



**REPORT ON REMUNERATION POLICY AND COMPENSATION
PAID**

Pursuant to Articles *123-ter* TUF and *84-quater* Consob Regulation No.
11971/1999

Issuer: Civitanavi Systems S.p.A.

Website: www.civitanavi.com

Approved by the Board of Directors on March 14, 2024



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GLOSSARY

For the purposes of this document, the following are defined as:

Code of Corporate Governance: the Code of Corporate Governance for Listed Companies approved by the *Corporate Governance* Committee on January 31, 2020 and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, in force as of the date of the Report, to which Civitanavi Systems has adhered.

Remuneration and Appointments Committee: is formed within the Board of Directors and is responsible, *inter alia*, for submitting to the Board of Directors a proposal on the General Remuneration Policy for Executive Directors, Directors holding special offices and Executives with Strategic Responsibilities.

Executives with Strategic Responsibilities: individuals who have the power and responsibility, directly or indirectly, for the planning, management and control of the Company's activities as defined in the Appendix of the Consob Regulation on Related Party Transactions adopted by Resolution No. 17221 of March 12, 2010, as amended and supplemented. As of the date of approval of this Report, two executives of the Company are identified as Executives with Strategic Responsibilities.

Group or Civitanavi Systems Group: collectively Civitanavi Systems and its subsidiaries pursuant to Article 2359 of the Civil Code and Article 93 of the TUF.

Policy or Remuneration Policy: the policy on the remuneration of directors, Executives with Strategic Responsibilities for the year 2024 indicated in Section I of the Report.

Issuers' Regulations: the Issuers' Regulations approved by Consob with Resolution No. 11971 of May 14, 1999, as amended and supplemented.

Report: this Report on the Civitanavi Systems Group's Remuneration Policy and Compensation Paid prepared pursuant to Article *123-ter* TUF and Article *84-quater* of the Issuers' Regulations.

Company: means Civitanavi Systems: Civitanavi Systems S.p.A., with registered office in Pedaso (FM), Via del Progresso No. 5, Tax Code, VAT No. and Registration No. with the Register of Companies of the Marche Region 01795210432, REA FM-200518.

TUF: the Legislative Decree No. 58 of February 24, 1998 (Consolidated Law of the provisions on Financial Intermediation) as amended and supplemented.

INTRODUCTION

This Report has been drawn up by Civitanavi Systems pursuant to Article 123-ter¹ of the TUF, Article 84-*quater* of the Issuers' Regulations and its Annex 3A, Schedule No. 7-*bis*, as well as, by way of self-regulation, in accordance with Article 5 of the Corporate Governance Code to which Civitanavi Systems adheres for most of its provisions.

As required by Article 123-*ter* of the TUF, the Report consists of two sections.

Section I outlines the Company's Remuneration Policy for financial year 2024, with reference to:

- (i) The members of the Company's Board of Directors, both executive and non-executive;
- (ii) Full members of the Company's Board of Statutory Auditors;
- (iii) Executives with Strategic Responsibilities of the Group.

Section I of the Report also points out, among other things, the general purposes and procedures used in the preparation and adoption of the Remuneration Policy, as well as the bodies and individuals responsible for the proper implementation of the Policy.

The Remuneration Policy for 2024 has been approved by the Company's Board of Directors on March 14, 2024, upon the proposal of the Remuneration and Appointments Committee. It may be updated by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, which is responsible for periodically assessing its adequacy, overall consistency, and practical application.

Section II of the Report, on the other hand, provides a representation referred to the fiscal year 2023 of each item making up the remuneration of the persons indicated above under points (i), (ii) and (iii), as well as an analytical illustration, in special tables, of the remuneration paid to such persons for any reason and in any form by the Company or its subsidiaries in the fiscal year 2023, in addition to remuneration not yet paid as of the date of approval of this Report, but pertaining to the fiscal year 2023.

A special table, pursuant to Article 84-*quater*, paragraph 4, of the Issuers' Regulations, shows the shareholdings held in the Company or in companies controlled by it by the aforementioned persons (and persons related to them).

On March 14, 2024, the Board of Directors of Civitanavi Systems resolved to submit (i) Section I of the 2024 Remuneration Policy Report to a binding vote of the Shareholders' Meeting; and (ii) Section II on compensation paid in 2023 to an advisory vote.

Please note that on January 31, 2022, Borsa Italiana arranged for the listing of the Company's ordinary shares on the Euronext Milan market. As of February 17, 2022, Civitanavi Systems ordinary shares have been traded on the Euronext Milan market (the "**Trading Commencement Date**").

This Report is transmitted to the Italian Stock Exchange and made available to the public at Civitanavi Systems' registered office located in Pedaso (FM), Via del Progresso No. 5, as well as on the Company's website www.civitanavi.com, "Governance" section, at least twenty-one days before the date of the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2023.

¹ Art. 123-*ter* of the TUF updated according to Legislative Decree No. 49 of May 10, 2019 provides, in paragraph 3-*bis*, that "companies shall submit the Remuneration Policy [...] to the shareholders' vote at least every three years or on the occasion of amendments to the Policy." Paragraph 3-*ter* further provides that "the resolution provided for in paragraph 3-*bis* is binding" (i.e., on Section I of this document), adding "if the shareholders' meeting does not approve the Remuneration Policy submitted to a vote pursuant to paragraph 3-*bis*, the company shall continue to pay remuneration in accordance with the most recent Remuneration Policy approved by the shareholders' meeting or, failing that, may continue to pay remuneration in accordance with current practices." Finally, Paragraph 6 provides "[...] the shareholders' meeting [...] shall resolve in favor or against the second section of the report provided for in Paragraph 4. The resolution shall not be binding.

SECTION I

REMUNERATION POLICY 2024

The Remuneration Policy defines the principles and guidelines to which Civitanavi Systems adheres when determining the remuneration practices of the members of the Board of Directors, the Executives with Strategic Responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the effective members of the Board of Statutory Auditors, as well as the procedures used for the adoption and implementation of this Policy.

A. BODIES AND PERSONS INVOLVED IN THE PREPARATION, APPROVAL, POSSIBLE REVISION AND PROPER IMPLEMENTATION OF THE REMUNERATION POLICY

The Remuneration Policy is defined through a process involving the Board of Directors, the Remuneration and Appointments Committee, the Shareholders' Meeting, and the Board of Statutory Auditors. The Board of Directors, the Board of Statutory Auditors, and the Remuneration and Appointments Committee are also responsible for the proper implementation of the Remuneration Policy and ensure that it is properly executed.

The following is a brief description of the duties that, pursuant to applicable regulations and the Company's Articles of Association, are entrusted to these bodies with regard to the remuneration of directors.

Shareholders' meeting

The shareholders' meeting :

- (i) determines the total compensation of the members of the Board of Directors pursuant to Article 2364, Paragraph 1, No. 3), of the Civil Code, possibly also pursuant to Article 2389, Paragraph 3, of the Civil Code, and Article 14 of the Articles of Association;
- (ii) pursuant to Article 123-ter, paragraph 3-ter, of the TUF, resolves, with a binding vote, on Section I of the Report;
- (iii) pursuant to Article 123-ter, paragraph 6, of the TUF, deliberates, with a non-binding vote, on Section II of the Report;
- (iv) Decides on any share-based compensation plans or other financial instruments for Directors, employees and collaborators, including Executives with Strategic Responsibilities, if any, pursuant to Article 114-bis of the TUF.

Board of Directors

The Board of Directors:

- constitutes an internal Remuneration and Nomination Committee;
- determines the remuneration of the Directors holding special offices, upon the proposal of the Remuneration and Appointments Committee (and, where applicable, the Related Parties Committee), subject to the opinion of the Board of Statutory Auditors, possibly within the total remuneration determined by the Shareholders' Meeting pursuant to Article 2389, paragraph 3, of the Civil Code, and allocates to the Directors the fixed annual emolument for office indemnity, determined in total by the Shareholders' Meeting;
- defines and reviews, upon the proposal of the Remuneration and Nomination Committee, the Remuneration Policy;
- resolves upon the approval of the Report pursuant to Articles 123-ter of the TUF and 84-quater of the

Issuers' Regulations;

- defines targets and approves corporate results for performance plans triggering the determination of the variable compensation of executive directors;
- approves the general criteria for the remuneration of Executives with Strategic Responsibilities.

In addition, the Board of Directors, supported by the Remuneration and Nomination Committee, monitors the proper implementation of the Remuneration Policy.

Compensation and Nominating Committee

The Remuneration and Appointments Committee assists the Board of Directors with investigative, proposal-making and advisory functions in evaluating and deciding on the remuneration of Directors and Executives with Strategic Responsibilities.

The composition, functioning, and responsibilities of the Compensation and Nomination Committee are explained in the following Section B.

Board of Auditors

The Board of Statutory Auditors expresses its opinion on proposals for the remuneration of executive directors, pursuant to Article 2389, paragraph 3, of the Civil Code, verifying the consistency of such proposals with the Remuneration Policy adopted by the Company.

Auditing Company

Pursuant to Article 123-ter, paragraph 8-bis, of the TUF, Civitanavi Systems' auditing firm verifies that the directors have prepared Section II of the Report.

- B. ANY INVOLVEMENT OF A REMUNERATION COMMITTEE OR OTHER RELEVANT COMMITTEE, WITH A DESCRIPTION OF ITS COMPOSITION (DISTINGUISHING BETWEEN NON-EXECUTIVE AND INDEPENDENT DIRECTORS), RESPONSIBILITIES AND OPERATING PROCEDURES, AND ANY ADDITIONAL MEASURES TO AVOID OR MANAGE CONFLICTS OF INTEREST**

In accordance with the Corporate Governance Code, the Company has established the Compensation and Nomination Committee within the Board of Directors.

Composition

The Compensation and Nomination Committee in office as of the date of the Report was appointed by the Board of Directors on October 13, 2021 (effective as of the Trading Starting Date), and is composed of three independent directors with specific expertise in financial matters or compensation policies.

First and last name	Charge
Laura Guazzoni	Chairman - Independent Director
Maria Serena Chiucchi	Independent Director
Tullio Rozzi	Independent Director

At the time of their appointment, the Board of Directors positively assessed that the Independent Directors Laura Guazzoni, Maria Serena Chiucchi and Tullio Rozzi met the requirements of adequate knowledge and expertise in financial matters or compensation policies.

Functions assigned

The Remuneration and Appointments Committee performs the following propositional and advisory duties in remuneration matters:

- a. Assist the Board of Directors in developing the Remuneration Policy;
- b. Submit proposals or express opinions on the remuneration of executive directors and other directors holding special offices as well as on the determination of performance objectives related to the variable component of such remuneration;
- c. Monitor the concrete application of the Remuneration Policy and verify, in particular, the actual achievement of performance targets;
- d. Periodically evaluate the overall adequacy and consistency of the Policy for the Remuneration of Directors and Top Management;
- e. To examine in advance the Annual Report on Remuneration Policy and Compensation Paid to be made available to the public in accordance with current regulations.

The establishment of this Committee guarantees the widest information and transparency on the remuneration due to Executive Directors and Managers with Strategic Responsibilities, as well as on the respective methods of determination. However, it is understood that, in accordance with Article 2389, paragraph 3, of the Civil Code, the Remuneration and Appointments Committee has only proposing functions while the power to determine the remuneration of Executive Directors remains in any case with the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

Organizational Standards

The conduct of Remuneration and Nomination Committee meetings is governed by the following organizational rules (contained in the Committee Rules approved by the Board of Directors on October 13, 2021):

- Meetings of the Remuneration and Appointments Committee are held under the chairmanship of the Chairman or, in the event of his absence or impediment, of the most senior member of the Committee. Meetings are held as a collegial body and are regularly minuted;
- In order to avoid or manage possible conflicts of interest, in accordance with the recommendations of the Corporate Governance Code, no member of the Board of Directors takes part in the meetings of the Remuneration and Appointments Committee called to submit proposals to the Board of Directors regarding their remuneration;
- Meetings of the Remuneration and Appointments Committee are attended by the Chairman of the Board of Statutory Auditors or another auditor designated by the latter, and other members of the Board of Directors as well as representatives of corporate functions or third parties, whose presence may be of assistance to the better performance of the Committee's functions, may take part, if invited in advance;
- If deemed necessary or appropriate for the performance of the tasks assigned to it, the Remuneration and Appointments Committee may avail itself of the support of external consultants who are experts in remuneration policies.

Activities

During 2023, the Remuneration and Nomination Committee met 3 times. Data on the attendance of members of the Remuneration and Appointments Committee at meetings can be found in the table at the end of Section 6 of the Report on Corporate Governance, available on the Company's website www.civitanavi.com, "Governance Section".

The work of the Remuneration and Appointments Committee was attended by members of the Board of Statutory Auditors and CFO Letizia Galletti at the invitation of the Committee Chairman. The Chairman of the Board of Directors Andrea Pizzarulli attended, upon invitation, one meeting.

During 2023, the activities of the Remuneration and Appointments Committee, in its capacity as a compensation committee, were mainly concerned with the following activities:

- Review and formulation of favorable opinion regarding the compensation policy for 2023 and the report on compensation paid for 2022 (meeting of March 16, 2023);
- Review of the proposed short-term incentive (MBO) schemes for executive directors and key management personnel of the Company for the year 2023 and formulation of favorable opinion on the proposed criteria (meeting of March 16, 2023);
- Examination and formulation of a favorable opinion regarding the adoption of the 2023 *Stock Option* Plan, as further described in Section F.2(B) (meeting of March 16, 2023);
- Examination and approval of the proposed grants of options in execution of the aforementioned 2023 *Stock Option* Plan (meetings held on November 6 and December 22, 2023);
- Review and formulation of favorable opinion regarding the adjustment of remuneration of a strategic executive (meeting on December 22, 2023).

C. HOW THE COMPANY HAS TAKEN INTO ACCOUNT THE COMPENSATION AND WORKING CONDITIONS OF ITS EMPLOYEES IN DETERMINING THE COMPENSATION POLICY

In determining the Remuneration Policy, the Company has taken into account the compensation and working conditions of the Company's employees. In particular, the criteria used to define the remuneration reserved for the beneficiaries of the Remuneration Policy are parameterized to the organizational role held, responsibilities and professional specialization, and are aimed at determining the remuneration of members of corporate bodies and Executives with Strategic Responsibilities in consistency with the working conditions of employees, avoiding generating situations of unjustified imbalance.

D. INDEPENDENT EXPERTS INVOLVED IN THE PREPARATION OF THE REMUNERATION POLICY

Given the relatively small number of functions affected by the Remuneration Policy, the Company has found it unnecessary to involve external consultants in the development of the Policy.

E. PURPOSES PURSUED BY THE REMUNERATION POLICY, PRINCIPLES UNDERLYING IT, ITS DURATION, AND, IN CASE OF REVIEW, A DESCRIPTION OF THE CHANGES FROM THE REMUNERATION POLICY LAST SUBMITTED TO THE SHAREHOLDERS' MEETING AND AN INDICATION OF HOW SUCH REVIEW TAKES INTO ACCOUNT THE VOTES AND EVALUATIONS HELD BY SHAREHOLDERS AT OR AFTER THAT MEETING

The Remuneration Policy is defined in such a way as to ensure an overall remuneration structure capable of recognizing the managerial value of the individuals involved and the contribution made to the Company's growth in relation to their respective skills. Specifically, the aims pursued with the Remuneration Policy, which has an annual duration, shall meet the objective of establishing remuneration that meets the requirements of:

- prove sufficient to attract, retain and motivate managers with the professional qualities required to successfully manage the organizational and managerial complexity of the Company and the Group;
- align their interests with the pursuit of the overriding goal of creating shareholder value over the medium- to long-term horizon, contributing to the pursuit of corporate strategy and medium- to long-term interests as well as the sustainability of the Company;
- leave a significant part of the total remuneration linked to the achievement of specific *performance*

objectives, both qualitative and quantitative, determined in advance and consistent with the development lines of the Company and the Group.

The Remuneration Policy, consistent with the general purposes outlined above, is based on the following guiding principles and is defined in accordance with the following criteria:

- (i) Foster the pursuit of the sustainable success of the Society;
- (ii) Provide for a balance between the fixed and variable components that is appropriate and consistent with the Company's strategic objectives and risk management policy, taking into account the characteristics of the Company's business and the sector in which it operates, while still providing for the variable portion to represent a significant part of total remuneration;
- (iii) Provide maximum limits for variable components, tying them to performance objectives, qualitative and quantitative, predetermined, measurable and linked to the creation of shareholder value in both the short and medium to long term;
- (iv) To foster the retention and protection of the Group's key resources by incentivizing their retention within the Group.

The Remuneration Policy is valid for one year and in any case until a new remuneration policy is approved by the Shareholders' Meeting.

The Remuneration Policy is in substantial continuity with the one approved in 2023, confirming the remuneration structure and the main features of the variable remuneration systems, consistent with the corporate governance model adopted by the Company and the recommendations of the Corporate Governance Code as well as the most recent regulatory developments and *best practices*.

At the Shareholders' Meeting held on April 27, 2023, there were no shareholder evaluations of the 2023 Remuneration Policy, which was approved by the affirmative vote of 97.11% of the shareholders present at the meeting.

In line with the principles outlined above, the Company will propose that the Shareholders' Meeting of April, 24 2024 approve this document.

F. DESCRIPTION OF POLICIES ON FIXED AND VARIABLE COMPONENTS OF REMUNERATION, WITH PARTICULAR REGARD TO INDICATING THE RELATIVE PROPORTION WITHIN TOTAL REMUNERATION AND DISTINGUISHING BETWEEN SHORT-TERM AND MEDIUM- TO LONG-TERM VARIABLE COMPONENTS

The Remuneration Policy provides that the fixed and variable components (the latter in turn divided into short- and medium-long term variable components) are articulated according to different principles and methods in relation to the different types of recipients.

F.1 Articulation of the pay structure

Specifically, the Company deemed it appropriate to distinguish the remuneration structure in relation to the executive/managerial skills and responsibilities recognized to the individuals concerned and consequently to independently define the criteria for determining the remuneration of:

- (i) Administrators, and in particular:
 - (a) executive directors; and
 - (b) non-executive directors;

- (ii) Board of Auditors;
- (iii) Executives with Strategic Responsibilities.

(i) **Administrators**

First and foremost, a fixed amount of compensation is provided for all Directors to ensure adequate remuneration for the work and commitment provided by the Directors to the Company.

As a reminder, the Ordinary Shareholders' Meeting on October 13, 2021, in connection with the definition of the remuneration due to the Directors, resolved to award the Board of Directors, which will remain in office until the date of the Shareholders' Meeting called to approve the financial statements as of December 31, 2023:

- an overall gross remuneration of a maximum of Euro 500,000.00 (five hundred thousand/00) per year, to be divided among the members of the Board of Directors in the amount to be identified by the same, including a fee by way of “TFM - Severance Pay” to be paid to the Chairman alone in the amount of 10% of the gross annual remuneration (fixed part) for each financial year during the term of office;
- an additional compensation in the maximum amount of Euro 300,000.00 (three hundred thousand/00) that the Board may recognize in favor of one or more directors upon the achievement of specific results, all to the extent and according to the parameters that may be decided by the Board of Directors itself;
- the right to reimbursement of expenses incurred and documented in the performance of duties as well as the right to the recognition of any additional *fringe benefits*, such as by way of example use of company cars, cell phones and personal computers, as may be decided by the Board of Directors itself.

The Board of Directors and Shareholders' Meeting on October 13, 2021 and December 21, 2021, respectively, resolved to allocate the above compensation as follows:

- to Andrea Pizzarulli, a gross annual compensation of Euro 200,000.00;
- to Michael S. Perlmutter, an annual gross compensation of Euro 100,000.00;
- To Thomas W. Jung an annual gross compensation of Euro 30,000.00;
- To Laura Guazzoni an annual gross compensation of Euro 15,000.00;
- To Maria Serena Chiucchi a gross annual compensation of Euro 15,000.00;
- Tullio Rozzi an annual gross compensation of Euro 15,000.00;
- Mario Damiani an annual gross compensation of Euro 15,000.00.

On October 13, 2021 and January 19, 2022, the Company's Board of Directors also resolved to award the following compensation to the members of the endoconsulting committees:

- i) to the members of the Audit and Risk and Related Party Transactions Committee a gross annual compensation for the Chairman equal to Euro 5,000.00 and for the other two members equal to Euro 3,000.00 each;
- ii) to the members of the Remuneration and Appointments Committee, gross annual compensation for the Chairman in the amount of Euro 4,000.00 and for the other two members in the amount of Euro 2,000.00 each.

With reference to the short-term variable component, without prejudice to the maximum amount illustrated above of Euro 300,000 resolved by the Shareholders' Meeting on October 13, 2021, the Board of Directors on March 16,

2023, after receiving the favorable opinion of the Compensation and Appointments Committee, resolved to award for the fiscal year 2023 in favor of Executive Directors Andrea Pizzarulli and Michael S. Perlmutter and the Executives with Strategic Responsibilities Letizia Galletti and Massimo Verola, an annual gross variable compensation subject to the Company's finalization of at least one M&A transaction by December 31, 2023 and parameterized to the growth of a predefined target range of adjusted Ebitda margin as of December 31, 2023. On the other hand, as far as the medium- to long-term variable component is concerned, it should be noted that the Shareholders' Meeting of April 27, 2023 approved a three-year (2023-2026) stock option plan that provides for the free grant, to directors, including non-executive directors, executives and employees of the Company and/or its subsidiaries, of options to subscribe to and purchase ordinary shares of the Company, in the ratio of one share for each option (the “**2023 Stock Option Plan**”). For any further details on the Stock Option Plan, please refer to what is specified in Section F.2(B) as well as in the explanatory report and information document prepared in accordance with current regulations and available at www.civitanavi.com, “Governance” Section.

It should be noted that the Shareholders' Meeting of Civitanavi Systems, which will be convened to approve the financial statements as of December 31, 2023, will also be called to deliberate on the renewal of the current Board of Directors, which will expire due to completion of its term. Therefore, the Shareholders' Meeting will be called to deliberate on the total annual remuneration of the Board of Directors pursuant to Article 2389, paragraph 1, of the Civil Code, including possibly also the remuneration to be attributed, by the Board, to the Directors holding special offices as provided for in Article 2389, paragraph 3, of the Civil Code; thereafter, the Board of Directors will be called to deliberate on its allocation.

(a) Executive directors

The remuneration of executive directors is appropriately balanced to ensure consistency between short-term development goals and the sustainability of value creation for shareholders in the medium to long term.

Specifically, the compensation structure for executive directors consists of a fixed component and a variable component, the latter of short and possibly long-term duration, identified as follows:

- a *fixed component*: this component is determined taking into account the extent and strategic nature of the role held, the distinctive subjective characteristics and the strategic skills possessed by the management to which it is assigned. Its extent is sufficient to remunerate performance even in the event of failure to achieve the performance objectives that condition the disbursement of variable remuneration and this, among other things, in order to discourage the assumption of behavior inconsistent with the Company's risk appetite. Specifically, the fixed component is determined on the basis of the size of the business managed, the various areas of responsibility covered, the complexity of activities, including at the international level, and the ability to contribute to results;
- a *short-term variable component* (so-called MBO - *Management by Objectives*): this component pursues the objective of incentivizing management to work towards the achievement of annual objectives in order to maximize the value of the Company, in line with both shareholder interests and with respect to multi-year strategic plans. This component is achievable only against the achievement of annual performance targets, quantitative, objectively measurable, and/or qualitative, to be assessed also in line with the objectives set out in the business plan and/or aimed at the pursuit of sustainable success, established by the Board of Directors upon the proposal or opinion of the Remuneration and Appointments Committee. The short-term variable component promotes the achievement of annual business objectives and makes it possible to reward individual performance with respect to specific objectives identified from time to time with regard to specific areas of activity and/or annual business performance objectives typically attributable to the achievement of economic-financial parameters, if appropriate adjusted and/or calculated on a like-for-like basis, referring to Operating Revenues, EBITDA, EBIT, NFP, Cash flow, as well as key performance indicators, M&A, other business plan targets, pursuit of sustainable success, and/or stock market value per share, as identified by the Board of Directors from time to time, calculated on the basis of the Company's annual financial statements;
- a *medium- to long-term variable component* represented by the 2023 Stock Option Plan approved by the Shareholders' Meeting of April 27, 2023, under which executive directors, as identified by the Board of

Directors after consultation with the Remuneration and Appointments Committee, may be granted rights to receive shares in the Company in accordance with the terms and conditions set forth in the relevant regulations;

- a possible *additional medium-long term variable* component (so-called LTIP - *Long Term Incentive Plan*): this component pursues the objective of incentivizing the Executive Directors to work with a view to maximizing the value of the Group and aligning the interests of these directors with those of the shareholders, consistent with the objectives of the strategic plan and/or aimed at the pursuit of sustainable success. Such compensation may be paid on a deferred basis, at the conclusion of a time frame lasting at least three years, subject to the achievement of *performance* conditions measured over a multi-year time horizon;

fringe benefits: consist of the provision of goods and/or services allocated in accordance with market practice and in compliance with applicable regulations.

It is expected that the variable component will account for a significant portion of total remuneration.

As of the date of approval of the Report, there are two executive directors on the Board of Directors, defined as such under the provisions of the Corporate Governance Code, namely, Andrea Pizzarulli, Chairman of the Board and Chief Executive Officer, and Michael S. Perlmutter.

For a description of the short-term variable component and the medium to long-term component of executive directors' compensation, please refer to Section F.2.

(b) Non-executive directors

Non-executive directors (whether or not they are independent directors) are granted a fixed fee, determined in its total amount by the Shareholders' Meeting, allocated on an individual basis by the Board of Directors, in accordance with Article 2389 of the Civil Code.

The remuneration of these Directors is linked neither to economic results nor to specific objectives of the Company and is commensurate with the commitment required, also in relation to participation in the endoconsiliar Committees, for whose participation specific fees are envisaged, which are resolved by the Board of Directors at the proposal of the Remuneration and Appointments Committee.

In addition, under the 2023 Stock Option Plan approved by the Shareholders' Meeting on April 27, 2023, non-executive directors, as identified by the Board of Directors after consultation with the Remuneration and Appointments Committee, may be granted rights to receive shares in the Company in accordance with the terms and conditions set forth in the relevant regulations.

(ii) Board of Auditors

The amount of the emoluments of the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting in a fixed amount and ensures adequate remuneration for the activity and commitment given by the Statutory Auditors to the Company.

As a reminder, the Ordinary General Shareholders' Meeting on October 7, 2021 resolved for the three-year period 2021-2023 to award the Chairman of the Board of Statutory Auditors a compensation of Euro 8,000.00 per year and for each of the statutory auditors a compensation of Euro 6,000.00 per year. On April 29, 2022, the General Shareholders' Meeting resolved to adjust, effective as of the date of the General Shareholders' Meeting, the compensation of the Board of Statutory Auditors indicated above as follows: to the Chairman of the Board of Statutory Auditors an annual gross compensation of Euro 12,000 and to each of the acting members an annual gross compensation of Euro 9,000.

In view of the 2024 Shareholders' Meeting which shall resolve upon, *inter alia*, the appointment of the Board of Statutory Auditors, on 11 March 2024 the outgoing Board of Statutory Auditors formulated its remarks on, *inter alia*, the areas of operations and the commitment required of the supervisory body, also making some observations

on the body's remuneration. The "Remarks of the outgoing Board of Statutory Auditors" are published on the Company's website (www.civitanavi.com), in the section dedicated to the Shareholders' Meeting.

(iii) Executives with Strategic Responsibilities

In defining the Remuneration Policy for Executives with Strategic Responsibilities, it is taken into account that they are the recipients of a Policy in which part of the remuneration is linked to the achievement of specific performance objectives, including those of a non-financial nature, predetermined, measurable and linked in significant part to a long-term horizon. They are consistent with the Company's strategic objectives and are aimed at promoting its sustainable success (Article 5, Recommendation 27 of the Corporate Governance Code).

The total compensation of Executives with Strategic Responsibilities consists of gross annual fixed compensation and short-term and possibly long-term variable compensation, identified as follows:

- *fixed component*: the fixed component of the remuneration of Executives with Strategic Responsibilities, the RAL - Gross Annual Remuneration, i.e., the contractually guaranteed annual remuneration, is for all top positions aimed at meeting the criteria of retention and adequate remuneration, at a level competitive with the market.

Changes in the fixed compensation component over time are implemented based on growth rules that take into account the role, level of performance over time, and the salary gap with reference market salary levels.

- *short-term variable component* (so-called MBO - Management by Objectives): this component pursues the objective of incentivizing management to work towards the achievement of annual objectives in order to maximize the value of the Company, in line both with the interests of shareholders and with respect to the Group's multi-year strategic plans. This component is achievable only against the achievement of annual performance targets, quantitative, objectively measurable, and/or qualitative, to be assessed also in line with the objectives set out in the business plan and/or aimed at the pursuit of sustainable success, established by the Board of Directors on the proposal of the Remuneration and Appointments Committee. The short-term variable component promotes the achievement of annual business objectives and makes it possible to reward individual performance with respect to specific objectives identified from time to time with regard to specific areas of activity and/or annual business performance objectives typically attributable to the achievement of economic-financial parameters, if appropriate adjusted and/or calculated on a like-for-like basis, referring to Operating Revenues, EBITDA, EBIT, NFP, Cash flow, as well as key performance indicators, M&A, other business plan targets, pursuit of sustainable success, and/or stock market value per share, as identified by the Board of Directors from time to time, calculated on the basis of the Company's annual financial statements;
- *medium- to long-term variable component* represented by the 2023 Stock Option Plan approved by the Shareholders' Meeting of April 27, 2023, under which Executives with Strategic Responsibilities, as identified by the Board of Directors after consultation with the Remuneration and Appointments Committee, may be granted rights to receive shares in the Company in accordance with the terms and conditions set forth in the relevant regulations;
- *possible additional long-term variable component (LTIP)*: this component pursues the objective of incentivizing Executives with Strategic Responsibilities to operate with a view to maximizing the value of the Group and aligning its interests with those of shareholders. This compensation may be paid on a deferred basis, at the conclusion of a three-year time frame, subject to the achievement of multi-year performance conditions.
- *fringe benefits*: consist of the provision of goods and/or services allocated in accordance with market practice and in compliance with applicable regulations.

As of the date of approval of the Report, the Company has identified - in light of their respective positions and roles within the Company - two Executives with Strategic Responsibilities, in the persons of Letizia Galletti and Massimo Verola.

For a description of the short-term variable component and the medium- to long-term variable component of Executives with Strategic Responsibilities, please refer to Section F.2

F.2 Variable remuneration component

Civitanavi Systems' variable compensation system includes a short-term variable component (MBO) and a medium- to long-term variable component (LTIP).

(A) Short-term variable component

The annual incentive system provides for the payment of a monetary bonus based on the achievement of predefined annual targets. This system is reviewed annually by the Compensation and Nomination Committee, which proposes to the Board of Directors the targets for Executive Directors and Executives with Strategic Responsibilities and identifies the metrics.

The recipients of the system are Executive Directors and Executives with Strategic Responsibilities.

Each recipient is awarded a *target* variable bonus expressed as a percentage of fixed pay if the set *target* goals are achieved; there is a maximum value if the goals are exceeded.

The right to receive the variable bonus is conditional on the achievement of a minimum threshold of results with respect to set company objectives. This minimum threshold is defined annually by the Board of Directors.

The short-term incentive system includes a claw-back clause, as required by Recommendation 27 of the Code of Corporate Governance, which allows the Company to demand the return, in whole or in part, of variable components of remuneration (or withhold components subject to deferral), the allocation of which was determined on the basis of data or information that later proves to be manifestly erroneous or due to cases of fraudulent behavior or gross misconduct of the recipients.

Upon the occurrence of extraordinary events that cause the performance scenarios on which the definition of the objectives set forth in the plan is based to be substantially exceeded, the Board of Directors of the Company, upon the proposal of the Remuneration and Appointments Committee, may make the necessary corrections to such objectives in order to maintain the substantive and economic content of the plan unchanged. For the purposes of the foregoing, "extraordinary events" means: (i) events of an extraordinary and/or non-recurring nature and/or not attributable to the typical activity of the Civitanavi Systems Group (such as, by way of example, but not limited to, significant acquisitions or disposals of equity investments or business units) considered to be of particular significance and/or not currently envisaged within the scope of corporate planning that entail a significant change in the scope of the Company or the Civitanavi Systems Group; (ii) significant changes in the macroeconomic and/or competitive scenario or other extraordinary events of significant impact outside the levers of management action; and/or (iii) the occurrence of significant adverse effects not only of an economic or financial nature such as those resulting from health emergencies. Any changes that may be made to the performance targets should safeguard the principles and guidelines under which the plan was formulated, not introducing undue benefits or penalties for either the recipients of the plan or the Company.

Executive directors

For Executive Directors (Chief Executive Officer and any other Executive Directors), the variable bonus is established on an annual basis up to a maximum of 70% of the fixed component (as a Director) subject to the achievement of pre-established target objectives, and up to a maximum of 100% of the fixed component (as a Director) in the event of exceeding those objectives, to be determined at the budget stage. It should be noted that if more than one variable bonus is provided for on an annual basis, the above percentages will apply with respect to the total variable compensation due.

One or more of the following indicators, adjusted where appropriate and/or calculated on a like-for-like basis, referring to: (i) Operating revenues, EBITDA, EBIT, NFP, Cash flow; (ii) *key performance indicators*; (iii) M&A; (iv) other business plan targets; (v) non-economic indicators related to environmental, social and governance

sustainability issues (c.d. Environmental, Social & Governance indicators or ESG) and the pursuit of sustainable success, declined into parameters susceptible to timely and objective measurement; and/or (vi) stock market value per share, as identified by the Board of Directors from time to time, calculated on the basis of the Company's annual financial statements. For the above parameters, corporate targets are also set with reference to the budget approved by the Board of Directors. Depending on the target objectives, a multiplier or demultiplier may be introduced that may increase or decrease the final bonus paid.

Executives with Strategic Responsibilities

For Executives with Strategic Responsibilities, the short-term variable component is articulated according to different principles in relation to any different figures qualifying as Executives with reference to areas of responsibility and the achievement of the target objective, and is expressed as a maximum percentage of the fixed component to an increasing extent in relation to the role held and the breadth of the scope of responsibility.

Specifically, for Executives with Strategic Responsibilities, the variable bonus is established on an annual basis up to a maximum of 70% of the fixed component (fixed remuneration as Executives with Strategic Responsibilities) subject to the achievement of pre-set target goals and up to a maximum of 100% of the fixed component if the targets are exceeded.

One or more of the following indicators, adjusted where appropriate and/or calculated on a like-for-like basis, referring to: (i) Operating revenues, EBITDA, EBIT, NFP, Cash flow; (ii) key performance indicators; (iii) M&A; (iv) other business plan targets; (v) non-economic indicators related to environmental, social and governance sustainability issues (c.d. Environmental, Social & Governance indicators or ESG) and the pursuit of sustainable success, declined in parameters susceptible to timely and objective measurement; and/or (vi) stock market value per share, as identified by the Board of Directors from time to time, calculated on the basis of the Company's annual financial statements. For the above parameters, corporate targets are also set with reference to the budget approved by the Board of Directors. Depending on the target objectives, a multiplier or demultiplier may be introduced to may increase or decrease the final bonus paid.

(B) Medium- to long-term variable component

In 2023, the Company introduced, in accordance with Article 114-*bis* of the TUF, the 2023 Stock Option Plan aimed mainly at fostering the retention of key resources of the Group by incentivizing them to stay within the Group.

The 2023 Stock Option Plan, after obtaining a favorable opinion from the Remuneration and Nomination Committee held on March 16, 2023, was approved by the Board of Directors on March 16, 2023 and the Shareholders' Meeting on April 27, 2023.

The 2023 Stock Option Plan has a three-year term - precisely from April 27, 2023 to April 27, 2026 - and provides for the free granting to directors, including nonexecutive directors, executives and employees of the Company and/or its subsidiaries, of a maximum number of 1,300,000 options to subscribe for and purchase ordinary shares of the Company, at a ratio of one share for each option granted.

The identification from time to time of the individual beneficiaries participating in the 2023 Stock Option Plan (the "**Participants**" or the "**Participant**") and the determination of the number of options subject to individual grants is made at the discretion of the Company's Board of Directors after consultation with the Compensation and Nominating Committee.

During 2023, the 2023 Stock Option Plan was partially executed through the granting of a total of 881,315 options to a total of 97 beneficiaries.

The options granted to each Participant will vest in one lump sum upon the expiration of the 3rd (third) anniversary of the date of receipt of the letter notifying him or her of the grant of the options (the "**Vesting Date**") and may be exercised in three equal *tranches* by submitting an exercise notice to the Company during the period between the 30th (thirtieth) and 60th (60th) day following the date of approval of each of the Company's first three annual financial statements following the Vesting Date.

In order to be eligible for the 2023 *Stock Option* Plan, the following requirements must be met by the Participants at the time the options are granted: (a) to be holders of an existing directorship and/or employment relationship with the Company or one of its subsidiaries (the “**Relationship**”); (b) not to have given notice of their intention to withdraw from or terminate, as the case may be, the Relationship; (c) not to be the recipient of a notice of dismissal or revocation by the Company or its subsidiaries or revocation from the Relationship; (d) not to have agreed to consensual termination of the Relationship. The exercise of the options is subject only to the uninterrupted maintenance of the Relationship during the period between the date of receipt by each Participant of the letter granting the options and the Vesting Date.

The regulations of the 2023 Stock Option Plan also include claw-back clauses, change of control as well as clauses aimed at regulating cases of early termination of employment (with different provisions depending on whether the termination qualifies as good leaving rather than bad leaving) or the occurrence of extraordinary and unforeseen events.

For any further details on the 2023 Stock Option Plan, please refer to the explanatory report and information document prepared in accordance with current regulations and available at www.civitanavi.com, “Governance” Section.

The Company’s annual incentive scheme could also provide for an incentive scheme in favor of the Chief Executive Officer, and/or any additional executive directors and/or managers of the Company, including Executives with Strategic Responsibilities with an indicative period of three years based on the achievement of targets identified from time to time by the Board of Directors, calculated on the basis of the Company’s annual financial statements (referring, for example, to Operating Revenues, EBITDA, EBIT, NFP, Cash flow, as well as *key performance indicators*, M&A, other business plan targets, pursuit of sustainable success, and/or stock market value per share), to be modulated among themselves and measured cumulatively over an indicative three-year time frame. In this case, the size of the medium- to long-term component will be determined so as to achieve an overall balanced *pay mix* between fixed compensation, short-term variable component, and medium- to long-term variable component. The payment of the medium-long term variable component may be in the form of *cash* or shares or a combination of the two forms. This medium-long term incentive plan, if implemented, will provide for a consistent upper limit to the disbursement of this component and will contain the main clauses adopted by best market practice such as clawback clauses, change of control as well as clauses aimed at governing cases of early termination of employment or the occurrence of extraordinary and unforeseen events.

G. POLICY FOLLOWED WITH REGARD TO NON-MONETARY BENEFITS (*FRINGE BENEFITS*)

Standard nonmonetary benefits (e.g., cell phone, car, guesthouse, computer) are provided to executive directors.

Non-monetary benefits are provided to Executives with Strategic Responsibilities in line with practice and in a manner congruent with the office and role held (e.g., use of cell phone, car, guest quarters, computer).

H. WITH REGARD TO VARIABLE COMPONENTS, DESCRIPTION OF THE FINANCIAL AND NON-FINANCIAL *PERFORMANCE* OBJECTIVES, WHERE APPROPRIATE TAKING INTO ACCOUNT CRITERIA RELATED TO CORPORATE SOCIAL RESPONSIBILITY, ON THE BASIS OF WHICH THEY ARE ASSIGNED, DISTINGUISHING BETWEEN SHORT-TERM AND MEDIUM- TO LONG-TERM VARIABLE COMPONENTS, AND INFORMATION ON THE LINK BETWEEN THE CHANGE IN PERFORMANCE AND THE CHANGE IN REMUNERATION

The performance targets for the disbursement of variable components are described in Paragraph F.2.

I. CRITERIA USED TO ASSESS THE ACHIEVEMENT OF *PERFORMANCE* OBJECTIVES UNDERLYING THE AWARD OF SHARES, OPTIONS, OTHER FINANCIAL INSTRUMENTS OR OTHER VARIABLE COMPONENTS OF REMUNERATION, SPECIFYING THE EXTENT TO WHICH THE VARIABLE COMPONENT IS EXPECTED TO BE PAID ACCORDING TO THE LEVEL OF ACHIEVEMENT OF THE OBJECTIVES

Please refer to what is described in the previous Section F.

J. INFORMATION AIMED AT HIGHLIGHTING THE CONTRIBUTION OF THE REMUNERATION POLICY, AND IN PARTICULAR THE POLICY ON VARIABLE REMUNERATION COMPONENTS, TO CORPORATE STRATEGY, THE PURSUIT OF LONG-TERM INTERESTS AND THE SUSTAINABILITY OF THE COMPANY

As described in the previous Section F, the Remuneration Policy is instrumental to the pursuit of the Company's sustainable success and takes into account the need to dispose of, retain and motivate people with the expertise and professionalism required by their role in the Company.

Consistent with the above, the compensation of executive directors and Executives with Strategic Responsibilities is structured in such a way as to:

- a. Balancing the fixed and variable components of remuneration, with the aim of creating value in the medium to long term, consistent with the strategic objectives and risk management policy, and therefore in a way that is sustainable for the Company and the Group;
- b. Correlate the allocation of variable components to performance objectives, qualitative and quantitative, predetermined, measurable and linked to the creation of value for shareholders in both the short and medium to long term, setting in any case maximum limits to them;
- c. Be attractive, motivating and able to retain key resources for the purpose of pursuing medium- to long-term strategic goals.

K. VESTING PERIODS, ANY DEFERRED PAYMENT SYSTEMS, WITH AN INDICATION OF THE DEFERRAL PERIODS AND THE CRITERIA USED TO DETERMINE THESE PERIODS, AND, IF ENVISAGED, MECHANISMS FOR EX POST CORRECTION OF THE VARIABLE COMPONENT (MALUS OR "CLAW-BACK" VARIABLE COMPENSATION)

The short-term variable remuneration component is paid after the approval of the draft financial statements for the reporting year.

The achievement of short-term performance targets is verified by the Compensation and Nomination Committee, and the disbursement of the amounts is accordingly decided by the Board of Directors when the draft financial statements for the reporting year are approved.

With regard to medium- to long-term variable compensation, under the 2023 Stock Option Plan, the determination of the number of options to be granted to Plan Participants is made at the discretion of the Board of Directors. The timing of the vesting of options and the procedures for their exercise are explained in Section F.2(B), to which reference is made.

For both short-term and medium-to-long-term components of variable compensation, claw-back mechanisms are provided for where allocations have been determined on the basis of data or information that later prove to be manifestly erroneous or due to cases of fraudulent behavior or gross negligence on the part of the recipients. In this regard, please refer to what is respectively explained in Sections F.2(A) e F.2(B).

L. INFORMATION ON WHETHER THERE ARE ANY PROVISIONS FOR THE RETENTION OF FINANCIAL INSTRUMENTS IN THE PORTFOLIO AFTER THEIR ACQUISITION, INCLUDING THE RETENTION PERIODS AND THE CRITERIA USED TO DETERMINE THESE PERIODS

The 2023 Stock Option Plan has no availability constraints on the shares acquired.

M. POLICY ON TREATMENT PROVIDED IN THE EVENT OF TERMINATION OF OFFICE OR TERMINATION OF EMPLOYMENT

As of the date of approval of this Report, there is a severance allowance (TFM - Termination Benefit) payable to the Chairman of the Board of Directors alone in the amount of 10% of the gross annual compensation (fixed portion) for each fiscal year during the term of office. This termination allowance will be paid in full upon termination of the directorship.

Agreements may, in addition, be entered into with Directors and/or Executives with Strategic Responsibilities that regulate *ex ante* the economic aspects in the event of termination of office, or relating to the possible early termination of the relationship at the initiative of the Company or the person concerned.

Finally, non-competition agreements may be entered into with Executive Directors, Executives with Strategic Responsibilities as well as with specific professional figures with strategic knowledge, for whom it is necessary to provide such a constraint, in compliance with the applicable legal requirements and limits.

N. INFORMATION ON THE PRESENCE OF ANY INSURANCE COVERAGE, I.E., SOCIAL SECURITY OR PENSION COVERAGE, OTHER THAN COMPULSORY COVERAGE

In addition to the mandatory coverages, all members of management and supervisory bodies and Executives with Strategic Responsibilities benefit from insurance (D&O) to cover liability arising from the exercise of their office.

O. COMPENSATION POLICY, IF ANY, FOLLOWED WITH REFERENCE TO (I) INDEPENDENT DIRECTORS, (II) SERVING ON COMMITTEES, AND (III) HOLDING PARTICULAR OFFICES (CHAIRMAN, VICE CHAIRMAN, ETC.)

Please refer to the discussion in the previous Section F.1.

P. INFORMATION ABOUT THE USE OF OTHER COMPANIES' REMUNERATION POLICIES AS A REFERENCE AND, IF SO, AN INDICATION OF THE CRITERIA USED TO SELECT THEM

The Company did not deem it necessary to use specific references to the remuneration policies of other companies in establishing the Remuneration Policy.

Q. ELEMENTS OF THE REMUNERATION POLICY FROM WHICH, UNDER EXCEPTIONAL CIRCUMSTANCES, AN EXCEPTION MAY BE MADE AND, SUBJECT TO THE PROVISIONS OF REGULATION NO. 17221 OF MARCH 12, 2010, ANY ADDITIONAL PROCEDURAL CONDITIONS UNDER WHICH THE EXCEPTION MAY BE APPLIED

As provided for in Article 123-ter, paragraph 3-bis of the TUF and Article 84-quater of the Issuers' Regulations, Civitanavi Systems reserves the right to temporarily derogate from its Remuneration Policy under exceptional circumstances. Exceptional circumstances are generally understood to be situations in which the waiver is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or to ensure its resilience in the market such as, for example, (i) the occurrence, at the national or international level, of extraordinary and unforeseeable events concerning the Group or the sectors and/or markets in which it operates, which may significantly affect the Group's results; (ii) the intervention of substantial changes in the organization of business activity, whether of an objective nature (such as extraordinary transactions, mergers, disposals, etc.), and of a subjective nature, such as changes in the top management structure.

In the event that the prerequisites are met, the Board of Directors, upon the opinion of the Remuneration and Appointments Committee, without prejudice to the provisions of the Related Parties Regulations and the Procedure adopted by the Company regarding transactions with related parties, may temporarily waive the Remuneration Policy in the circumstances identified above. Such waivers may relate to the modification and/or replacement of performance targets and quantitative parameters related to remuneration and, in any case, the following:

- Fixed component of remuneration
- Short-term variable component (MBO)
- Long-term variable component (LTIP)
- Non-monetary benefits
- Severance pay
- Additional insurance, social security and pension coverage.

R. REMUNERATION OF THE BOARD OF STATUTORY AUDITORS

With reference to the remuneration of the Board of Statutory Auditors, please refer to the previous Section F.

SECTION II

REPORT ON FEES PAID FOR THE YEAR 2023

This section is divided into two parts illustrating respectively:

- in Part One, the different elements that make up the remuneration of Directors, Statutory Auditors and - in aggregate form - Executives with Strategic Responsibilities (including treatments provided in the event of termination of office or termination of employment);
- in Part Two, by means of the attached tables, the remuneration paid in 2023 by the Company and its subsidiaries to the persons referred to in the preceding paragraph and information on the shareholdings in the Company held by them and persons related to them.

This Section is subject to a non-binding vote by the Shareholders' Meeting as provided for in Article 123-ter of the TUF (updated in accordance with Legislative Decree No. 49 of May 10, 2019), which provides in Paragraph 6: *“Without prejudice to the provisions [...] the Shareholders' Meeting convened [...] shall resolve in favor of or against the second section of the report provided for in Paragraph 4. The resolution shall not be binding.”*

In addition, the person appointed to conduct the statutory audit of the Financial Statements shall verify that the directors have prepared this Section, as required by Article 123-ter of the TUF.

With reference to the representation of each of the items that make up remuneration, including treatments provided in the event of termination of office or termination of employment, please also refer to what has already been described analytically in Section I.

The implementation of the Policy during 2023, as verified by the Compensation and Nomination Committee at its meeting on March 13, 2024, during the assessment required by the Corporate Governance Code, was consistent with the Company's overall performance and with the provisions of corporate resolutions on compensation for the year ending December 31, 2023.

* * * *

PART ONE

In the first part of Section II of this Report, an adequate, clear and understandable representation of each of the items that make up the accrued remuneration with reference to the year 2023 in favor is provided:

- (i) Of the members of the Board of Directors;
- (ii) Of the members of the Board of Auditors;
- (iii) Of Executives with Strategic Responsibilities.

With regard to variable components, information is provided on how the performance objectives of the relevant Remuneration Policy have been applied. In particular, for those whose compensation is illustrated by name, an indication is provided of the objectives achieved in comparison with those planned, subject to the right to omit such information where necessary to protect the confidentiality of commercially sensitive information or unpublished forecast data, stating the reasons. An indication of the proportion between fixed and variable compensation within total remuneration is also provided, specifying the elements included in the calculation also by referring to the tables in Part Two.

With reference to the 2023 Stock Option Plan, when possible, detailed information is also provided by referring to the information contained in the aforementioned Plan, and in particular in the explanatory report and information document prepared in accordance with current regulations and available at www.civitanavi.com, “Governance Section”.

As a reminder, on October 13, 2021, the Shareholders' Meeting of Civitanavi Systems resolved to award:

- in favor of the Board of Directors (i) an overall gross remuneration of a maximum of Euro 500,000.00 per year, including a fee by way of “TFM - Severance Pay” to be recognized to the Chairman alone to the extent of 10% of the gross annual remuneration (fixed portion) for each fiscal year during the term of office; (ii) an additional fee in the maximum amount of Euro 300,000.00 that the Board may recognize in favor of one or more directors upon the achievement of specific results, all to the extent and according to the parameters that may be decided by the Board of Directors itself;
- in favor of the Board of Statutory Auditors, compensation in the amount of Euro 8,000.00 to the Chairman and Euro 6,000.00 to each of the other Standing Auditors.

On April 29, 2022, the General Shareholders’ Meeting resolved to adjust, effective as of the date of the meeting, the remuneration of the Board of Statutory Auditors set forth above as follows: to the Chairman of the Board of Statutory Auditors an annual gross remuneration of Euro 12,000 and to each regular member an annual gross remuneration of Euro 9,000.

The Board of Directors and the Shareholders’ Meeting on October 13, 2021 and December 21, 2021, respectively, resolved to allocate the above compensation as follows:

- to Andrea Pizzarulli, a gross annual compensation of Euro 200,000.00;
- to Michael S. Perlmutter, an annual gross compensation of Euro 100,000.00;
- To Thomas W. Jung an annual gross compensation of Euro 30,000.00;
- To Laura Guazzoni an annual gross compensation of Euro 15,000.00;
- To Maria Serena Chiucchi a gross annual compensation of Euro 15,000.00;
- Tullio Rozzi an annual gross compensation of Euro 15,000.00;
- Mario Damiani an annual gross compensation of Euro 15,000.00.

Please note that the Company has identified two Executives with Strategic Responsibilities in the persons of Letizia Galletti and Massimo Verola.

On March 16, 2023, the Board of Directors, after receiving the favorable opinion of the Compensation and Nomination Committee, resolved to award for the year 2023 in favor of executive directors Andrea Pizzarulli and Michael S. Perlmutter and the Executives with Strategic Responsibilities Letizia Galletti and Massimo Verola, an annual gross variable compensation subject to the Company’s finalization of at least one M&A transaction by December 31, 2023 and parameterized to the growth of a predefined target range of adjusted Ebitda margin as of December 31, 2023.

On March 16, 2023, the Board of Directors, after obtaining the favorable opinion of the Nomination and Remuneration Committee, resolved to submit to the Shareholders’ Meeting of Civitanavi Systems, the adoption, pursuant to Art. 114-*bis* of the TUF, the 2023 Stock Option Plan, which provides for the free assignment, in favor of directors, including non-executive directors, executives and employees of the Company and/or its subsidiaries, of options for the subscription and purchase of ordinary shares of the Company, in the *ratio* of one share for each option assigned, under the terms and conditions set forth in the relevant regulations. The 2023 Stock Option Plan was approved by the Ordinary Shareholders’ Meeting held on April 27, 2023. During 2023, the 2023 Stock Option Plan was partially executed through the grant of a total of 881,315 options to a total of 97 beneficiaries.

For the sake of completeness, it should be noted that under a stock option plan implemented by the parent company Civitanavi Systems Ltd for the benefit of certain employees of Civitanavi Systems S.p.A., Executives with Strategic Responsibilities Letizia Galletti and Massimo Verola received on March 14, 2023 and March 10, 2023, respectively, in assignment a total of 64,409 shares of Civitanavi Systems S.p.A. for a total value of Euro 222,211.05.

1. ITEMS THAT MAKE UP REMUNERATION 2023

Members of the Board of Directors

- Andrea Pizzarulli (Chairman and Chief Executive Officer): (i) “base” compensation as a director of the Company; (ii) gross annual variable compensation contingent on the achievement of corporate objectives; and (iii) benefits of a non-cash nature;
- Michael Perlmutter (Director): (i) “base” compensation as a director of the Company; (ii) gross annual variable compensation contingent on the achievement of corporate objectives; and (iii) benefits of a non-cash nature;
- Thomas W. Jung (Director): (i) fixed “base” compensation as a director of the Company; (ii) non-cash benefits;
- Mario Damiani (Director): (i) fixed “base” compensation as a director of the Company; (ii) variable compensation that provides for the granting of options to subscribe to and purchase ordinary shares of the Company under the 2023 Stock Option Plan; and (iii) benefits of a non-cash nature;
- Laura Guazzoni (Director): (i) fixed “base” compensation as a director of the Company; (ii) compensation as Chair of the Compensation and Nominating Committee; (iii) compensation as Chair of the Risk Control, Related Party Transactions and Sustainability Committee.
- Maria Serena Chiucchi (Director): (i) fixed “base” compensation as a director of the Company; (ii) compensation as a member of the Compensation and Appointments Committee; (iii) compensation as a member of the Risk Control, Related Party Transactions and Sustainability Committee.
- Tullio Rozzi (Director): (i) fixed “base” compensation as a director of the Company; (ii) compensation as a member of the Compensation and Appointments Committee; (iii) compensation as a member of the Risk Control, Related Party Transactions and Sustainability Committee.

Members of the Board of Statutory Auditors

- Donadio (Chairman): the compensation for the position of Chairman of the Board of Statutory Auditors of the Company;
- Cesare Tomassetti (Standing Auditor): the compensation for serving as a standing auditor of the Company;
- Eleonora Mori (Standing Auditor): the compensation for the position of Standing Auditor of the Company.

Executives with Strategic Responsibilities

- No. 2 Executives with Strategic Responsibilities: (i) fixed compensation as an executive; (ii) gross annual variable compensation; (iii) variable compensation involving the award of options to subscribe to and purchase the Company’s common stock under the new 2023 Stock Option Plan; and (iv) non-cash benefits.

2. AGREEMENTS THAT PROVIDE INDEMNITIES IN THE EVENT OF EARLY TERMINATION OF THE RELATIONSHIP

As of the date of approval of this Report, there are no agreements with directors, aimed at recognizing treatments in the event of termination of office or termination of employment, except in any case the obligations of the law and/or national collective contract of reference.

3. EXCEPTIONS TO THE REMUNERATION POLICY FOR EXCEPTIONAL CIRCUMSTANCES

No exceptions to the Remuneration Policy were applied during 2023.

4. APPLICATION OF *EX POST* CORRECTION MECHANISMS OF THE VARIABLE COMPONENT

No *ex post* correction mechanisms for the variable component were applied in financial year 2023.

5. COMPARISON INFORMATION

Comparison information is given for the Company's listing period between the annual change:

- (i) Of the total remuneration of each of the individuals for whom the information in this Section of the Report is provided by name;
- (ii) Of the results of the Company;
- (iii) Of the average gross annual remuneration, parameterized on full-time employees, of employees other than those whose remuneration is represented by name in this Section of the Report.

Comparison information, total compensation	Charge	2022	2023
Andrea Pizzarulli	President and CEO	203.234	343.234
Michael Perlmutter	Councilor	100.000	100.000
Thomas Jung	Councilor	30.000	30.000
Mario Damiani	Councilor	13.036	15.000
Laura Guazzoni	Councilor	20.857	24.000
Maria Serena Chiucchi	Councilor	17.380	20.000
Tullio Rozzi	Councilor	17.380	20.000
Marco Donadio (1)	Chairman of the Board of Statutory Auditors	10.667	12.000
Cesare Tomassetti (1)	Acting auditor	8.000	9.000
Eleonora Mori (1)	Acting auditor	8.000	9.000

Results of the Company (Euro thousand) (2)	2022	2023	2023 Consolidated
Total Adjusted Revenues	34.412	45.905	46.010
Adjusted EBITDA	9.948	13.429	13.107
EBITDA Adjusted margin	28,9%	29,3%	28,5%
Adjusted EBIT	8.873	11.727	11.347
EBIT Adjusted margin	25,8%	25,5%	24,7%
Profit (loss) for the year Adjusted	7.864	8.798	8.010
Profit for the year Adjusted margin	22,9%	19,2%	17,4%
Net financial position	(24.522)	(22.602)	(22.516)

Average gross annual compensation of employees not listed by name	2022	2023
Average gross annual remuneration	34.735	35.250

- (1) The members of the Board of Statutory Auditors are also granted a 4% surcharge on their fees for the mandatory contribution to the professional Social Security and Welfare Fund.
- (2) Reported results refer to the results of Civitanavi Systems S.p.A. For 2023, consolidated figures (first year of consolidation) are also reported.

6. CONSIDERATIONS ON THE SHAREHOLDERS' MEETING VOTE ON SECTION II OF THE PREVIOUS YEAR'S REPORTS.

The Shareholders' Meeting held on April 27, 2023, voted favorably on Section II of the Report, with a non-binding resolution approved unanimously by the voting participants, who did not express specific evaluations; therefore, the Company believes that it has adequately represented the items that make up the remuneration of the relevant individuals indicated in this Section II in accordance with the requirements of the applicable regulations.

PART TWO - TABLES

TABLE 1: COMPENSATION PAID (OR YET TO BE PAID AS OF THE DATE OF APPROVAL OF THE REPORT, BUT PERTAINING TO FISCAL YEAR 2023) TO MEMBERS OF THE ADMINISTRATIVE AND SUPERVISORY BODIES, GENERAL MANAGERS, AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES.

(A) First and Last Name	Description charge			Fees								
	(B) Charge	(C) Period for which the office was held	(D) Expiration of term of office	(1) Fixed fees €	(2) Compensation for participation in committees €	(3) Non-equity variable compensation €		(4) Non-monetary benefits €	(5) Other compensation €	(6) Total (*) €	(7) Fair Value of Equity Compensation €	(8) Allowance for termination of office or termination of employment €
						Bonuses and other incentives	Profit sharing					
Compensation in Civitanavi Systems as well as from subsidiaries and affiliates (**)												
Andrea Pizzarulli	President Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				200.000	-	140.000	-	3.234	-	343.234	-	-
Total compensation from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				200.000	-	140.000	-	3.234	-	343.234	-	-
Michael Perlmutter	Councilor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				100.000	-	-	-	-	-	100.000	-	-
Total compensation from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				100.000	-	-	-	-	-	100.000	-	-

Thomas W. Jung	Councilor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				30.000	-	-	-	-	-	30.000	-	-
Total compensation from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				30.000	-	-	-	-	-	30.000	-	-
Mario Damiani	Councilor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				15.000	-	-	-	-	-	15.000	35.145,66	-
Total compensation from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				15.000	-	-	-	-	-	15.000	35.145,66	-
Laura Guazzoni	Councilor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				15.000	9,000 (a)(c)	-	-	-	-	24.000	-	-
Total compensation from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				15.000	9.000	-	-	-	-	24.000	-	-
Maria Serena Chiucci	Councilor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				15.000	5,000 (b)(d)	-	-	-	-	20.000	-	-
Total compensation from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-

Total				15.000	5.000	-	-	-	-	20.000	-	-
Tullio Rozzi	Councilor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				15.000	5,000 (b)(d)	-	-	-	-	20.000	-	-
Total compensation from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				15.000	5.000	-	-	-	-	20.000	-	-

(*) Column (6) "Total" adds up items (1) to (5).

(**) None of the members of the Company's Board of Directors received compensation in subsidiaries or affiliates of Civitanavi Systems.

LEGEND

(1) FIXED FEES

(i) Emoluments pertaining to the assembly also unpaid.

(ii) Compensation received for holding special offices, pursuant to Article 2389, Paragraph 3 of the Civil Code.

(2) COMPENSATION FOR PARTICIPATION IN COMMITTEES

(a) For the position of Chairman of the Compensation and Nominating Committee.

(b) To serve as a member of the Compensation and Nominating Committee.

(c) For the position of Chairman of the Audit Risk, Related Party Transactions and Sustainability Committee.

(d) To serve as a member of the Audit Risk, Related Party Transactions and Sustainability Committee.

(3) NON-EQUITY VARIABLE COMPENSATION

Column (3), section "Bonuses and other incentives," includes the portions of remuneration accrued (*vested*), even if not yet paid, during the fiscal year for objectives achieved during the year, against the existing cash incentive plan. The amount is shown on an accrual basis even if the approval of the financial statements has not yet taken place and also for the portion of the bonus that may be subject to deferral. This value corresponds to the sum of the amounts shown in Table 3B, columns 2A, 2B and 4, row (III).

(7) FAIR VALUE OF EQUITY COMPENSATION

Column (7) shows the *fair value* as of the grant date of compensation for the year under the 2023 *Stock Option Plan*, estimated in accordance with international accounting standards. This value corresponds to the amount shown in column 16, row III, of Table 2.

Board of Auditors	Description charge			Fees								
(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
First and Last Name	Charge	Period for which the office was held	Expiration of term of office	Fixed fees €	Compensation for participation in committees €	Non-equity variable compensation €		Non-monetary benefits €	Other compensation €	Total € (*)	Fair Value of Equity Compensation €	Allowance for termination of office or termination of employment €
						Bonuses and other incentives	Profit sharing					
Compensation in Civitanavi Systems as well as from subsidiaries and affiliates												
Marco Donadio	President Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				12.000	-	-	-	-	-	12.000	-	-
Total from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				12.000	-	-	-	-	-	12.000	-	-
Cesare Tomassetti	Statutory Auditor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				9.000	-	-	-	-	-	9.000	-	-
Total from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				9.000	-	-	-	-	-	9.000	-	-

Eleonora Mori	Statutory Auditor Civitanavi Systems S.p.A.	01/01/2023 - 31/12/2023	Budget approval 12/31/2023									
Total compensation in Civitanavi Systems				9.000	-	-	-	-	-	9.000	-	-
Total from subsidiaries and affiliates				-	-	-	-	-	-	-	-	-
Total				9.000	-	-	-	-	-	9.000	-	-

(*) Column (6) “Total” adds up items (1) to (5).

LEGEND

(1) FIXED FEES

Emoluments pertaining to the assembly also unpaid. It should be noted that the members of the Board of Statutory Auditors are also given a 4% surcharge on their fees for the mandatory contribution to the Social Security and Welfare Fund of the category.

Executives with Strategic Responsibilities (A)	Fees								
	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Fixed fees €	Compensation for participation in committees €	Non-equity variable compensation €		Non- monetary benefits €	Other compensa tion LTPI €	Total (* €	Fair Value of Equity Compensatio n €	Allowance for termination of office or termination of employment €
			Bonuses and other incentives	Profit sharing					
No. 2 Executives with Strategic Responsibilities	171.678	-	25.336	-	5.532	-	202.546	328.583,86	-

(*) Column (6) "Total" adds up items (1) to (5).

LEGEND

(1) FIXED FEES

Fixed employee compensation before social security and tax charges payable by the employee, excluding mandatory collective social security charges payable by the company and provision for severance pay.

(3) NON-EQUITY VARIABLE COMPENSATION

Column (3), section "Bonuses and other incentives," includes the portions of remuneration accrued (*vested*), even if not yet paid, during the fiscal year for objectives achieved during the year, against the existing cash incentive plan. The amount is shown on an accrual basis even if the approval of the financial statements has not yet taken place and also for the portion of the bonus that may be subject to deferral. This value corresponds to the sum of the amounts shown in Table 3B, columns 2A, 2B and 4, row (III).

(7) FAIR VALUE OF EQUITY COMPENSATION

Column (7) shows the *fair value* as of the grant date of compensation for the year under the 2023 *Stock Option Plan*, estimated in accordance with international accounting standards. This value corresponds to the amount shown in column 16, row III, of Table 2.

TABLE 2: STOCK OPTIONS GRANTED TO MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS, AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES.

For each person covered by the 2023 *Stock Option Plan*, the following are indicated:

- options held at the beginning of the year, showing the exercise price and the period of possible exercise;
- options granted during the year, showing the exercise price, the period of possible exercise, the *fair value* on the grant date, the grant date, and the market price of the underlying shares on that date;
- options exercised during the year, showing the exercise price and the market price of the underlying shares at the time of exercise;
- options expired in the year;
- options held at the end of the year;
- The *fair value* of options for the year.

A	B	(1)	Options held at the beginning of the exercise			Options granted during the year						Options exercised during the fiscal year			Options expired in the fiscal year zio (14)	Options held at the end of the fiscal year (15) = (2)+(5)-(11)-(14)	Options of accrual of the fiscal year (16)	
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)				
Name and surname	Charge	Plan	Number of options	Operating price	Possible period of operation (from - to)	Number of options	Operating price	Possible period of operation (from - to)	Fair value at date of allocation	Date of assignment	Market price of the shares underlying the option grant	Number of options	Operating price	Market price of the underlying shares on the exercise date	Number of options	Number of options	Fair value	
Mario Damiani	Director Civitanavi Systems S.p.A.	2023 Stock Option Plan																
(I) Compensation in the reporting company		Stock Option Plan 2023 (resolution date 27/04/2023)				9.138	3,8461	1 tranche: 29/05/2027 - 29/06/2027 2 tranche: 29/05/2028 - 29/06/2028 3 tranche: 29/05/2029 - 29/06/2029	35.145,66	07/11/2023	4,00						9.138	35.145,66
(II) Compensation from subsidiaries and affiliates																		
(III) Total						9.138			35.145,66								9.138	35.145,66

TABLE 3B: MONETARY INCENTIVE PLANS FOR DIRECTORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL

Directors and Executives with Strategic Responsibilities.									
First and Last Name	Charge	(1) Plan	(2) Bonus of 2023			(3) Bonuses from previous years			(4) Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Dispensable/Dispensable	Deferred	Deferment period	No longer deliverable	Dispensable/Dispensable	Still Differentiated	
Compensation in Civitanavi Systems									
Andrea Pizzarulli	President Civitanavi Systems S.p.A.	Short-term variable incentive system	140.000	-	-	-	-	-	-
No. 2 Executives with Strategic Responsibilities	Executives with Strategic Responsibilities Civitanavi Systems S.p.A.	Short-term variable incentive system	25.336	-	-	-	26.000	-	-

SCHEME 7-TER ANNEX 3A CONSOB ISSUERS REGULATION

TABLE 1: SHAREHOLDINGS OF DIRECTORS, AUDITORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL

Board of Directors²	Charge	Investee company Civitanavi Systems / Subsidiary Company	No. of shares held as of 12/31/2022	No. of shares purchased in 2023	No. of shares sold in 2023	No. of shares held as of 12/31/2023
Andrea Pizzarulli	President and CEO	-	-	-	-	-
Michael Perlmutter	Councilor	-	-	-	-	-
Thomas Jung	Councilor	-	-	-	-	-
Mario Damiani	Councilor	-	-	-	-	-
Laura Guazzoni	Councilor	-	-	-	-	-
Maria Serena Chiucchi	Councilor	-	-	-	-	-
Tullio Rozzi	Councilor	Civitanavi Systems	1.250	-	-	1.250

Board of Auditors	Charge	Investee company Civitanavi Systems / Subsidiary Company	No. of shares held as of 12/31/2022	No. of shares purchased in 2023	No. of shares sold in 2023	No. of shares held as of 12/31/2023
Marco Donadio	President From 01/01/2023 to 12/31/2023	-	-	-	-	-
Cesare Tomassetti	Statutory Auditor From 01/01/2023 to 12/31/2023	-	-	-	-	-
Eleonora Mori	Statutory Auditor From 01/01/2023 to 12/31/2023	-	-	-	-	-

Other Executives with Strategic Responsibilities	Investee company Civitanavi Systems / Subsidiary Company	No. of shares held as of 12/31/2022	No. of shares purchased in 2023	No. of shares sold in 2023	No. of shares held as of 12/31/2023
No. 2 Executives with Strategic Responsibility	Civitanavi Systems	-	64.409	-	64.409

² It should be noted that CivitanaviSystems Ltd (the issuer's parent company) is owned by Andrea Pizzarulli for 37.38 percent of the share capital, Michael Perlmutter for 37.38 percent of the share capital, and Thomas Jung for 9.77 percent of the share capital; the latter also participates in the share capital through Jung Technologies Holding AG for 15.47 percent of the share capital.

