions and the Board of Directors on its work.

Lastly, the Board of Statutory Auditors periodically meets with the Manager in charge of drawing up the corporate accounting documents, the Independent Auditors, as well as the various corporate functions involved in the processes and procedures that must be specifically verified by the Board of Statutory Auditors, including those relating to the internal control and risk management system.

## **10. Directors' interests and Related Parties Transactions**

At the date of approval of the Report, the Board of Directors, after obtaining the favourable opinion of the independent directors pursuant to Article 4 of the RPT Regulation, adopted a Procedure for Identifying Related Parties Transactions ("**RPT Procedure**") to ensure the transparency and substantive and procedural fairness of such transactions, also on the basis of the amendments to the aforementioned regulation containing the provisions on related parties transactions made by Consob resolution no. 21624 of 10 December 2020.

The full text of the RPT Procedure is available on the Company's website ([www.civitanavi.com](http://www.civitanavi.com)), in the section Governance - Documents and Procedures.

Pursuant to the RPT Procedure, a related parties transaction is any transfer of resources, services or obligations between the Company and one or more related parties, irrespective of whether or not a consideration is agreed, as defined under international accounting standards adopted in accordance with the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.

Before approving related parties transactions subject to the RPT Regulation, the Control and Risk Committee and Related Parties Transactions must express a reasoned, non-binding opinion on the Company's interest in carrying out the transaction as well as on the appropriateness and substantive fairness of the related conditions.

For the composition of the Control and Risk Committee and Related Parties Transactions, please refer to Section 9.2.

In order to allow the Control and Risk Committee and Related Parties Transactions to issue its reasoned opinion, the Chief Executive Officer shall provide the Committee with complete and adequate information on the specific related party transaction well in advance. In particular, such information shall include at least the name of the related party, the nature of the relationship, the object, the expected consideration and the other main terms and conditions of the transaction, the expected timing, the underlying reasons for the transaction and any risks for the Company and its subsidiaries, as well as, in the case of transactions defined as *standard* or market equivalent, objective evidence in this regard.

The Control and Risk Committee and Related Parties Transactions must give its opinion before the final approval of the related party transaction by the Board of Directors, if the transaction falls within its competence, or by the Shareholders' Meeting, if the transaction falls within its competence.

If, in relation to a transaction of greater importance, the proposed resolution to be submitted to the Shareholders' Meeting is approved in the presence of a contrary opinion of the Control and Risk Committee and Related Parties Transactions, without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, such transaction may not be carried out if the majority of non-related voting shareholders present at the Shareholders' Meeting, representing a shareholding of at least 10% of the share capital, vote against the transaction with related party.

Within the framework of the RPT Procedure, framework resolutions are allowed which envisage the completion by the Company, directly or through subsidiaries, of a series of homogeneous transactions with certain categories of related parties, identified from time to time by the Board of Directors. The framework resolutions must be effective for no more than one year and must indicate, with sufficient clarity, the transactions that are the subject of the resolutions, the expected maximum amount of the transactions to be carried out in the reference period, and the reasons for the conditions envisaged in relation to such transactions.

\* \* \*

At the date of approval of the Report, without prejudice to what has been indicated above with reference to the RPT Procedure, the Board of Directors has not adopted any specific operating solutions aimed at facilitating the identification and adequate management of situations in which a director has an interest on his own behalf or on behalf of third parties, taking into account that the decisions of the Board of Directors are taken with

adequate transparency and after exhaustive discussion that makes it possible to verify any possible situation of conflict of interest or co-interest.

## **11. Board of Statutory Auditors**

### **11.1. Appointment and replacement**

Pursuant to art. 26 of the Bylaws, the Board of Statutory Auditors consists of 3 (three) standing members and 2 (two) alternate members, appointed by the Shareholders' Meeting and operating in accordance with the law. The Statutory Auditors are appointed for 3 (three) financial years and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office and they may be re-elected.

Persons who exceed the limits on the number of offices held, or for whom there are grounds for ineligibility or disqualification, or who do not meet the requirements of independence, honourableness and professionalism and the other requirements laid down by law and regulations, cannot be elected as Statutory Auditors, and if elected shall be disqualified. For the purposes of determining the requirements of professionalism and honourableness, subjects relating to commercial law and tax law, business economics and corporate finance, and disciplines with a similar or analogous object, as well as subjects and sectors inherent to the field of activity indicated in the Company's object, are considered to be strictly pertinent to the Company's field of activity.

The powers and duties of Statutory Auditors are those established by law.

With reference to the appointment and replacement of members of the Board of Statutory Auditors, Article 27 of the Bylaws provides as follows.

#### **"ARTICLE 27**

*27.1 The Statutory Auditors and Alternate Auditors are appointed by the Shareholders' Meeting on the basis of lists of candidates submitted by the Shareholders and filed at the Company's registered office within the terms and in compliance with the legal and regulatory provisions in force at the time, in which the candidates must be listed by means of a progressive number.*

*27.2 Shareholders who, alone or together with others, represent at least the percentage of share capital envisaged in Article 17.2 above for the submission of lists of candidates for the office of Director, shall have the right to submit lists. The notice of the Shareholders' Meeting convened to deliberate on the appointment of the Board of Statutory Auditors shall indicate the percentage shareholding required to present lists of candidates.*

*27.3 Each Shareholder, as well as (i) Shareholders belonging to the same group, meaning the controlling party, including non-corporate, pursuant to article 2359 of the Italian Civil Code and article 93 of the Consolidated Law on Financial Intermediation and any company controlled by, or under the common control of, the same party, or (ii) Shareholders who are parties to the same shareholders' agreement pursuant to article 122 of the Consolidated Law on Financial Intermediation, or (iii) Shareholders who are otherwise associated with each other by virtue of associative relationships pursuant to applicable laws and regulations in force, may not submit - or participate in the submission, even through a third party or trust company of - more than one list or vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list if they are decisive for the outcome of the vote, it being understood that if the Shareholder who submitted the majority list or a person connected to a Shareholder who submitted or voted for the majority list voted for another list, the vote and/or the existence of such a connection shall only be decisive if the vote was decisive for the election of the Statutory Auditor to be taken from that other list and solely with reference to the vote cast in respect of that other list.*

*27.4 Each candidate may stand for election on only one list, on pain of ineligibility.*

*27.5 The list shall consist of two sections: one for candidates for the office of Standing Auditor, the other for candidates for the office of Alternate Auditor. The list shall indicate at least one candidate for the office of Standing Auditor and one candidate for the office of Alternate Auditor, and may contain up to a maximum of three candidates for the office of Standing Auditor and two candidates for the office of Alternate Auditor.*

*27.6 The first of the candidates in each section must be enrolled in the register of statutory auditors and have carried out statutory auditing activities for a period of not less than 3 (three) years. The other candidates, if not in possession of the requisite envisaged in the preceding sentence, must have the other professional requisites envisaged by the bylaws and by the legislation, including regulations, in force at the time.*

*27.7 In order to ensure gender balance, lists of at least three candidates shall be composed of candidates belonging to both genders, in each of the two sections, in such a way that a number of candidates belonging to the lesser represented gender complies with the minimum requirements provided for by law and regulations in force at the time on gender balance.*

*27.8 The lists must be accompanied:*

*(i) the information relating to the identity of the Shareholders who have submitted the lists, with an indication of the total percentage of shareholding held, it being understood that the certification proving the ownership of such shareholding may also be produced after the lists have been deposited, provided that it is within the deadline set for the publication of the lists by the Company;*

*(ii) a declaration by the Shareholders who have submitted the lists other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of connection, even indirect, with the latter, pursuant to the Bylaws and the laws and regulations in force at the time;*

*(iii) exhaustive information on the personal and professional characteristics of the candidates, with an indication of the positions of administration and control held in other companies, as well as a declaration by the candidates themselves attesting to their possession of the requirements, including those of honourableness, professionalism, independence and relating to the accumulation of offices, provided for by the law, including regulations, in force at the time and by the Bylaws;*

*(iv) the declaration by which each candidate accepts his/her candidature;*

*(v) any other or different statement, information and/or document required by the law, including regulations, in force at the time.*

*27.9 The lists submitted must be deposited at the Company's registered office, including by means of remote communication as indicated in the notice of call, and made available to the public within the terms and according to the procedures provided for by the laws and regulations in force at the time.*

*27.10 If, at the date of expiry of the deadline for the presentation of lists provided for by the laws and regulations in force, only one list has been deposited - or only lists presented by shareholders who are associated with each other pursuant to the laws and regulations in force - lists may be presented until the next deadline provided for by the laws and regulations in force. In this case, the thresholds provided for in Section 27.2 above for the submission of lists are reduced by half.*

*27.11 If the obligations set out in this Article are not fulfilled, the list shall be deemed not to have been submitted. Any changes that may occur up to the day on which the Shareholders' Meeting is actually held shall be promptly notified to the Company.*

*27.12 The vote of each Shareholder shall relate to the list and therefore automatically to all the candidates indicated therein, without the possibility of variations, additions or exclusions.*

*27.13 The Board of Statutory Auditors shall be appointed in accordance with the following provisions:*



*(i) from the list that obtained the highest number of votes (the "Majority List of Statutory Auditors"), 2 Standing Auditors and 1 Alternate Auditor are taken, in the progressive order in which they are listed in the sections of the list;*

*(ii) the remaining statutory auditor - who shall take the office of Chairman of the Board of Statutory Auditors - and the other alternate auditor shall be drawn from the list that obtained the second highest number of votes and that is not connected in any way, not even indirectly, pursuant to the Bylaws and the laws and regulations in force at the time, with those who submitted or voted for the Majority List of Statutory Auditors (the "Minority List of Statutory Auditors"), on the basis of the progressive order in which they are listed in the sections of the list.*

*27.14 If several lists have obtained the same number of votes, a new ballot shall be held between these lists by all those entitled to vote present at the Shareholders' Meeting, and the candidates on the list obtaining the relative majority shall be elected.*

*27.15 If only one list is submitted, the Shareholders' Meeting shall pass resolutions with the majorities provided for by law and all the Auditors shall be elected from that list, in the order in which they are presented.*

*27.16 If, as a result of the voting for lists or the voting for the single list, the composition of the Board of Statutory Auditors is not ensured, in terms of its standing members and/or alternate members, in compliance with the minimum requirements provided for by the law and regulations in force at the time on gender balance, the candidate for standing and/or alternate auditor of the most represented gender elected last in progressive order from the Majority List of Auditors or from the single list shall be deemed not to have been elected and shall be replaced by the next candidate, according to the progressive order in which the candidates are listed, taken from the same list and belonging to the other gender.*

*27.17 If no list is submitted and if, by means of the list voting mechanism, the number of candidates elected is lower than the number established by these Bylaws, the Shareholders' Meeting, as the case may be, shall appoint or integrate the Board of Statutory Auditors with the majorities provided for by law, in such a way as to ensure, in any event, compliance with the minimum requirements provided for by law and the regulations in force at the time concerning the balance between genders.*

*27.18 The Chairman of the Board of Statutory Auditors shall be, in the latter cases, respectively, the leader of the only list presented or the person appointed by the Shareholders' Meeting if no list has been presented."*

Pursuant to Article 27 of the Bylaws, shareholders who, at the time the list is filed with the Company, hold a shareholding of at least the amount determined by Consob, pursuant to applicable laws and regulations, may submit a list for the appointment of statutory auditors.

In order to ensure the appointment of at least one statutory auditor elected from the minority list, the Bylaws provide that two statutory auditors and one alternate auditor are taken from the list obtaining the highest number of votes, in the order in which they appear on the list, while the third statutory auditor, who shall chair the Board of Statutory Auditors, and the second alternate auditor shall be drawn from the list obtaining the second highest number of votes and which is not connected, even indirectly, with the shareholders who submitted or voted for the majority list pursuant to the applicable provisions.

In the event of a tie between lists, a new ballot shall be held between these lists by all those entitled to vote present at the Meeting, and the candidates on the list obtaining the relative majority shall be elected.

When the Shareholders' Meeting has to appoint the statutory and/or alternate auditors required to complete the Board of Statutory Auditors, it shall proceed as follows:

- (i) if it is necessary to replace auditors taken from the Majority List of Auditors, the appointment shall be made by relative majority without list constraints in compliance with the applicable pro tempore legal and regulatory provisions on gender balance;

- (ii) if, on the other hand, it is necessary to replace auditors taken from the Minority List of Auditors, the appointment is made by relative majority vote, choosing from among the candidates indicated in the Minority List of Auditors, or, subordinately, in the list that received the third highest number of votes, in both cases without taking into account the original candidature for the office of standing or alternate auditor, always in compliance with the applicable provisions of the law and regulations in force at the time concerning the balance between genders.

## **11.2. Composition and operation (ex art. 123-bis, paragraph 2, lett. d) and d-bis), TUF)**

The Shareholders' Meeting, which met on 7 October 2021, at the time of the transformation of the Company's legal form from a "Limited Liability Company" to a "Joint Stock Company", appointed the Board of Statutory Auditors and determined its remuneration. Pursuant to the Bylaws, the Issuer's Board of Statutory Auditors consists of 3 (three) standing auditors and 2 (two) alternate auditors.

The Board of Statutory Auditors thus appointed will remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

For the appointment of the Board of Statutory Auditors indicated above in office, list voting was not used.

The members of the Board of Statutory Auditors in office at the date of approval of the Report are indicated in the table below.

<b>First and last name</b>	<b>Charge</b>	<b>Date of appointment</b>
Marco Donadio	Chairman of the Board of Auditors	7 October 2021
Cesare Tomassetti	Statutory Auditor	7 October 2021
Eleonora Mori	Statutory Auditor	7 October 2021
Giuseppe Mogliani	Alternate Auditor	7 October 2021
Daniela Angeloni	Alternate Auditor	7 October 2021

Pursuant to Article 144-novies of the Consob Issuers' Regulations and the Corporate Governance Code, the existence of the personal and professional characteristics of the members of the Board of Statutory Auditors is assessed by the latter, which transmits the results to the Board of Directors, which sets them out, by means of a press release and, subsequently, annually, in the Report.

*The curricula vitae* of each member of the Board of Statutory Auditors in office at the date of approval of the Report, showing their expertise and experience in corporate management, are as follows

**Marco Donadio:** in 1997 he graduated in Business Administration from the University of Ancona and in 2003 he graduated in Law from the University of Macerata. Since 2001, Marco Donadio has gained significant experience in the areas of tax, economic and business consulting. He also advises on tax, internal auditing and due diligence activities for M&A transactions. Since 2002, he has been an Auditor (registered in Italy under no. 124529 - G.U. 1/3/2002) and a Chartered Accountant under no. 453/A.

**Cesare Tomassetti:** he holds a degree in Economics and, subsequently, a Master in Technology and Management. Cesare Tomassetti has been a Chartered Accountant since 1994 and an Auditor since 1999, with significant experience in international taxation, transfer pricing and OECD. Cesare Tomassetti also advises on taxation, internal auditing and due diligence activities for M&A transactions. From 2008 to 2012 he served as chairman of the board of directors of Gas Marca S.r.l., a company operating in the utilities sector, and is a member of the board of statutory auditors of several medium and large industrial, commercial and private healthcare companies. As associate professor at the University of Macerata (2002 - 2007) and at the Marche

Polytechnic University (1994 - 1998), he has taught courses in Business Organisation, Economics and Business Management, Decision Strategy Techniques for SMEs and Organisation of Industrial Companies.

**Eleonora Mori:** born in Osimo (AN) in 1978, she graduated in Economics and Business at the Marche Polytechnic University. A chartered accountant and auditor, she has gained significant experience in the area of statutory auditing and supervisory activities, working with auditing firms and holding positions as statutory auditor and regular auditor in both non-profit organisations and corporations, including Gel S.p.a., listed on the AIM Italia market. She is specialised in the business, corporate and tax sectors and is a consultant in the field of tax relief and indirect European funding. She is an accountant for projects in the field of direct European funding.

**Giuseppe Mogliani:** He holds a degree in Economics and Business Administration, followed by a master's degree in Economics and Management. Since 2013, Giuseppe Mogliani is a Chartered Accountant and Auditor. Giuseppe Mogliani has gained significant experience in the field of tax consultancy and assistance (in particular in VAT matters), as well as external audit and due diligence activities for M&A transactions.

**Daniela Angeloni:** in 2003, she graduated in Business Administration from the University of Ancona. Since 2007, Daniela Angeloni has been enrolled in the list of auditors of local authorities held at the Ministry of the Interior. Also since 2007, she has been an auditor registered under no. 146714 with the Ministry of Economy and Finance, and a chartered accountant registered under no. 573/A with the Association of Chartered Accountants of Macerata and Camerino. Since 2007, Daniela Angeloni has also been a business consultant for private companies, providing tax assistance and financial reporting. Between 2012 and 2016, Daniela Angeloni held the position of statutory auditor in several joint stock and limited liability companies.

All members of the Board of Statutory Auditors meet the eligibility requirements set out in Article 2399 of the Italian Civil Code.

On 13 October 2021, 24 March 2022 and most recently on 16 March 2023, the Board of Directors also ascertained that all the members of the Board of Statutory Auditors met the independence requirements set forth in Article 148, paragraph 3, of the Consolidated Law on Finance and in the Corporate Governance Code, as well as the requirements of integrity and professionalism set forth in Article 148 of the Consolidated Law on Finance and in the implementing regulation adopted by Ministry of Justice Decree No. 162/2000.

To the best of the Issuer's knowledge, all members of the Board of Statutory Auditors comply with the provisions of Article 144-terdecies of the Issuers' Regulation on limits to the accumulation of offices.

It should also be noted that no member of the Board of Statutory Auditors has, at the date of approval of the Report, or has had in the past, directly or indirectly (through professional firms/companies/close relatives), relations with the Issuer or persons linked to the Issuer that could have an impact on the independence requirement.

**TABLE 4: STRUCTURE OF THE BOARD OF AUDITORS FROM 1.1.2022 TO 31.12.2022**

<b>Board of Auditors</b>									
<b>Charge</b>	<b>Components</b>	<b>Year of birth</b>	<b>Date of first appointment *</b>	<b>In office since</b>	<b>In office until</b>	<b>List **</b>	<b>Indep. Code</b>	<b>Participation in College meetings</b>	<b>No. of other assignments ****</b>
Chairman	Marco Donadio	1973	7 October 2021	7 October 2021	Approval of the 2023 budget	-	X	5/5	0
Standing auditor	Cesare Tomassetti	1968	7 October 2021	7 October 2021	Approval of the 2023 budget	-	X	5/5	0
Standing auditor	Eleonora Mori	1978	7 October 2021	7 October 2021	Approval of the 2023 budget	-	X	5/5	1
Alternate auditor	Giuseppe Mogliani	1985	7 October 2021	7 October 2021	Approval of the 2023 budget	-	X	N/A	0
Alternate Auditor	Daniela Angeloni	1971	7 October 2021	7 October 2021	Approval of the 2023 budget	-	X	N/A	0
<b>Number of meetings held during the reporting year: 5</b>									
<b>Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 148 TUF): 2,5%</b>									

**NOTES**

\* The date of first appointment of each auditor means the date on which the auditor was appointed for the first time (ever) to the board of auditors of the issuer.

\*\* This column shows the list from which each auditor has been drawn ("M": majority list; "m": minority list; "U": single list).

\*\*\* This column shows the participation of the auditors in the meetings of the board of auditors (indicate the number of meetings attended compared to the total number of meetings attended).

\*\*\*\* This column shows the number of directorships or statutory auditor appointments held by the person concerned pursuant to Article 148-bis of the Consolidated Law on Finance and the related implementing provisions contained in the Consob Issuers' Regulations. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Regulation on Issuers.

The remuneration of the Statutory Auditors is determined by the Shareholders' Meeting at the time of appointment.

The remuneration of the Board of Statutory Auditors in office was set by the Shareholders' Meeting of 7 October 2021, providing for an annual fee of EUR 8,000.00 for the Chairman of the Board of Statutory Auditors and EUR 6,000.00 for each Standing Auditor, gross of withholding taxes. On 29 April 2022, the Shareholders' Meeting resolved to adjust, effective as of the date of the meeting, the compensation of the Board of Statutory Auditors set forth above as follows: to the Chairman of the Board of Statutory Auditors a gross annual compensation of Euro 12,000 and to each regular member a gross annual compensation of Euro 9,000. The remuneration accrued in 2022 is in any case detailed in the Report on Remuneration Policy and Remuneration Paid.

During the year and up to the date of approval of the Report, the Board of Statutory Auditors met five times, with meetings lasting an average of four hours.

Implementing the recommendations of the Corporate Governance Code, the Board of Statutory Auditors supervises the financial reporting process, statutory audit, and in particular the provision of non-audit services.

In carrying out its activities, the Board of Statutory Auditors coordinated its activities with the head of the *internal audit* function and with the Control and Risk Committee and Related Parties Transactions by attending its meetings, which are usually attended by the head of the *internal audit* function. The Board of Statutory Auditors liaised with the *Chief Executive Officer* on the internal control and risk management system. Finally, the Board of Statutory Auditors participated in the work of the Remuneration and Appointments Committee. With reference to the *internal audit* function, the Control and Risk Committee and Related Parties Transactions and the Remuneration and Appointments Committee, it should be noted that their operations began with the start of trading of the Company's shares on Euronext Milan (17 February 2022).

The Board of Statutory Auditors, as part of its supervision of the way in which corporate governance rules are actually implemented, verified the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members. The results of these checks were communicated to the market.

### **Diversity criteria and policies**

In accordance with the provisions referred to in Section 4.3 of the Report and with the provisions of Recommendation 8 of the Corporate Governance Code and Article 148, paragraph 1-bis, of the Consolidated Law on Finance, Civitanavi Systems applied diversity criteria, including gender criteria, in the composition of the Board of Statutory Auditors, in compliance with the priority objective of ensuring adequate competence and professionalism of its members.

Pursuant to Article 27.7 of the Bylaws, lists consisting of at least 3 (three) candidates must be composed of candidates belonging to both genders, so that the least represented gender has a number of candidates meeting the minimum requirements provided for by law and regulations in force at the *time on* gender balance.

At the date of approval of the Report, one third of the Board of Statutory Auditors is made up of auditors of the least represented gender.

### **Independence**

In accordance with Article 148, paragraph 3 of the Consolidated Law on Financial Intermediation and Recommendations 6 and 9 of the Corporate Governance Code, the Bylaws require the Board of Directors to assess the independence of each non-executive director and statutory auditor after appointment and during their term of office if circumstances relevant to independence arise. Otherwise, it does not provide for independence requirements in addition to those set forth in Article 148, paragraph 3, of the Consolidated Law on Finance.

In accordance with the provisions of the Corporate Governance Code, during the Financial Year, the Board of Statutory Auditors:

- assessed the existence and permanence of the independence requirements of the members of the Board of Statutory Auditors in accordance with Recommendation 6 of the Corporate Governance Code, and
- in making the above assessments, it considered all the information made available by each member of the Board of Statutory Auditors, also assessing all the circumstances that appear to compromise independence identified by the Consolidated Law on Finance and the Corporate Governance Code;
- applied all the criteria set out in the Corporate Governance *Code with regard to the* independence of directors in accordance with Recommendation 7 of the Corporate Governance Code.

The Board of Statutory Auditors, as part of its supervision of the way in which corporate governance rules are actually implemented, verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members. In accordance with Recommendation 10 of the Corporate Governance Code, the results of these checks were communicated to the market.

### **Remuneration**

In accordance with Recommendation 30 of the Corporate Governance Code, the remuneration of Statutory Auditors is commensurate with the commitment required, the importance of the role covered and the size and sector characteristics of the Company.

### **Interest management**

Pursuant to Recommendation 37 of the Corporate Governance Code, a member of the supervisory body who, on his own behalf or on behalf of third parties, has an interest in a certain transaction of the Company, shall promptly inform the other members of the same body and the Chairman of the Board of Directors in detail about the nature, terms and scope of the interest.

## **12. Relations with shareholders**

### **Access to information**

The Issuer has set up an easily identifiable and accessible section on its website called "Investors", in which information about the Issuer that is important to its shareholders has been and will be made available, so that they can exercise their rights in an informed manner. The Issuer has also set up an easily identifiable and accessible "Governance" section on its website, containing extensive documentation.

With reference to the dissemination and storage of regulated information pursuant to Article 113 of the Consolidated Law on Finance, it should be noted that the Company:

- a. for the transmission of Regulated Information, uses the eMarket SDIR system (www.emarketstorage.com), managed by Spafid Connect S.p.A., with registered office in Milan, Foro Buonaparte 10 and authorised by CONSOB;
- b. for the storage of Regulated Information, it uses the centralised storage mechanism for regulated information called eMarket Storage, managed by Spafid Connect S.p.A. with registered office in Milan, Foro Buonaparte 10 and authorised by CONSOB.

On 13 October 2021, the Company appointed Letizia Galletti as Investor Relator with effect from the Trading Commencement Date. The Company's investor relations department handles investor relations, ensuring correct, continuous and complete communication.

The Company's investor relations department also handles relations with the financial analysts who follow the Company and with institutional investors. This department organises periodic conference calls on periodic economic and financial information and the documentation illustrated in these meetings is simultaneously made available to the public on the Company's website and at Borsa Italiana.

The Issuer has always endeavoured to provide timely and easy access to information of importance to its shareholders, for example by publishing it on its website.

The Chairman of the Board of Directors is usually required to report to the Shareholders' Meeting on the activities carried out and planned by the investor relations department, and shall endeavour to ensure that shareholders are provided with adequate information on the necessary elements so that they can make their decisions with adequate awareness.

### **Dialogue with shareholders**

In accordance with Recommendation 3 of the Corporate Governance Code, the Company's Board of Directors, on the proposal of the Chairman, who is also the Chief Executive Officer, approved and adopted, on 24 March 2022, a General Shareholders' Dialogue Policy in order to bring the rules of corporate governance and management of dialogue with shareholders into line with the principles set out in the Corporate Governance Code.

This Policy aims to:

- identify and regulate the extra-meeting dialogue between the Board of Directors and the investors' representatives on matters within the Board's competence;
- defining the rules of this dialogue, identifying the interlocutors, the criteria for assessing requests, the topics to be discussed, the internal governance processes, the timing and the channels of interaction.

Civitanavi Systems acts with the utmost diligence and transparency, ensuring, through efficient and effective processes, compliance with the laws and regulations in force, with the principles and criteria of this Policy as well as with the internal policies of the Company and the Group, for the benefit of equal treatment of investors and, more generally, of the integrity of the markets. In particular, pursuant to the General Shareholders' Dialogue Policy, the Company operates in compliance with the following principles:

- the principle of transparency of information provided in the framework of the dialogue, according to which the information provided should be clear, complete, correct, true and not misleading;
- the principle of equal treatment of the holders of financial instruments issued by Civitanavi Systems;
- compliance with the laws and regulations in force from time to time, including the provisions on market abuse, as well as the internal rules of governance, ensuring in any case the application of the principles of cooperation and transparency with the supervisory authorities and the competent administrations.

The topics discussed in the dialogue with shareholders usually concern relevant issues:

- (a) the pursuit of sustainable success;
- (b) *corporate governance*, such as aspects relating to the corporate governance system, the appointment and composition of the board of directors, including in terms of size, professionalism, honourableness, independence and *diversity*, the composition, duties and functions of the board committees, the succession plan for the Chief Executive Officer and any other executive directors, etc.;
- (c) social and environmental sustainability;

- (d) policies on the remuneration of directors and key management personnel and their implementation;
- (e) the internal control and risk management system.

On the other hand, the General Shareholders' Dialogue Policy does not cover aspects of dialogue management relating to the Shareholders' Meeting, as these are governed by laws and regulations, as well as by the Company's Bylaws.

The General Shareholder Dialogue Policy aims to raise the level of transparency and involvement of investors, as promoted by the Shareholder Rights Directive II with reference to institutional investors and asset managers, as a tool to ensure the sustainable success of Civitanavi Systems, which is substantiated by the creation of long-term value for the benefit of Shareholders, taking into account the interests of all other stakeholders and the environmental, social and economic impact that its operations may have.

The Policy for Dialogue with General Shareholders is available on the Issuer's website, [www. civitanavi.com](http://www.civitanavi.com).

### **13. Shareholders' Meetings**

Pursuant to Article 14 of the Bylaws, the Shareholders' Meetings decides on matters reserved for it by law and the Bylaws. Resolutions of the General Meeting, taken in accordance with the law and the Bylaws, are binding on all shareholders. As a rule, the Shareholders' Meeting is held in a single call, and the Board of Directors and the Chairman of the Board of Directors or, in his absence or impediment, the Chief Executive Officer, may also call the Shareholders' Meeting in second and third call in accordance with the provisions of the law, including regulations, in force, illustrating the terms in the notice of call. The Shareholders' Meeting is constituted and resolves on the matters attributed to it by law and by these Bylaws with the majorities provided for by law.

The right to attend and vote at the Shareholders' Meeting is governed by the legal and regulatory provisions *in force* at the time.

In compliance with the laws and regulations in force, persons entitled to vote at the Shareholders' Meeting are entitled to participate in the meeting and for whom the Company has received the appropriate communication from the intermediary authorised to keep accounts in accordance with the law, on the basis of the evidence in its accounting records relating to the end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting in single call, and received by the Company within the terms of the law.

The Ordinary and Extraordinary Shareholders' Meeting may be held with the participants located in several places, either adjacent or distant, audio/video connected, provided that the collegial method and the principles of good faith and equal treatment of members are respected.

Those who have the right to vote may be represented at the Shareholders' Meeting in accordance with the law, by means of a proxy issued according to the procedures provided for by the regulations in force. The proxy may also be notified to the Company by electronic mail in accordance with the procedures indicated in the notice of meeting. The Company may designate, for each Shareholders' Meeting, with an indication contained in the notice of call, a person to whom shareholders may grant proxy with voting instructions on all or some of the proposals on the agenda, in accordance with the terms and procedures provided for by law.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence or impediment, by the Vice-Chairman if appointed, or, in the event of his absence or impediment, by a person appointed with the vote of the majority of the capital represented at the Meeting.

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During the Financial Year, the Shareholders' Meeting met once, on 29 April 2022, in a single call, with approximately 74% of the share capital in attendance and at which the approval of the financial statements as at 31 December 2021 and an adjustment of the remuneration of the Board of Statutory Auditors was resolved.



The Shareholders' Meeting also cast its advisory vote on sections one and two of the Report on remuneration policy and remuneration paid pursuant to article 123-ter TUF.

The Board of Directors, through its Chairman, has made every effort during these Meetings to ensure that shareholders are provided with adequate information on the elements necessary to make informed decisions at the Meeting.

The file containing a copy of the draft annual financial statements, with the accompanying reports, as well as the Directors' report on the proposals concerning the items on the agenda, was made available to the Shareholders for the purpose of adequate information on the elements necessary to be able to take, with full knowledge of the facts, the decisions pertaining to the Shareholders' Meeting. In particular, the aforementioned documentation, together with the results of the voting, was made available and can be consulted on the Company's website [www.civitanavi.com](http://www.civitanavi.com), Governance Section, Shareholders' Meeting. The Remuneration and Appointments Committee considered that it did not need to report to the Shareholders' Meeting on how it exercised its functions, taking into account that such information is already contained in the Report on Remuneration Policy and Fees Paid made available to shareholders prior to the Shareholders' Meeting.

#### **14. Additional corporate governance practices**

At the date of approval of the Report, there are no further corporate governance practices actually applied by the Issuer beyond the obligations provided for by laws or regulations.

#### **15. Changes since the end of the reporting period**

Without prejudice to what is stated in the Report, there have been no further changes in the corporate governance structure since the end of the reporting period.

#### **16. Considerations on the letter of the Chairman of the Corporate Governance Committee**

The recommendations for 2023 contained in the letter of 25 January 2023 from the Chairman of the Corporate Governance Committee on Corporate Governance were brought to the attention of the Control and Risk Committee and Related Parties Transactions and the Board of Directors at their respective meetings on 16 March 2023.

At this meeting, the Board of Directors noted that almost all of the recommendations had been implemented by the Company taking into account the recommendations and decided not to undertake any further initiatives, in addition to those already implemented or initiated, and not to implement any specific measures for the time being for the reasons indicated in the sections of the Report on Corporate Governance and Ownership Structure and the Report on Remuneration Policy and Fees Paid.