



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

FINANCIAL YEAR 2023

**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

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GLOSSARY

Shareholders' Meeting	Means the shareholders' meeting of the Issuer.
Shares or Ordinary Shares	Means the Issuer's ordinary shares.
Shareholder	Means the holders of the Issuer's Shares.
Borsa Italiana	Means Borsa Italiana S.p.A., a company of the <i>London Stock Exchange</i> group, with registered office in Milan, Piazza degli Affari, no. 6.
Code or Corporate Governance Code	Means the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.
Italian Civil Code/c.c.	Means the Royal Decree no. 262 of 16 March 1942 -XX, as amended from time to time.
Board of Statutory Auditors	Means the Board of Statutory Auditors of the Issuer.
Board or Board of Directors	Means the Board of Directors of the Issuer.
Consob	Means the Commissione Nazionale per le Società e la Borsa (<i>National Commission for Companies and the Stock Exchange</i>) with registered office in Rome, Via G.B. Martini no 3.
Qualitative and Quantitative Criteria	Means the qualitative and quantitative criteria for the purpose of assessing the independence requirements of directors and statutory auditors, defined by the Board of Directors' resolution of March 24 th , 2022, pursuant to Recommendation 7, first sentence, letters c) and d), in Article 2 of the Corporate Governance Code.
Trading Starting Date	Means the date of commencement of trading of the Shares on Euronext Milan, <i>i.e.</i> February 17 th , 2022.
Issuer or Civitanavi Systems or Company	Means Civitanavi Systems S.p.A. with registered office in Via del Progresso no 5, 63827 Pedaso (FM), VAT number, tax code and registration number 01795210432, R.E.A. FM-200518.
Financial Year	Means the financial year 2023.
Euronext Milan	Means Euronext Milan, a market managed by Borsa Italiana where shares, SIIQ (<i>Listed Real Estate Investment Companies</i>) shares, convertible bonds, option rights and warrants are traded.
Civitanavi Group or Group	Means, collectively, 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.
Instructions to the Stock Exchange Regulations	Means the Instructions to the Regulation of the Markets organised and managed by Borsa Italiana, in force as of the date of the Report.

SME	Means small and medium-sized enterprises issuing listed shares as referred to in Article 1, paragraph 1, letter <i>w-quater</i> of the TUF.
Policy of Dialogue with the Generality of Shareholders	Means the Policy approved - upon proposal of the Chairman also in his capacity as Chief Executive Officer - by the Issuer's Board of Directors on March 24 th , 2022, also taking into account the commitment policies adopted and communicated to the public by institutional investors and asset managers and compliant with Recommendation 3 of the Corporate Governance Code.
RPT Procedure	Means the procedure concerning the completion of transactions with Related Parties, adopted by the Issuer in compliance with the provisions of Article 2391- <i>bis</i> of the Italian Civil Code and the RPT Regulation.
Listing Prospectus or Prospectus	Means the Prospectus of the Company filed with Consob on February 22 nd , 2022, following communication of the approval measure by note dated February 2 nd , 2022, protocol no. 0196579/22.
Board Regulation	Means the regulation of the Board of Directors of the Issuer approved by the Board of Directors on October 13 th , 2021.
CR Committee Regulation	Means the regulation of the Control and Risk, Related Party Transactions and Sustainability Committee adopted by the Board of Directors on October 13 th , 2021 and subsequently amended on June 27 th , 2023.
AR Committee Regulation	Means the regulation of the Appointments and Remuneration Committee adopted by the Board of Directors on October 13 th , 2021.
Stock Exchange Regulation	Means the Regulation of the Stock Exchange Markets organised and managed by Borsa Italiana, adopted by the Board of Directors of Borsa Italiana, in force as of the date of the Report.
Issuers' Regulation	Means the implementing regulation of the TUF, concerning the regulation of issuers, adopted by Consob with Resolution no. 11971 of May 14 th , 1999, as amended and supplemented from time to time.
MAR Regulation	Means Regulation (EU) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, 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.
Consob Market Regulations	Means to the Regulation adopted by Consob with resolution no. 20249 of December 28 th , 2017 relating to capital markets.
Related Parties Regulation or RPT Regulation	Means the regulation containing provisions on related party transactions, adopted by Consob with resolution no. 17221 on March 12 th , 2010, as subsequently amended and supplemented.
Report	Means this report on corporate governance and ownership structure prepared pursuant to Article 123- <i>bis</i> of the TUF.
Remuneration Report	Means the report on the policy relating to remuneration and already paid compensation drawn up by the Company pursuant to Article 123- <i>ter</i> TUF and 84- <i>quater</i> Issuers' Regulation.

Subsidiaries	Means the companies, directly or indirectly, controlled by the Company pursuant to Article 93 of the TUF. “ Control ” and “ control ” have the corresponding meanings.
Auditing Company	Means the auditing firm BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi no. 94, registered with the Companies’ Register of Milan, Monza Brianza and Lodi, registration number, tax code and VAT number 07722780967, registered 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 July 17 th , 2016.
By-Laws	Means the by-laws of the Company in force at the date of this Report.
TUF	Means the Testo Unico delle disposizioni in materia Finanziaria (<i>Consolidated Law of the provisions on Financial Intermediation</i>), adopted by Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

Introduction

The purpose of this Report, approved by the Board of Directors on March 14th, 2024, is to provide a general overview of the Issuer's corporate governance system and ownership structure, as well as additional information on the Issuer's implementation of the provisions contained in the principles and recommendations of the Corporate Governance Code with reference to the Financial Year. The Report was drawn up in accordance with Article 123-*bis* of the TUF and in light of the recommendations of the Code, as well as taking into account the document "format per la relazione sul governo societario e gli assetti proprietari" (*format for the report on corporate governance and ownership structure*) (9th Edition, January 2022) drawn up by Borsa Italiana.

On January 31st, 2022, Borsa Italiana admitted the listing of the Shares on Euronext Milan, and the trading activity of the Shares on such market commenced on February 17th, 2022 (the "**Trading Starting Date**").

1. Issuer's Profile

The Issuer, incorporated in Italy on June 4th, 2012, is active in the design, development, production, marketing and wholesale, both in Italy and abroad, of inertial sensors, inertial and satellite navigation systems (including components and accessories) and inertial stabilisation used in the Aerospace and Defence (with application in space, ground, aeronautical and naval activities) and industrial (mining and Oil & Gas) sectors, as well as in consultancy to companies active in the same sectors.

Pursuant to Principle I of the Code, the concrete manners the Issuer's Board of Directors construes its leadership role with the aim of pursuing sustainable success - *i.e.* the creation of long-term value for the benefit of the Shareholders, taking into account the interests of other *stakeholders* relevant to the Issuer and the environmental, social and economic impacts that its actions may have - are illustrated in Sections 4.1, 4.4, 8 e 9 of this Report.

The Issuer also maintains a fair, transparent and differentiated dialogue with its shareholders and, more generally, with its *stakeholders*, believing that establishing and maintaining a constant and ongoing relationship with the same is a major interest, as well as a duty towards the market.

In this perspective, on March 24th, 2022, the Board of Directors approved an *ad hoc* policy aimed at conforming the rules of corporate governance and management of dialogue with the Shareholders to the principles set forth in the Corporate Governance Code. In fact, the Policy of Dialogue with the Generality of Shareholders pursues 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 parties involved, in various capacities, in *asset management* activities, as a functional tool to ensure sustainable success. For further information, please refer to Section 12 of this Report.

Civitanavi Systems' corporate governance system is structured according to the traditional administration and control model and consists of the corporate bodies indicated below:

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

Civitanavi Systems' governance also consists of the following internal committees of the Board of Directors: (i) the Risk and Control, Related Party Transactions and Sustainability Committee; and (ii) the Appointments and Remuneration Committee.

The audit is entrusted, in application of the relevant regulatory provisions in force, to an auditing company registered with the special register kept by Consob.

A Supervisory Board was also appointed pursuant to Legislative Decree 231/2001, which supervises the proper functioning of the Organisation, Management and Control Model of the Company pursuant to Legislative Decree 231/2001, as amended and updated.

Civitanavi Systems adheres to and is compliant with the Corporate Governance Code, approved by the Corporate Governance Committee of Borsa Italiana in January 2020 (available on Borsa Italiana's website: <http://www.borsaitaliana.it>), with the additions and adjustments consequent to the Group's characteristics indicated in this Report.

On June 27th, 2023, the Company's Board of Directors approved the Sustainability Report for the financial year 2022, the Company's first ESG-related reporting document: the document - prepared on a voluntary basis and not subject to limited review by an independent auditing firm - is available on the Company's website (<https://www.civitanavi.com/it/investors/bilanci-e-relazioni/>).

As of the date of approval of this Report, the Company, pursuant to the provisions of article 1, paragraph 1, letter *w-quarter.1*) of the TUF and article *2-ter* of the Issuers' Regulation, falls within the definition of an SME, as the simple average of daily capitalizations calculated with reference to the official price, recorded during the Financial Year, is below the threshold of Euro 500 million.

Consob, pursuant to Article *2-ter*, paragraph 5, of the Issuers' Regulation, publishes the list of SMEs, based on the capitalization values calculated by the same.

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

2. Information on the ownership structure (pursuant to Article 123-bis, paragraph 1, TUF)

a) Share capital structure (pursuant to Article 123-bis, paragraph 1, letter a) TUF)

As of 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 par value. The Shares are subject to the dematerialization regime pursuant to Articles *83-bis* et seq. of the TUF. The Shares are listed on Euronext Milan.

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

Share class	No. shares	% with respect to 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 with the right to express one vote in each ordinary and extraordinary shareholders' meetings of the Issuer, as well as to other property and administrative rights in accordance with the applicable provisions of law and the By-Laws.

On March 16th, 2023, the Board of Directors, having previously obtained the favorable opinion of the Appointments and Remuneration Committee, resolved to propose to the Shareholders' Meeting of Civitanavi Systems, the adoption, pursuant to art. *114-bis* of the TUF, of the 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, at the terms and conditions set forth in the relevant regulation. The Stock Option Plan was approved by the ordinary Shareholders' Meeting held on April 27th, 2023; on the same date, the same Shareholders' Meeting, in extraordinary composition, approved, to service the Stock Option Plan, a payable capital increase, with exclusion of option rights, up to a maximum amount - including share premium - of Euro 8,000,000.00, through the issuance of a maximum of 1,300,000 new ordinary shares with no par value. During 2023, the Stock Option Plan was partially executed through the assignment of a total of 881,315 options in favor of 97 beneficiaries in total.

For the sake of completeness, is to be noted that, by virtue of a stock option plan adopted by the controlling company Civitanavi Systems Ltd for the benefit of certain employees of Civitanavi Systems S.p.A., the Executives with Strategic Responsibilities Letizia Galletti and Massimo Verola were awarded, respectively on

March 14th, 2023 and March 10th, 2023, a total of 64,409 Shares of Civitanavi Systems S.p.A. for an overall countervalue of Euro 222,211.05.

b) Restrictions on the transfer of securities (pursuant to Article 123-bis, paragraph 1, letter b) TUF)

As of the date of approval of the Report, there are no restrictions on the transfer of securities and, more specifically, there are no restrictions on the free transferability of the Shares imposed by statutory clauses or by the issuing conditions (*i.e.*, pre-emption, approval, etc.), with the exception of the lock-up restriction applicable to the beneficiaries of the stock option plan adopted by the controlling company Civitanavi Systems Ltd referred to under letter a) above, in accordance with the conditions better described below.

More specifically, the aforesaid stock option plan provides for the assignment of option rights granting to the Issuer's employees the right to subscribe to Shares, also obliging the aforesaid beneficiaries to comply with a lock-up provision restricting their power to dispose of the subscribed Shares for a period of 18 months, which may be waived only and exclusively upon the occurrence of the following conditions: (i) that any transfer of said Shares on the market is completed at a price not lower than Euro 5 per Share (ii) that any transfer off the market is completed at a price not lower than Euro 4 per Share, equal to the initial listing price.

c) Significant holdings of capital (pursuant to Article 123-bis, paragraph 1, c) TUF)

The Shares are entered into the centralized management system provided for by the TUF.

As of the date of approval of the Report, the Company falls within the definition of an SME; therefore, pursuant to Article 120, paragraph 2, of the TUF, the relevant threshold for the purposes of disclosure requirements for significant shareholdings is equal to 5% of the share capital with voting rights.

On the basis of the Issuer's Shareholders' Register and taking into account the notices received pursuant to Article 120 of the TUF, the shareholders who, as of 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 pursuant to Article 93 of the TUF, are indicated in the following table.

SIGNIFICANT SHAREHOLDINGS IN THE CAPITAL			
Declarant	Direct shareholder	% of the stake with respect to ordinary capital	% of the stake with respect to voting capital
Civitanavi Systems Ltd	Civitanavi Systems Ltd	66.21%	66.21%
Athena S.p.A.	Athena S.p.A.	5.09%	5.09%

d) Securities conferring special rights (pursuant to Article 123-bis, paragraph 1, letter d), of the TUF)

As of the date of this Report, the Issuer has not issued any securities conferring special controlling rights. The Issuer's By-Laws do not provide for shares with multiple or increased voting rights.

Special powers of the State

The Issuer, in consideration of its activity, is subject to the discipline set forth in Decree-Law no. 21 of March 15th, 2012, ("**Decree-Law no. 21/2012**"), as converted with amendments by Law no. 56 of May 11th, 2012 ("**Law 56/2012**"), as amended and supplemented, regulating the special powers of the State in the sectors of defense and national security ("**Golden Power**").

The sectors have been identified by Prime Minister Decree ("**DPCM**") no. 179 of 2020 and DPCM no. 180 of 2020. In particular, the Issuer's activities are relevant both with respect to the defense and national security

sector, referred to in article 1 of Decree-Law no. 21/2012, and with respect to the non-military aerospace technologies and dual-use products sector, referred to in DPCM no. 179/2020.

Article 1 of Decree-Law no. 21/2012 provides that the State, with regard to companies that carry out “activities having strategic importance for the national defense and security system”, in the event of a threat of serious prejudice to essential defense and national security interests, may:

- a) apply specific conditions and recommendations to the notified operation;
- b) exercise the veto right on the transaction;
- c) veto the adoption of corporate resolutions of companies operating in strategic sectors that may have an impact on the ownership, control or the right of disposal of certain shareholdings or strategic assets.

In the implementation of Decree-Law no. 21/2012, the “activities of strategic importance for the national defense and security system” were then also identified by DPCM of November 30th, 2012, no. 253 (“**DPCM no. 253/2012**”), subsequently repealed and replaced by DPCM of June 6th, 2014, no. 108 (“**DPCM no. 108/2014**”).

Power of veto of the Italian State in relation to the adoption of certain corporate resolutions

As described above, the Italian State may exercise the power of veto with reference to the adoption of resolutions, acts or transactions by the Issuer’s shareholders’ meeting or board of directors in the matters listed under article 1, paragraph 1, letter b) of Decree-Law no. 21/2012.

In order to assess the threat of serious prejudice to essential defense and national security interests arising from the resolutions, acts or transactions referred to in letter b) of paragraph 1 of article 1 of Decree-Law no. 21/2012, the Government shall consider, taking into account the subject of the resolution, act or transaction, the strategic significance of the assets or enterprises to be transferred, the suitability of the structure resulting from the resolution, act or transaction to ensure the integrity of the national defense and security system, the security of military defense information, the international interests of the State, the protection of national territory, critical and strategic infrastructure and borders, as well as the other elements to be assessed in the event of the acquisition of stakes in certain specific cases.

According to the provisions of article 1, paragraph 4, of Decree-Law no. 21/2012, for the purpose of the possible exercise of the power of veto, the Issuer is required to notify the Presidenza del Consiglio dei Ministri (*Presidency of the Council of Ministers*), prior to the adoption of a resolution, act or transaction in the aforementioned matters, with full information on the resolution, act or transaction to be adopted and the Presidenza del Consiglio dei Ministri makes the relevant decisions and communicates them to the Issuer in the manner and within the time limits provided for by Decree-Law no. 21/2012 and Presidential Decree no. 35 of February 19th, 2014 (“**Presidential Decree no. 35/2014**”).

In particular, within forty-five working days from the notification (without prejudice to the possible suspension of the deadline for requests for information or preliminary enquiries in accordance with the same article 1, paragraph 4, of Decree-Law no. 21/2012), the President of the Council of Ministers shall notice any exercise of the power of veto. Once the aforementioned deadlines have elapsed without the exercise of a veto, the transaction may be carried out. The power of veto under article 1, paragraph 4, of Decree-Law no. 21/2012 is exercised in the form of the imposition of specific prescriptions or conditions whenever this is sufficient to ensure the protection of essential defence and national security interests. Resolutions or acts adopted in violation of the aforementioned power of veto are null and void. The Government may also order the Company and any counterparty to restore the previous situation at its own expense.

Decree-Law no. 21/2012, unless the act constitutes a criminal offence, imposes administrative fines of up to twice the value of the transaction and, in any event, not less than 1% of the aggregate turnover achieved by the companies involved in the last financial year for which the financial statements were approved, on anyone who fails to comply with the obligations, including those arising from the exercise of the power referred to in article

1, paragraph 1, letter b), of Decree-Law no. 21/2012, possibly exercised in the form of the imposition of specific requirements or conditions.

Power of the Italian State to impose conditions or oppose the purchase of shares in the Company

Pursuant to article 1, paragraph 5, of Decree-Law no. 21/2012, anyone - with the exception of the Italian State, Italian public entities or entities controlled by them - who acquires a stake in the Company in excess of the threshold set forth in article 120, paragraph 2, of the TUF, or a stake exceeding the thresholds of 3%, 5%, 10%, 15%, 20%, 25% and 50%, is required, within ten days of the aforesaid acquisition, to notify the Presidenza del Consiglio dei Ministri thereof, at the same time providing the necessary information, including a general description of the proposed acquisition, the purchaser and its sector of activity, for the assessments set forth in article 1, paragraph 3, of Law Decree no. 21/2012. Following the above-mentioned notification, the Italian State may impose specific conditions pursuant to article 1, paragraph 1, letter a), of Decree-Law no. 21/2012, or oppose the acquisition of the stake pursuant to article 1, paragraph 1, letter c), of Decree-Law no. 21/2012, in the event that it perceives a threat of serious prejudice to essential defense and national security interests arising from such acquisition.

Pursuant to Article 1, paragraph 3, of Decree-Law no. 21/2012, in order to assess the threat of serious prejudice to essential defense and national security interests arising from the acquisition of the stake referred to in letters a) and c) of article 1, paragraph 1, of Decree-Law no. 21/2012, the Government, in accordance with the principles of proportionality and reasonableness, considers, in light of the potential influence of the purchaser on the Company, also in consideration of the relevance of the acquired stake:

- (a) the adequacy, also taking into account the manner in which the acquisition is financed, the acquirer's economic, financial, technical and organizational capacity, as well as of the industrial project, with respect to the regular continuation of business, the maintenance of the technological assets, also with reference to the key strategic activities, the security and continuity of supplies, as well as the correct and timely performance of the contractual obligations undertaken towards public administrations, directly or indirectly, by the company whose stake is acquired, with specific regard to relations linked to national defense, public order and national security; and
- (b) the existence, also taking into account the official positions of the European Union, of objective reasons to believe that there may be links between the purchaser and third countries that do not recognize the principles of democracy or the rule of law, that do not respect the rules of international law or that have engaged in risky behavior towards the international community, inferred from the nature of their alliances, or have relations with criminal or terrorist organizations or with subjects linked to them in any way.

Decisions on the possible imposition of conditions or on the exercise of the power of opposition shall be made by the Presidenza del Consiglio dei Ministri and noticed to the purchaser within forty-five business days from the notification (without prejudice to the possible suspension of the deadline for requests for information or preliminary enquiries pursuant to article 1, paragraph 5, of Decree-Law no. 21/2012). Until the notification, and in any case until the expiry of the deadline for the imposition of conditions or for the exercise of the power of opposition, the voting rights and in any case those having a content other than patrimonial, pertaining to the shares representing the relevant stake, are suspended.

Should the Presidenza del Consiglio dei Ministri exercise the power to impose conditions, in the event of any breach or violation of the conditions imposed on the purchaser and for as long as the breach or violation persists, the voting rights, or in any case the rights having a content other than patrimonial, pertaining to the shares representing the relevant stake are suspended. Any resolutions adopted with the casting vote of such shares, as well as any resolutions or acts effected in breach or non-compliance with the conditions imposed, shall be null and void. A purchaser who fails to comply with the conditions imposed shall also be subject, unless the act consists of a criminal offense, to an administrative fine equal to double the value of the transaction and in any case not less than 1% of the turnover achieved in the last financial year relating to which the balance sheet was approved. Accordingly, unless the act consists of a criminal offence, and without prejudice to invalidity regimes provided for by law, anyone who fails to comply with the notification

obligations set forth in article 1 of Decree-Law no. 21/2012 shall be subject to a monetary administrative fine of up to twice the value of the transaction and, in any event, not less than 1% of the aggregate turnover achieved by the companies involved in the last financial year relating to which the financial statements were approved.

In the event of the exercise of the power to oppose the purchase of the stake, the transferee shall not exercise the voting rights, and in any case those having a content other than patrimonial, pertaining to the shares representing the relevant stake, and shall sell the same shares within one year. In the event of non-compliance, the Court, upon request of the Presidenza del Consiglio dei Ministri, shall order the sale of the aforesaid shares in accordance with the procedures set forth in article 2359-ter of the Italian Civil Code. Any shareholders' meeting resolutions adopted with the casting vote of such shares shall be null and void.

Therefore, anyone - excluding the Italian State, Italian public entities or entities controlled by the latter - who acquires stakes exceeding the thresholds set forth in article 1, paragraph 5, of Decree-Law no. 21/2012, shall be subject to the procedure of notification to the Presidenza del Consiglio dei Ministri for the purpose of the possible exercise by the Italian State of its special powers, which may, in certain cases, lead to the imposition of conditions or to the opposition by the latter to the acquisition of stakes of the Company by third parties. It should also be noted that article 3, paragraph 1, of Decree-Law no. 21/2012 provides that, without prejudice to the power to oppose the acquisition (under article 1, paragraph 1, letter c) of Decree-Law no. 21/2012), the acquisition, for any reason, by a person from outside the European Union of stakes of the Issuer is permitted subject to mutuality, in accordance with international agreements executed by Italy or the European Union.

The Issuer shall also notify, in accordance with the provisions of article 2, paragraph 2-bis of the aforesaid regulations, any resolutions, acts or transactions that result in changes in the ownership, control or power of disposal of such assets in favor of a party outside the European Union and resolutions of the shareholders' meeting or administrative corporate bodies concerning the merger or demerger of the Issuer, the transfer of the business or branches thereof in which such assets are included or the assignment of such assets as collateral, the transfer of subsidiaries holding such assets, or which results in the transfer of the registered office to a country outside the European Union, acts or transactions that result in a change in the destination of strategic assets, as well as any resolutions having as a subject a change in the corporate purpose, the dissolution of the company or the amendment of clauses in the by-laws that may have been adopted pursuant to article 2351, paragraph 3, of the Italian Civil Code or introduced pursuant to article 3, paragraph 1, of Decree-Law no. 332 of May 31st, 1994, converted into law, with amendments, by Law no. 474 of July 30th, 1994, as most recently amended by article 3 of Decree-Law no. 21/2012.

The President of the Council of Ministers shall notice of any veto within 45 days of the notification, without prejudice to 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 time limits provided for by the applicable legislation, the effectiveness of the relevant resolution, act or transaction must be suspended and that, only after the expiry of the aforesaid time limits, the transaction may be carried out.

In addition to the above, by virtue of the amendments introduced by Decree-Law no. 23 of April 8th, 2020, converted into law, with amendments, by Law no. 40 of June 5th, 2020 ("**Liquidity Decree**") to Decree-Law no. 105 of September 21st, 2019, converted into law, with amendments, by Law no. 133 of November 18th, 2019 ("**Decree on Special Powers in Sectors of Strategic Significance**") (article 4-bis, paragraph 3 and paragraph 3-bis), the notification obligation set forth in Decree-Law no. 21/2012 shall apply to the acquisition of stakes in the Issuer's share capital by:

- (a) 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 stake is purchased, pursuant to article 2359 of the Italian Civil Code and the TUF; and
- (b) foreign entities not belonging to the European Union (as identified pursuant to article 2, paragraph 5-bis of Decree-Law no. 21/2012) which grant a percentage 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 overall value of the investment is equal to or greater than one million Euro, provided that such entities shall also notify any

acquisitions of stakes which determine the exceeding of the thresholds of 15%, 20%, 25% and 50% of the capital.

Pursuant to article 2, paragraph 5, of Decree-Law no. 21/2012, the notification must be made by the purchaser, within 10 days of the completion of the acquisition, to the Presidenza del Consiglio dei Ministri. In calculating the relevant stake subject to the notification obligations, the stake held by third parties 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 with shall be taken into account.

Unless the act consists of a criminal offence and without prejudice to the cases of invalidity provided for by the law, failure to comply with the notification obligations referred to above (both in the sectors referred to in DPCM 179/2020 and in those referred to in DPCM 108/2014) shall entail the application of an administrative monetary fine 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 relating to which the financial statements were approved.

e) Employee share ownership: mechanism for exercising voting rights (pursuant to Art. 123-*bis*, paragraph 1, letter e), TUF)

As of the date of approval of the Report, no employee shareholding system in respect of which voting rights are not directly exercised by employees has been implemented.

f) Voting restrictions (pursuant to Article 123-*bis*, paragraph 1, letter f), TUF)

Each Ordinary Share grants the right to vote without limitation.

g) Shareholder agreements (pursuant to Article 123-*bis*, paragraph 1, letter g), TUF)

As of the date of approval of the Report, the Company is not aware of any shareholder agreements.

h) Change of control clauses (pursuant to Art. 123-*bis*, paragraph 1, letter h, TUF) and statutory provisions on takeover bids (pursuant to Art. 104, paragraph 1-*ter*, and 104-*bis*, paragraph 1, TUF)

Change of control clauses

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

Please note that the Company is a party to certain loan agreements - entered into with Intesa Sanpaolo S.p.A. (in 2023) and with BNL S.p.A. (in 2023) - that provide for negative pledge, internal cross default and change of control clauses, commitments to do and not to do, as well as disclosure obligations for the Issuer.

Statutory provisions on takeover bids

The By-Laws do not provide for any waivers of the passivity rule pursuant to article 104, paragraph 1-*ter*, TUF nor do they provide for the application of the neutralization rules pursuant to Article 104-*bis*, paragraph 1, TUF.

i) Powers to increase the share capital and authorizations to purchase treasury shares (pursuant to Art. 123-*bis*, paragraph 1, letter m), TUF)

Capital increases

As of the date of approval of the Report, no delegations of authority, not even partial, have been granted to the Board of Directors pursuant to Article 2443, paragraph 1, of the Italian Civil Code.

Treasury shares

On April 27th, 2023, the Company's Shareholders' Meeting resolved to authorize the launch of a treasury share purchase program within the limit of 20% of the share capital and for a maximum countervalue of Euro 24 million, delegating the Board of Directors to choose (i) the purchase price of treasury shares (within the limits of a countervalue neither lower nor higher than 15% compared to the official stock exchange price of the shares recorded by Borsa Italiana in the session prior to each individual transaction, as well as (ii) the technical modalities functional to said purchase, all in accordance with applicable regulations and the provisions of the Shareholders' Meeting.

By virtue of this authorization, on May 9th, 2023, the Board of Directors resolved (i) to launch, as of April 27th, 2023, the treasury share purchase program with a duration of 18 months; (ii) that the program is aimed at the purposes contemplated by the MAR Regulation, as well as at stabilizing, supporting liquidity and market efficiency and obtaining the availability of the so-called securities warehouse; (iii) that the purchases under the program may concern, also in more than one tranche, a maximum rotating number of Shares that, taking into account the Issuer's treasury Shares held in portfolio from time to time, do not exceed a total of 20% of the share capital; (iv) that the Shares may be sold, also before having completed all the purchases, in one or more tranches (v) to determine the maximum countervalue of the Issuer's Ordinary Shares that may be purchased in Euro 24 million (vi) the consideration for the purchase of each Share shall not be higher than the highest price between the price of the last independent transaction and the price of the highest current independent offer on the trading venues where the purchase is effected, provided that the unit price shall not be lower nor higher by 15% compared to the reference price recorded for the Issuer's security on the stock exchange market organized and managed by Borsa Italiana in the session preceding each single purchase transaction. As of December 31st, 2023, the Issuer held 49,386 treasury shares, equal to 0.16% of the share capital. As of the date hereof, the purchase program is still in progress - but temporarily suspended until April 24th, 2024 included - and the Issuer holds 62,650 treasury shares, equal to 0.20% of the share capital.

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

As of 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.

The information required by Article 123-bis, paragraph 1, letter i), TUF ("*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 relationship ceases as a result of a takeover bid*") is illustrated in the Remuneration Report which will be published pursuant to article 123-ter TUF and article 84-quater of the Issuers' Regulation (Section 8).

The information required by article 123-bis, paragraph 1, letter l), first part, TUF concerning the "*rules applicable to the appointment and replacement of directors (...) as well as to the amendment of the By-Laws, if different from the laws and regulations applicable by way of supplementary provisions*" is illustrated in the section of the Report on the Board of Directors (Section 4).

The information required by article 123-bis, paragraph 1, letter l), second part, TUF concerning the "*rules applicable (...) to the amendment of the by-laws, if different from the laws and regulations applicable by way of supplementary provisions*" is illustrated in the section of the Report on the Shareholders' Meeting (Section 13).

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

Civitanavi Systems has formally adhered, effective as of the Trading Starting Date, to the Corporate Governance Code, which is publicly available on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

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

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

The Company and its strategically important subsidiaries are not subject to non-Italian legal 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 has a crucial role in the governance system and is responsible for the functions and strategic and organizational guidelines of the Company and the Group. In light of its role, the Board of Directors is convened regularly and operates in such a manner as to ensure the effective fulfilment of its duties.

The Board of Directors is vested with the broadest powers for the administration of the Company, with the power to perform all appropriate acts for the achievement of the corporate purposes, with the exclusion of acts reserved - by law and by the By-Laws - to the Shareholders' Meeting's competence.

Pursuant to its Regulations and in accordance with Principle II of the Code, the administrative body exercises its management activities by pursuing the goal of sustainable success, intended as the creation of long-term value for the benefit of shareholders, considering the interests of other stakeholders relevant to Civitanavi Systems.

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

The Board of Directors also promotes, in accordance with Principle IV of the Code, dialogue with the generality of its shareholders through fair, transparent and differentiated forms of engagement, believing that the establishment and maintenance of a constant and ongoing relationship with all the main stakeholders is a specific interest of its own, as well as a duty towards the market. Please refer, in particular, to Section 12 of this Report.

For further 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 of the option to waive the obligation to publish the prescribed disclosure documents on the occasion of significant mergers, demergers, capital increases to be completed with contribution in kind, acquisitions and disposals, pursuant to articles 70, paragraph 8, and 71, paragraph 1-bis of the Issuers' Regulation.

4.2. Appointment and Replacement (pursuant to Article 123-bis, paragraph 1, letter I), Part I TUF)

The appointment and replacement of directors is governed by articles 17 and 18 of the By-Laws, in the text approved by the extraordinary Shareholders' Meeting on January 13th, 2022.

Pursuant to the provisions of law and of the By-Laws, the appointment of the members of the Issuer's administrative body is made on the basis of lists submitted by Shareholders who, alone or together with others at the time the list is submitted, hold at least the minimum percentage established by Consob of the share capital vested with voting rights in the context of the ordinary Shareholders' Meeting, which shall in any case be indicated in the notice of call. No Shareholder, including (i) any entity, including non-corporate entities, belonging to the same group of a Shareholder as controlling, controlled by, or under common control with, said Shareholder pursuant to article 2359 of the Italian Civil Code and Article 93 of the TUF (ii) Shareholders who are parties 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 applicable law and regulatory provisions, may submit - or participate in the submission of, not even through a third party or fiduciary company - of more than one list, nor may 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. Furthermore, the By-Laws provide that no Shareholder may vote for more than one list.

The lists submitted shall be deposited at the Company's registered office, also 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 applicable from time to time.

The lists may contain a maximum number of 11 (eleven) candidates indicated in sequential numbering, provided that each candidate shall be included in only one list, under penalty of ineligibility. Each list, which shall in any case be structured in such a way as to ensure compliance with the gender balance of the candidates in accordance with applicable laws and regulations, must also contain and expressly target at least one director who meets the independence requirements established pursuant to applicable laws and regulations, if it contains a number of candidates not exceeding 7 (seven), or at least two independent directors, if it contains a number of candidates exceeding 7 (seven).

In any case, all candidates shall meet the requirements of honorableness prescribed by the regulations in force and the relevant lists shall provide for:

- (a) information on the identity of the Shareholders who support the lists, with an indication of the total percentage of shareholding held, provided that the certification proving the ownership of such stake may also be produced after the filing of the lists, as long as it is within the deadline for their publication by the Company;
- (b) a declaration by the shareholders supporting the lists other than those who hold, even jointly, a controlling or relative majority stake, certifying the absence of any relationship of connection, even indirect, pursuant to the By-Laws and the laws and regulations applicable from time to time, with the latter;
- (c) exhaustive information on the personal and professional characteristics of the candidates and a declaration by the latter attesting the non-existence of causes of ineligibility and incompatibility, as well as the possession of the requirements, including those of independence where applicable, envisaged by the laws and regulations applicable from time to time and by the By-Laws;
- (d) the declaration by each candidate accepting their candidature;
- (e) any other or different statement, information and/or document required by the law, including regulatory provisions, applicable from time to time.

A list submitted in violation of or without complying with all of the above shall be deemed not to have been submitted.

If only one list is submitted, the Shareholders' Meeting shall resolve applying the legal quorum and all directors shall be elected from that list, according to the relevant order.

If more than one list is submitted, at the end of the voting, the candidates of the two lists which have obtained the highest number of votes shall be elected, provided that they exceed half of the percentage of the share capital required for the submission of lists, to be calculated at the time of voting, in accordance with the following criteria:

- (a) the list obtaining the higher number of votes has the right to appoint a number of directors equal to the total number of members of the Board of Directors except one, with the candidates belonging to that list being elected in the numerical order indicated therein, up to the maximum number of members due;
- (b) the list obtaining the second higher number of votes and that is not connected in any way, not even indirectly, with the Shareholders who submitted or voted for the majority list has the right to appoint a director, in the person of the candidate indicated with the first number on it.

In the event of an equal number of votes between two or more lists, the Shareholders' Meeting shall proceed to a new vote with regard exclusively to the lists in a tie, with the list obtaining the higher number of votes prevailing.

If the number of independent directors required by law is not reached at the end of the voting carried out in compliance with the above procedure, the candidate lacking the independence requirements elected as the last in numerical order in the list that received the higher number of votes must be replaced by the first candidate, not elected, who meets the independence requirements and belongs to the same list. If even this procedure does not guarantee the appointment of the necessary number of independent directors, the replacement must take place by a resolution passed by the Shareholders' Meeting by majority vote, subject to the submission of a list of candidates meeting the independence requirements.

Without prejudice to the foregoing, if as a result of the procedures described above, the composition of the Board of Directors results non compliant with the gender balance requirements, the candidate of the most represented gender elected as the last in numerical order from the single list submitted or, if more than one list is submitted, from the majority list, shall be replaced by the first unelected candidate from the same list belonging to another gender, and the procedure shall be repeated until a number of candidates equal to the minimum number required by the applicable gender balance regulations in force from time to time is elected. If the procedure described above does not ensure, in whole or in part, compliance with gender balance principles, the Shareholders' Meeting shall integrate the composition of the Board of Directors with the majority quorum required by law, ensuring that the requirement is met.

In the absence of lists and in the event that, through 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 does not have to be renewed, the Board of Directors is, respectively, appointed or supplemented by the Shareholders' Meeting with the majority quorum required by law and without recurring to list voting mechanism, so that the minimum requirements provided for by law and the regulations in force at the time regarding the independence of directors and gender balance are met.

On the other hand, with regard to the replacement of the members of the administrative body, if one or more directors cease from their office during the financial year, provided that the majority shall still consist of members appointed by the Shareholders' Meeting and the legal and regulatory requirements on independent directors and representation of minorities are met, the following procedure shall be followed *(i)* if the ceased director belongs to the minority list, the Board of Directors shall effect the replacement by co-optation pursuant to article 2386 of the Italian Civil Code from among the candidates belonging to the same list as the ceased director, if they meet the requirements *(ii)* if, on the other hand, for any reason, there are no available and eligible candidates, or if the ceased director belongs to 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.

The directors thus appointed shall remain in office until the next Shareholders' Meeting, and those appointed by the Shareholders' Meeting shall remain in office for as long as the directors they replaced.

The By-Laws also provide for a so-called '*simul stabunt simul cadent*' clause, pursuant to which, should the majority of the directors appointed by the Shareholders' Meeting cease to hold office for any reason, the entire Board of Directors shall cease to hold office and the directors remaining in office shall, or in the event of their inactivity the Board of Statutory Auditors, convene the Shareholders' Meeting to appoint a new Board of Directors.

The loss of the independence requirements envisaged by the law and/or the regulations in force at the time for a director shall not entail forfeiture of office if the minimum number of members - envisaged by the law and regulations in force at the time - in possession of the aforesaid independence requirements remain in office.

The By-Laws do not provide for the possibility of the dismissing Board of Directors to submit a list.

The By-Laws also do not provide for directors' independence requirements other than those set forth in article 148, paragraph 3, TUF, as referred to in article 147-ter, paragraph 4, without prejudice to the Company's adherence to the Corporate Governance Code. The Board of Directors also verifies the independence requirements pursuant to the Code itself and encourages, at the time of the appointment of the administrative body by the Shareholders' Meeting, the candidates for the office of director included in the lists to also declare their possession of such requirements, as adopted by the Company.

On March 16th, 2023, the Board of Directors, with the favorable opinion of the Appointments and Remuneration Committee issued on the same date, approved the Quantitative and Qualitative Criteria to be used in the process of verifying the independence of the Company's directors and statutory auditors, in order to assess the significance of the relationship between a director/independent auditor and the Company and/or the Group pursuant to Recommendation 7 of the Corporate Governance Code and in accordance with the TUF.

The Issuer is not subject to any further legal rules on the appointment and replacement of the Board of Directors, nor are there any further rules other than laws and regulations in connection with amendments to the By-Laws.

Please refer to the table in Section 4.3.1 for the identification, among the Directors in office at the date of the Report, of those who are independent pursuant to the TUF and pursuant to 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 the board committees in the processes of self-assessment, appointment and succession of Directors.

4.3. Composition (pursuant to Article 123-bis, paragraph 2, letter d) and d-bis) TUF)

Composition of the Board of Directors

The Shareholders' Meetings held on October 13th, 2021 and December 21st, 2021 appointed the Board of Directors, after determining the number of members, the term of their office and their remuneration. Specifically, the Shareholders' Meeting held on October 13th, 2021 resolved to appoint Mr. Andrea Pizzarulli, Mr. Michael Perlmutter and Mr. Thomas W. Jung as directors for 3 (three) 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, Ms. Laura Guazzoni and Ms. Maria Serena Chiucchi, the latter as independent directors. Subsequently, the Shareholders' Meeting held on December 21st, 2021, supplemented, effective as of the Trading Starting Date, the Board of Directors by appointing Mr. Tullio Rozzi and Mr. Mario Damiani as independent and non-executive directors, respectively.

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

Name and Surname	Office	Date of first appointment
Andrea Pizzarulli	Chairman of the Board of Directors and Chief Executive Officer	4 June 2012
Michael Perlmutter	Director	13 October 2021
Thomas W. 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 TUF, as referred to in article 147-ter, paragraph 4, of the TUF as well as pursuant to the Corporate Governance Code.

No list voting mechanism was applied for the appointment of the current Board of Directors.

The members of the Board of Directors have declared that they meet the integrity requirements established for controlling members by regulation of the Ministero della Giustizia (*Ministry of Justice*) pursuant to Article 148, paragraph 4, of the TUF.

In accordance with Principle V of the Code, art. 3 of the Board of Directors Regulation expressly provides that the Board of Directors shall be composed of persons *(i)* fully aware of the powers and obligations inherent to the functions each of them is supposed to perform, *(ii)* endowed with honorability, professionalism and skills appropriate to the role they hold and related to the Company's operational and dimensional characteristics *(iii)* with skills spread among all the members and diversified in such a way that each member can effectively contribute to identifying and pursuing the Company's strategies, *(iv)* who dedicate time and resources adequate to the complexity of their office and *(v)* who direct their action to the pursuit of the Company's overall interest, operating with autonomous judgement and independently of the corporate structure that voted them in.

The Company also adopts adequate training plans aimed at ensuring that the technical skills of the members of the Board of Directors (as well as the Board of Statutory Auditors and the heads of the main corporate functions), necessary to perform their role with awareness, are preserved over time; in the case of new appointments, specific training programs are prepared to make the inclusion of new members in corporate bodies easier.

The following is a brief *curriculum vitae* of the members of the Board of Directors from which emerge the skills and experience accrued in corporate management and professionalism and, with particular reference to the non-executive directors, that the same, by virtue of their various work and administrative/management experiences, are able to bring specific and suitable skills in terms of scope and professionalism to allow for careful and punctual judgement in the adoption of board decisions.

Andrea Pizzarulli: He got a degree in Optical Telecommunications from the Politecnico delle Marche in Ancona, Italy. 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 optic fibre gyroscope technology. Previously, he was founder of Xanto Technology, a *start-up* developing cryptographic systems, as well as director of a microelectronics design centre in Turin. In 2012, Andrea Pizzarulli founded, together with Michael Perlmutter, Civitanavi, where he currently holds the office as Chairman of the Board and CEO.

Michael Perlmutter: He first received a Bachelor's degree in 1973, followed by a Master's degree in Electrical Engineering in 1975, all from the Massachusetts Institute of Technology. Michael Perlmutter served as principal engineer at Raytheon Company and director of Northrop Grumman. In 1994 he co-founded Fibersense Technology, a company later acquired by Northrop Grumman in 2002. From 2013 to 2021, he was a member of the Board of Directors of Sensor AS in Novegia. In 2012, Michael Perlmutter founded, together with Andrea Pizzarulli, Civitanavi, where he currently holds the office as a director.

Thomas W. Jung: in 1992 he obtained a *Master's degree 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 Chief Executive Officer of Acutronic Group. From 1996 to the present he has been 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). From 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 Sensor Holding AG.

Mario Damiani: In 1975, he graduated in Physics from Università La Sapienza 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 Directorate; in this position, he carried out technical and contract management activities for avionic 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 took part in the European co-operations of major aeronautical programs, such as Tornado, EH-101, EFA, NH-90. In 1986, he became a manager of Elmer S.p.A., having also gained extensive experience in dealing with major Government Agencies and Bodies and major European and American aircraft manufacturers. Between 1994 and 1999, Mario Damiani was director of *marketing* and sales at Elmer S.p.A., also with responsibilities 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 a consultant, for the aerospace and defence sector, for Selex Elsag and Selex Es. From 2015 to the present, he has been a consultant at the Issuer, with the position of Head of Strategies and Institutional Relations.

Laura Guazzoni: In 1989, she graduated in Business Administration from the Università Bocconi of Milan and since 1991 she has been a member of the Order of Chartered Accountants of Milan as well as a member of the Register of Auditors under no. 68312. Since 1994, she has been an Adjunct Professor of Business Economics and Management at Università Bocconi. Since 1997, Laura Guazzoni has acted as technical consultant to the judge at the Court of Milan. Laura Guazzoni is the owner of Studio Guazzoni in Milan, advising on economics and business management (management, management and control), corporate governance and corporate finance and financial instruments and securities markets. Laura Guazzoni also deals with the valuation of companies and business complexes in the context of M&A transactions, contributions, sale of business branches, estimation of share exchanges; valuation of intangible assets. Laura Guazzoni provides technical advice, both *ex officio* and *ex parte*, during arbitrations and court proceedings in both civil and criminal matters concerning financial instruments, derivative contracts, banking relationships, company and intangible asset valuations. Laura Guazzoni acts as judicial custodian and judicial liquidator for the Court of Milan and advises on administrative liability of companies and entities pursuant to Legislative Decree no. 231/01.

Maria Serena Chiucchi: In 1997, she graduated in Economics and Business at the Università di Ancona. Subsequently, in 2002, she obtained a PhD in Programming and Controlling. Maria Serena Chiucchi is currently full professor of Business Economics at the Faculty of Economics 'G. Fuà' of the Politecnico delle Marche and Director of the Department of Management at the same university. In 2001 Maria Serena Chiucchi was Visiting PhD Student at the Department of Accounting, Taxation and Business Law at New York University and in 2013 Visiting Professor of the Discipline of Accounting at the University of Sydney. Her

research areas include: management and strategic control, with a focus on for-profit and not-for-profit companies, measurement and reporting of intangibles and intellectual capital, sustainability measurement and reporting, Integrated Reporting, and innovation in corporate business models. She is author of national and international publications and coordinator of research groups on the same topics. 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 Università di 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 Università di Ancona (now the Università Politecnico delle Marche) and since 1996 Head of Department until his retirement in 2011. As of the date of this Report, 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 Politecnico delle Marche in Ancona.

For the assessment of the independence requirements of the directors in charge, please refer to Section 4.7.

TABLE 2: BOARD STRUCTURE AS AT 31 DECEMBER 2023

Board of Directors													
Charge	Components	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List (B.o.D./m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. other offices (****)	Participation (*****)
Chairman Chief Executive Officer/CEO	Andrea Pizzarulli	1973	4.06.2012	13.10.2021	Approval of Budget 2023	-	-	X				1	9/9
Director	Thomas W. Jung	1966	13.10.2021	13.10.2021	Approval of Budget 2023	-	-		X			5	8/9
Director	Michael S. Perlmutter	1950	13.10.2021	13.10.2021	Approval of Budget 2023	-	-	X				4 ¹	7/9
Director	Mario Damiani	1949	21.12.2021	17.02.2022	Approval of Budget 2023	-	-		X			-	9/9
Director	Laura Guazzoni	1965	13.10.2021	17.02.2022	Approval of Budget 2023	-	-		X	X	X	26	9/9
Director	Maria Serena Chiucchi	1971	13.10.2021	17.02.2022	Approval of Budget 2023	-	-		X	X	X	5	8/9
Director	Tullio Rozzi	1941	21.12.2021	17.02.2022	Approval of Budget 2023	-	-		X	X	X	-	9/9
----- DIRECTORS DISMISSED DURING THE FINANCIAL YEAR -----													
Indicate the number of meetings held during the Financial Year: 9													
Indicate the <i>quorum</i> required for the submission of lists by minorities for the election of one or more members (pursuant to art. 147-ter TUF): 2.50%													

NOTES

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 to the Issuer's Board of Directors for the first time (ever).

(**) 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 "B.o.D."), or "of the minority" (indicating "m").

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

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

¹ During 2024 two offices Michael Perlmutter was appointed had expired.

Diversity criteria and policies in the composition of the Board of Directors and corporate organisation

As of the date of approval of this Report, the Company has not adopted a diversity policy in relation to the composition of the administration, management and control bodies with regard to aspects such as age, gender composition and educational and professional background, neither a description of the objectives, implementation methods and results of these policies.

Since the Issuer does not exceed at least one of the parameters set forth in Article 123-bis, paragraph 5-bis of the TUF, it may omit the information on the aforementioned diversity policies.

However, Civitanavi Systems, also taking into account Principle VII and Recommendation 8 of the Corporate Governance Code, pays great attention to diversity and inclusion issues regardless of the requirements imposed by primary legislation.

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

In particular, with regard to gender diversity, one-fifth of the members of the Board of Directors belong to the least represented gender, in accordance with current legislation for newly listed companies.

With regard to the diversity policies applied by the Company within its corporate organisation, it should be noted, in accordance with the provisions of its Code of Ethics, as defined below and available at <https://www.civitanavi.com/it/>, that the Issuer offers all workers the same work opportunities, ensuring that everyone can enjoy fair treatment based on merit criteria, without any discrimination. Within the scope of the aforesaid Code of Ethics, the Issuer pursues the optimization of working conditions in full respect of the diversity of sex, culture, religion and ethnic origin of the workers themselves, safeguarding their physical and moral integrity with the application of the current legislation on the health and safety of workers in the workplace, also adopting evaluation criteria exclusively oriented towards the recognition of personal merit, competence and professionalism in the management of the working relationship with its employees and collaborators, in order to oppose any type of harassment, physical or psychological violence and unprofessional performance in order to safeguard the dignity of employees and collaborators and guarantee dignified working conditions and protect human rights.

Maximum cumulation to offices held in other companies

Taking into account the size of the Issuer, the Board of Directors has not defined any general criteria regarding the maximum number of administration and control offices in other companies compatible with the effective performance of the office of director of the Company, having deemed it appropriate to leave such assessment of compatibility to the responsibility of the individual directors.

Considering the offices held by its members in third-party companies, the Board of Directors has expressed its favorable opinion on the number and quality of the offices held, considering that they do not interfere and are therefore compatible with the effective performance of the office of director of the Company, in accordance with Principle XII and Recommendation 15 of the Code. 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 structures, and adequately justified therein.

The Company, in accordance with Principle XII of the Corporate Governance Code, believes it is essential that all directors ensure that they have sufficient time available to perform their duties diligently and responsibly, taking into account both the number and quality of offices held in the administration and control corporate bodies of other companies and the commitment they are required of by the further work and professional activities they perform and the offices they hold in associations.

With regard to 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.

Name	Company/Entity	Charge/Participation	Status
Andrea Pizzarulli	Civitanavi Systems Ltd	Director	Current
		Shareholder	Current
	Civitanavi Systems UK Ltd	Director	Current
Michael Perlmutter	Civitanavi Systems Ltd	Chairman of the Board of Directors	Current
		Shareholder	Current
	PV Labs Ltd	Director	Current
	ACUTRONIC USA INC.	Director	Ceased ²
	Acutronic Switzerland Ltd.	Director	Ceased ³
Thomas Jung	Civitanavi Systems Ltd	Director	Current
		Shareholder	Current
	Jung Technologies Holding AG	Chairman of the Board of Directors	Current
	Giroud Olma AG	Chairman of the Board of Directors	Current
	Paraiba AG	Director	Current
		Shareholder	
	JeyJey AG	Director	Current
		Shareholder	
Mario Damiani	-	-	-
Laura Guazzoni	Be Cause SICAF S.p.A.	Chairman of the Board of Directors	Current
	BG Saxo SIM S.p.A.	Chairman of the Board of Directors	Current ⁴
	OpenJobMetis S.p.A.	Director	Current
	Altea Green Power S.p.A.	Director	Current
	Generfid S.p.A.	Director	Current
	Eurizon Capital Real Asset S.p.A.	Director	Current

² Ceased during the financial year 2024.

³ Ceased during the financial year 2024.

⁴ Due to expire in the course of 2024.

	Gas Plus S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Leonardo International S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Campus Bio Medico S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Campus Bio Medico S.a.p.a.	Chairman of the Board of Statutory Auditors	Current
	Campus Bio Medico Investment Holding S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Tenax S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Alfiere S.p.A.	Statutory Auditor	Current ⁵
	Cemital S.p.A.	Statutory Auditor	Current
	Centro Diagnostico Italiano S.p.A.	Statutory Auditor	Current
	Imi Fabi S.p.A.	Statutory Auditor	Current
	Accademia S.p.A.	Statutory Auditor	Current
	SC Sviluppo Chimica S.p.A.	Statutory Auditor	Current
	Centro Reach S.r.l.	Statutory Auditor	Current
	Certiquality S.r.l.	Statutory Auditor	Current
	Lauro Dodici S.p.A.	Statutory Auditor	Current ⁶
	Telespazio S.p.A.	Statutory Auditor	Current
	Bionics S.r.l.	Sole Auditor	Current ⁷
	Centro Medico SME S.r.l.	Sole Auditor	Current
	F&P Group S.r.l. In liquidation	Sole Auditor	Current
Maria Serena Chiucchi	Università Politecnica delle Marche	Member of the Academic Senate	Current
	Dipartimento di Management dell'Università Politecnica delle Marche	Department Director	Current
	Facoltà di Economia "G. Fuà" dell'Università Politecnica delle Marche	Member of the Faculty Council	Current

⁵ Due to expire in the course of 2024.

⁶ Due to expire in the course of 2024.

⁷ Due to expire in the course of 2024.

	Centro di ricerca per la cardiocirurgia mini-invasiva e transcateretere (Centro Interdipartimentale dell'Università Politecnica delle Marche)	Council Member	Current
	Fondazione Universitaria per lo Sviluppo Imprenditoriale	Representative of the Marche Polytechnic University in the Board of Directors	Current
Tullio Rozzi	-	-	-

4.4. Functioning of the Board of Directors (pursuant to Article 123-bis, paragraph 2, letter d), TUF)

Pursuant to article 19 of the by-Laws, the Board of Directors meets, also outside the registered office provided that it is in the European Union, Switzerland, the United Kingdom or the United States of America, or even in telematic mode only, whenever the Chairman deems it appropriate as well as when requested by persons entitled thereto pursuant to applicable law.

The Board of Directors is convened by the Chairman or, in his absence or impediment, by the Chief Executive Officer by means of a notice sent by mail, telefax, e-mail or in any other manner established by the Board of Directors itself, as a rule at least 3 (three) days prior to the meeting, or, in case of urgency, at least 1 (one) day prior to the meeting. However, board meetings shall also be considered validly held if, even if not formally convened, all the Directors and Statutory Auditors in office attend, provided that all those entitled have been informed of the meeting in advance and have not opposed the discussion of the items on the agenda.

In compliance with the provisions of Recommendation 11 of the Code, with a resolution of the Board of Directors of October, 13th, 2021, the Company adopted a regulation (the '**BoD Regulation**') aimed at defining the rules of operation of the board of directors and its committees, also in order to ensure the effective management of board information (Principle IX of the Code). As provided for in article 11 of the BoD Regulation, the Chairman, with the support of the competent corporate functions, each within its own sphere of competence, formulates (and if necessary integrates) the agenda, which must contain a clear explanation of the items to be discussed. When defining the agenda, the Chairman shall give priority to issues of strategic importance, ensuring that the necessary time is devoted to them in the conduct of the board's meeting debate. Without prejudice to the Chairman's attributions in defining the agenda, each Director may submit a justified request to the Chairman to include in the agenda of the Board of Directors items deemed of particular interest, within 10 (ten) days of the scheduled date of the meeting as per the set calendar or, in the event of an urgent call, within the day prior to the meeting.

Meetings of the Board of Directors may also be conducted by telematic means, under certain conditions and, more specifically, if it is effectively possible for: (a) the Chairman of the meeting to ascertain the identity of those attending, regulate the conduction of the meeting, and ascertain and proclaim the results of the vote; (b) the person taking the minutes to adequately perceive the events of the meeting being recorded; (c) those attending to participate in the discussion and simultaneous voting on the items on the agenda, as well as to view, receive or transmit documents.

As provided for in article 10 of the BoD Regulation, in order to facilitate the planning of meetings and in compliance with the obligations imposed on listed issuers by the Stock Exchange Regulation, the Board yearly approves, by the end of January 30th of each year, the calendar of the main corporate events. In particular, the calendar specifies, within the framework of the board meetings established for the new financial year, the dates set for the approval of the preliminary financial statements, the half-yearly report and the interim reports, as well as the date set for the Shareholders' Meeting to be called for the approval of financial statements. The Board meetings, if any, for the approval of preliminary data are also indicated, as well as the dates set for the presentation of accounting data to financial analysts.

The BoD Regulation also provides that for each meeting of the Board of Directors, specific minutes must be drawn up, which must be signed by the Chairman of the Board of Directors and the Secretary, or whoever takes their place pursuant to the By-Laws, it being understood that copies of the minutes duly signed shall be

deemed as full proof. The proceedings of the meetings shall in any case remain confidential and, consequently, it is forbidden to disclose news pertaining to the meetings themselves (except for legitimate reasons connected to the performance of the office) or the contents of the meetings and resolutions, which are considered confidential documents. In view of the confidentiality constraints that apply to minutes, resolutions, mail and documents belonging to directors, if such documents are not collected by the directors at the end of the meeting, the Secretary must arrange for their collection and safekeeping, also ensuring that they are not accessed by those not entitled to access them.

Normally, the minutes are submitted for approval during the first subsequent Board meeting and, once transcribed in the appropriate corporate book, they 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 persons entitled thereto in accordance with the legal provisions applicable from time to time. Notwithstanding the foregoing, the Chairman or the Chief Executive Officer may allow copies or extracts of the minutes to be released also to persons other than directors and statutory auditors, provided that this is done exclusively for internal Company purposes, it being understood that the contents of the resolutions shall be brought to the attention of the control functions and, to the extent of their competence, to the attention of the individual corporate functions, by the Corporate Affairs Department or the Secretary, without delay and in any case in time for their effective implementation. However, this is without prejudice to the possibility that, where provided for by current and applicable regulations, the Secretary or the Corporate Affairs Department may forward the resolutions of the Board of Directors to any legitimized authorities.

The timeliness and completeness of pre-meeting information are ensured by the Chairman of the Board of Directors through the distribution to the directors of the documentation relating to the matters to be discussed during the Board of Directors' meeting in the days immediately preceding the date scheduled for that meeting and, more specifically, normally on the date coinciding with the date on which the notice of call is sent. In this regard, the BoD Regulation specifies that the documentation supporting the decisions to be made, containing any proposals for resolutions and information suitable to support the work of the Board of Directors, shall be made available to the directors and statutory auditors at least two (2) days before the date set for the meeting, except in cases of urgency in which the documentation is made available as soon as possible and, in any case, before the start of the board meeting. With the exception of the latter case, the documentation shall be made available by sending it by e-mail or on a special Reserved Area of the Issuer's website. In addition to the foregoing, the directors and statutory auditors may submit to the Chairman and the Chief Executive Officer any requests for clarification relating to the items on the agenda, which may be answered by the respondents with the help of the Secretary and/or the Corporate Affairs Department.

Specifically, the above-mentioned terms and procedures were always complied with by the Issuer during the financial year. Sometimes, information on certain items on the agenda was provided only during the Board meeting, as there was no relevant documentation to be made available in the context of the pre-meeting information; in any case, the Chairman ensured that the Board was provided with adequate details to support the discussion.

The Chairman, also upon request of the other Directors received prior to the meeting, may invite persons belonging to the Company's staff and/or to companies belonging to the same group, or third parties, to attend, without voting rights, the meetings of the Board of Directors if this is helpful to the discussion of the items on the agenda.

With reference to the activities concretely performed by the Board of Directors, article 20 of the By-Laws provides that such corporate body is vested with the broadest powers for the ordinary and extraordinary management of the Company and has the authority 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 competent to resolve on: (a) mergers and demergers, in the cases provided for by law, in articles 2505, 2505-bis and 2506-ter of the Italian Civil Code; (b) the establishment or suppression of secondary offices; (c) the indication of which of the Directors shall represent the Company; (d) the reduction of the share capital in the case of withdrawal of one or more Shareholders; (e) the transfer of the registered office within the national territory; (f) the adjournment of the By-Laws to legal provisions, with the Board of Directors having the power to arrange for the filing with the

competent Company Registry of a consequently updated version of the By-Laws with the elimination of such provisions. The attribution of these competences 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 the appointment, subject to the opinion of the Board of Statutory Auditors, of the manager responsible for drawing up the corporate accounting documents, pursuant to article 154-*bis* of the TUF.

The Board of Directors guides the Company, pursuing its sustainable success, resolves upon the Company's strategic guidelines and monitors their implementation, as well as promotes dialogue with shareholders and other stakeholders relevant to the Company in the most appropriate forms.

Consistent also with the general rules set forth by the Corporate Governance Code, the Board of Directors is vested with all powers for the administration of the Company, with the exception of those powers expressly reserved by law or by the By-Laws to the Shareholders' Meeting; it has the power to perform all acts that it deems appropriate for the performance of the activities falling within the corporate purpose and functional to such end. At the end of each financial year, the Board draws up the company's financial statements, in accordance with legal requirements.

Pursuant to Recommendation 1, the following matters are also reserved to the competence of the Board of Directors, in accordance with the Corporate Governance Code and the BoD Regulation, article 9:

- (a) the examination and approval of the strategic, industrial and financial plans of the Company and the relevant group, and also taking into account the information received from the Chief Executive Officer in connection with the exercise of the management powers vested in him, constantly assesses the general management performance;
- (b) the periodic monitoring of the implementation of the business plan and the evaluation 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 assessments all elements that may be relevant to sustainable success of the same;
- (d) definition of the Company's corporate governance system and the structure of the relevant group, and assessment of the adequacy of the organizational, administrative and accounting structure of the same and its strategically significant subsidiaries, with particular reference to the internal control and risk management system (see Section 9 of the Report for detailed information);
- (e) resolutions on transactions of the Company and its subsidiaries of significant strategic, economic, patrimonial or financial importance for the Company, all as specified pursuant to the By-Laws and the regulation;
- (f) the adoption, upon proposal of the Chairman in agreement with the Chief Executive Officer, of internal procedures, including those concerning market abuse pursuant to the MAR Regulation (see Section 5 of the Report);

Furthermore, the Board of Directors:

- (a) defines the guidelines of the internal control and risk management system in accordance with the Company's strategies and assesses, at least once a year, the adequacy of said system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness;
- (b) appoints and revokes the head of the Internal Audit function, defining their remuneration in line with company policies, and ensuring that the same is provided with adequate resources to perform their 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 is endowed with adequate professional,

independence and organizational requirements and shall provide adequate justification for such choice in the corporate governance report;

- (c) approves, at least once a year, the work plan drawn up by the head of the Internal Audit function, after consulting with the supervisory body and the Chief Executive Officer;
- (d) assesses the advisability of adopting measures to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in controls (such as the risk management and legal and non-compliance risk monitoring functions), verifying that they are provided with adequate professionalism and resources;
- (e) assigns to the supervisory body or to a specially established entity the supervisory functions provided for under article 6, paragraph 1, letter b) of Legislative Decree No. 231/2001. If such entity does not coincide with the supervisory body, the Board of Directors assesses the advisability of appointing at least one non-executive director and/or a member of the supervisory body and/or the holder of legal or control functions of the company to the entity, 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 the letter of suggestions, if any, 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 reference models and national and international best practices, expresses its general assessment of the adequacy of the system itself and reports on the choices made regarding the composition of the supervisory body referred to in point e) above.

The Board of Directors, when required by laws, regulations or the Corporate Governance Code applicable from time to time or when deemed appropriate:

- expresses, in view of each renewal, an orientation on its quantitative and qualitative composition deemed optimal, taking into account the results of the self-assessment, in accordance with Recommendation 23 of the Code;
- 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 target, in compliance with Recommendation 23 of the Code, their candidate for the office as Chairman of the Board of Directors, whose appointment is made according to the procedures identified in the By-Laws.

The orientation of the dismissing Board of Directors is published on the Company's website in advance of the publication of the notice of call of the Shareholders' Meeting relating to its renewal. The orientation identifies the managerial and professional profiles and skills deemed necessary, also in light of the Company's sectoral characteristics, considering the diversity criteria set forth 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 - where provided for by the Corporate Governance Code and/or the respective organizational regulations - of the support of the committees established within it.

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

- approved on December 22nd, 2023 the budget for the financial year 2024; moreover, during the Financial

Year and, specifically, during the board meeting held on June 27th, 2023, it (i) changed the name of the Risk Control Committee to “Risk Control Committee, Related-Party Transactions and Sustainability” and supplemented its propositional and advisory functions towards the Board of Directors with the main purpose of promoting the continuous acknowledgment of national and international best practices in the Issuer’s governance and of environmental, social and governance factors in corporate strategies, as well as to create value for shareholders and stakeholders in the medium-long term, in compliance with the principles of sustainable development; (ii) examined and approved the Company’s first Sustainability Report (see paragraph 1 of this Report);

- positively assessed the adequacy of the Company’s general organizational, administrative and accounting structure, with particular reference to the internal control and risk management system; this assessment was conducted on the basis of the information and evidence gathered with the support of the preliminary activity carried out by the Risk Control Committee and with the support 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 transactions of significant strategic, economic, patrimonial or financial significance for the Company. In general, the following are identified as transactions of major significance:
 - (a) definition of budget and strategic plan;
 - (b) sales or acquisitions, in whatever form, of company stakes, business, business branches, real estate properties when the total amount exceeds Euro 5,000,000.00 (five million/00) per individual transaction;
 - (c) investments in technical immobilization assets exceeding Euro 2,000,000.00 (two million/00) per individual transaction;
 - (d) leases (or sub-leases) of real estate properties or leases or (sub-leases) of a business or business branch, including leases exceeding 9 years of duration, 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 Euro 1,000,000.00 (one million/00) per individual transaction;
 - (f) granting of loans or guarantees, other than guarantees given in the course of business activities, for a total amount exceeding Euro 1,000,000.00 (one million/00) per individual transaction, whether in favor or in the interest of the Company and/or in the interest and/or in favor of companies (or even associations, foundations, consortia or entities) directly or indirectly controlled by the Company itself, or in favor or in the interest of third parties;
 - (g) taking out loans, mortgages or, in any event, debt securities, in any form whatsoever and also against the issue of financial instruments for a total amount exceeding Euro 10,000,000.00 (ten million/00) per individual transaction;
 - (h) execution of company contracts of a commercial nature with a unit value, or in the aggregate where they relate to the same case, exceeding Euro 5,000,000.00 (five million/00).

During the Financial Year, nine meetings of the Board of Directors were held, lasting an average of approximately 55 minutes each, on the following dates: January 12th, 2023, March 16th, 2023, May 9th, 2023, June 27th, 2023, September 21st, 2023, October 25th, 2023, November 7th, 2023, November 24th, 2023 and December 22nd, 2023.

The tables in Section 4.3 of the Report show the attendance of each Director at Board meetings held from January 1st, 2023 to December 31st, 2023.

During the Financial Year, among the others, the following attended the meetings of the Board of Directors, in order to provide appropriate details on the items on the agenda: the Chief Financial Officer and Investor Relator, 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, including the Internal Audit and the sole member of the Supervisory Board.

The Board of Directors' meetings scheduled for the current financial year, in accordance with the corporate calendar approved by the Issuer's Board of Directors on December 22nd, 2023, are listed below:

Date	Meeting
March 14 th , 2024	Meeting of the Board of Directors to discuss and resolve upon the approval of the Preliminary Financial Statements and Consolidated Financial Statements as at December 31 st , 2023
April 24 th , 2024	Shareholders' Meeting to discuss and resolve upon the approval of the Financial Statements as at December 31 st , 2023. Presentation of the Consolidated Financial Statements as at December 31 st , 2023
May 9 th , 2024	Meeting of the Board of Directors to discuss and resolve upon the approval of the Consolidated Operating Revenues and "Booking" as at 31 st , March 2024
September 12 th , 2024	Meeting of the Board of Directors to discuss and resolve upon the approval of the Half-Year Consolidated Financial Report as at 30 th , June 2024
November 7 th , 2024	Meeting of the Board of Directors to discuss and resolve on the approval of the Consolidated Operating Revenues and "Booking" as at September 30 th , 2024

4.5. Role of the Chairman of the Board of Directors

Pursuant to art. 4 of the By-Laws, the Board of Directors elects a Chairman from among its members, if the same is not appointed by the shareholders at the time of appointment.

Meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or in order, 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, also ensuring the coordination of the activities of the board committees with those of the Board, through appropriate preliminary, proposing and advisory functions, as well as the connection between the executive and non-executive Directors, in accordance with Principle X of the Code.

It is the President's duty to convene the Board of Directors, set the agenda, coordinate its work and ensure that adequate information on the items on the agenda is provided in advance to all board members, as well as the power to propose board resolutions.

The Chairman, in compliance with Recommendation 12 of the Code, ensures the most appropriate management of the timing of Board meetings, favoring the optimization of the debate and graduating the extent of the discussion according to the significance of the items on the agenda; in this perspective (i) in agreement with the Chief Executive Officer, ensures that the Company's executives and those of the relevant group companies, responsible for the corporate functions competent according to the subject matter, attend Board meetings, also upon request of individual Directors, to provide the appropriate details on the items on the agenda and, in this regard, it provides information on the actual attendance of said executives at Board meetings during the financial year and (ii) ensures that there is adequate pre-meeting information and that the information provided at meetings is adequate to enable directors to act in an informed manner in the performance of their duties.

The Chairman ensures 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 sectors 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 the legal and self-regulatory framework of reference.

With specific reference to the Financial Year, it should be noted that, at the Chairman's initiative, Company or Group executives and the heads of the various corporate functions assiduously attended board meetings to provide support in dealing with the items on the agenda: in particular, by way of example but not limited to, it is to be acknowledged the constant attendance at meetings of the Chief Financial Officer when approving financial reports and of the Investor Relations Manager when approving press releases and updates concerning relations with shareholders and stakeholders, as well as of the Head of Internal Audit when presenting the relevant reports, and of the Company's legal counsel and the sole member of the Supervisory Board when presenting the annual compliance plan and updating the organizational model pursuant to Legislative Decree no. 231/2001. Furthermore, it should be noted that during the board meetings scheduled for 2023, the heads of the competent corporate functions presented to the Board of Directors, delving into issues of primary interest also with a view to the Issuer's strategic development, including:

- (a) periodic disclosure on the report of the accounting documents and the activities carried out in relation to the status of the internal control system for financial reporting for the purpose of certifying the separate financial statements as of December 31st, 2022 of the Issuer pursuant to Article 154-*bis* of the TUF;
- (b) information on the assessment of the organizational, administrative and accounting structure and the internal control and risk management system (from which no significant critical issues emerged, thus the internal control and risk management system being deemed to be adequate);
- (c) disclosure of the Issuer's financial, economic, social and environmental performance, in accordance with the GRI Standards, best reflected in the Sustainability Report 2022;
- (d) information on the Issuer's strategic contracts.

During these meetings, the Directors received adequate information on the context in which the Issuer operates and its evolution. Furthermore, during the meetings held during the Financial Year, the Board of Directors was constantly and timely informed of the activities aimed at updating company processes and procedures, as well as the evolution of the Issuer's organizational structure.

The Chairman is also the direct contact person, on behalf of the Board of Directors, for the internal control bodies and committees within the Board of Directors and ensures that the activities of the latter are adequately coordinated with those of the Board of Directors. In this regard, it should be noted that the Chairman has duly provided the Board of Directors with any updates on the regulations adopted by the committees.

Together with the entire Board of Directors, the President ensures the adequacy and transparency of the self-assessment process.

During the Financial Year and up to the date of approval of the Report, the Chairman:

- ensured the timeliness and completeness of pre-meeting information through the distribution to the Directors of the documentation relating to the items on the agenda in the days immediately preceding the scheduled date of the Board of Directors' meeting and, in particular, usually simultaneously with the notice of call, thus enabling the Directors to act in an informed manner in the performance of their role;
- ensured, supported by the Secretary of the Board of Directors, that the activities of the board committees with preparatory, proposing and advisory functions are coordinated with the activities of the administration body;

- provided the directors with information that enabled them to obtain adequate knowledge of the business sector in which the Issuer operates, the corporate dynamics and its evolution, the principles of proper risk management and the applicable legal and self-regulatory framework, in accordance with article 3, Recommendation 12, letter d), of the Corporate Governance Code;
- in accordance with Recommendation 3 of the Code, ensured that the Board was informed within the first useful meeting on the development and significant contents of the dialogue held with shareholders, in accordance with the principles set out in the Corporate Governance Code and based on the provisions of the Policy of Dialogue with the Generality of Shareholders. With regard to relations with shareholders, please refer in detail to Section 12 of this Report.

Secretary of the Council

Pursuant to article 21.8 of the By-Laws, the Board of Directors, upon the proposal of the Chairman of the Board of Directors, appoints a Secretary endowed with adequate requirements of professionalism, experience, independence of judgement and not in a situation of conflict of interest; and from time to time his replacement, if any, also from outside the Company for the entire duration of the appointment of the Directors or for one or more meetings.

Pursuant to article 8 of the BoD Regulation, which defines the role of the Secretary in accordance with Recommendation 18 of the Code, 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 his replacement.

In particular, the office of Secretary was held by the Chief Financial Officer of the Company during the Financial Year.

The Secretary supports the activities of the Chairman and provides impartial assistance and advice to the Board of Directors on any aspects relevant to the proper functioning of the corporate governance system. Furthermore, the same draws up the minutes of each meeting and signs them together with the Chairman; the Secretary also ensures the preservation of the minutes and the corporate books.

As of the date of approval of the Report, the Board of Directors has appointed, upon the instructions of the Chairman, a Secretary for each individual Board meeting.

4.6. Executive Directors

Chief Executive Officers

Pursuant to article 21 of the By-Laws, 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 grant, within the scope of the powers received, power of attorneys for single acts or categories of acts to employees of the Company and third parties, with the right to sub-delegate.

As provided for in article 12 of the BoD Regulation and in compliance with Recommendation 4, the content of the delegation in favor of one or more directors is determined in an analytical and clear manner, also with respect to the indication of any quantitative limits and the possible methods of exercise, in order to allow the Board of Directors to precisely verify the proper fulfilment of such delegation, as well as the exercise of its own management and claiming back powers. The most important decisions made by the delegates shall be brought to the attention of the Board of Directors in accordance with the procedures established by the same and, in any case, at least on a quarterly basis.

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 Committee's operating procedures, or it may appoint a General Manager and one or more Managers, determining their powers.

The Chief Executive Officers report to the Board of Directors and the Board of Statutory Auditors, at least quarterly and in the manner established by the Board, on the performance of their activities.

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

The delegated bodies shall promptly report to the Board of Directors and 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 performance and its foreseeable evolution as well as on the most significant transactions from an economic, financial and patrimonial standpoint or due to their specific characteristics, carried out by the company and its subsidiaries; in particular, they shall report on transactions in which the Directors have an interest, on their own behalf or on behalf of third parties, or which are influenced by the party that may exercise management and coordination activities (*attività di direzione e coordinamento*). The disclosure may be made in the context of board meetings or in writing. The disclosure shall be made promptly and, in any case, at least quarterly.

The Chief Executive Officer:

- (a) takes care of the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submits them to the Board of Directors for examination;
- (b) implements the guidelines defined by the Board of Directors, taking care of the set-up, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory framework;
- (c) may entrust the internal audit function with the performance of audits 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 and the Chairman of the Board of Statutory Auditors thereof;
- (d) reports promptly to the Board of Directors on problems and critical issues that have arisen in the performance of its activities or of which it has otherwise become aware, so that the Board of Directors may take the appropriate initiatives.

Pursuant to article 24 of the By-Laws, the legal representation of the Company and the corporate signature are vested in the Chairman and the Chief Executive Officer, within the limits of the powers granted to them.

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

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

- (a) the Chairman of the Board of Directors, Andrea Pizzarulli, is vested with the active and passive legal and judicial representation of the Company vis-à-vis third parties and in court, before any Court of any order and degree, and with free corporate signature;
- (b) the Chairman of the Board of Directors, Andrea Pizzarulli, is also vested with the title of Chief Executive Officer, with several signature authority and representation of the Company, with all powers of ordinary and extraordinary administration, excluding those that the law and the By-Laws reserve to the competence of the Board of Directors, as well as with the express exclusion of the following powers, which remain the exclusive competence of the administrative body in a collective composition :
 - (i) definition of budget and strategic plan;

- (ii) sales or acquisitions, in whatever form, of company stakes, business, business branches, real estate properties when the total amount exceeds Euro 5,000,000.00 (five million/00) per individual transaction;
 - (iii) investments in technical immobilization assets exceeding Euro 2,000,000.00 (two million/00) per individual transaction;
 - (iv) leases (or sub-leases) of real estate properties or leases or (sub-leases) of a business or business branch, including leases exceeding 9 years of duration, with an annual rent exceeding Euro 1,000,000.00 (one million/00) per individual transaction;
 - (v) settlements of disputes before any judicial authority or arbitrators for a total amount exceeding Euro 1,000,000.00 (one million/00) per individual transaction;
 - (vi) granting of loans or guarantees, other than guarantees given in the course of business activities, for a total amount exceeding Euro 1,000,000.00 (one million/00) per individual transaction, whether in favor or in the interest of the Company and/or in the interest and/or in favor of companies (or even associations, foundations, consortia or entities) directly or indirectly controlled by the Company itself, or in favor or in the interest of third parties;
 - (vii) taking out loans, mortgages or, in any event, debt securities, in any form whatsoever and also against the issue of financial instruments for a total amount exceeding Euro 10,000,000.00 (ten million/00) per individual transaction;
 - (viii) execution of company contracts having commercial nature with a unit value, or in the aggregate where they relate to the same case, exceeding Euro 5,000,000.00 (five million/00).
- (c) to the Chief Executive Officer, Andrea Pizzarulli, the necessary powers so that, in the name and on behalf of the Company, he performs, assuming direct responsibility, all acts and performs all functions to directly and independently provide for whatever is deemed necessary and useful for the constant, punctual compliance, adjustment and updating to the regulations and rules of good practice in the field of safety and hygiene at work, environmental protection and fire prevention, waste management, with reference to all current regulations and their fields of application. In particular, the Chief Executive Officer, Andrea Pizzarulli, who holds the title of Employer pursuant to article 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:
- the power to appoint one or more technically qualified persons to grant them specific functions - including control and supervisory functions - connected to accident prevention and hygiene in the workplace, as well as pollution prevention in order to better safeguard the environment. In particular, such determination is urged for the fulfilment of the technical functions of constant compliance with the regulations in force, control, supervisory, maintenance and verification of the company structures and the level of training and information of employees; once the competent person or persons have been identified, the Chief Executive Officer may delegate to them all the powers that may be necessary, useful and appropriate for the purposes of compliance with the regulations in force and the protection of the Company;
 - the representation, to all intents and purposes, of the Company before all public and private entities and bodies in charge of exercising the supervisory, verification and control functions provided for by the general and specific regulations on accident prevention, employment hygiene, environmental protection and fire prevention, including the Istituto Nazionale di Assicurazione contro gli Infortuni sul Lavoro (I.N.A.I.L.) (*National Institute for Insurance against Accidents at Work*), also for the purposes and to the effects set forth in 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 coverage of the Company against third-party and

employee liability damage and any other policies that are appropriate and necessary to hold the Company harmless from any damage;

- the right to consult, when it deems it necessary, the Company’s trusted Technical Advisors;
- all the widest decision-making and signature powers, with autonomy of expenditure, within the Company’s administrative criteria, having the relevant financial supports, necessary to perform the activities delegated to the Chief Executive Officer, including, *inter alia*, those which, merely by way of example, are listed below:
 - (i) autonomously provide for the planning, organization, management, supervision and control of all activities aimed at implementing and complying with the rules on environmental safety and hygiene, as well as the protection of the air, water and soil insofar as necessary due to the business activities. In particular, the aforeaid, who is vested with all powers of determination and initiative, thus being able to act with the same attributions as his grantor (*dante causa*) and in substitution thereof with respect to functions and decision-making and patrimonial autonomy, within the scope of the Company’s administrative criteria, shall take care, with the support of the services established and existing for this purpose, of all problems connected with and resulting from the application of the laws applicable from time to time on this matter. Therefore, ha shall carry out the emergency, ordinary consumption and necessity expenses related to this mandate, as well as all necessary investments, also determining the related contractual relations, expenses and charges with other companies and specialized entities in charge of safeguarding the safety of health;
 - (ii) pay particular attention, for the performance of the task entrusted to him, to the regulations in force concerning, by way of example only:
 - hygiene and safety in the workplace also with reference to temporary or mobile construction sites;
 - environmental protection;
 - fire prevention;
 - waste management;
 - (iii) prepare and implement appropriate internal regulations of general provisions and service orders in accordance with current legislation;
 - (iv) ensure that, within the framework of the organizational chart and the respective responsibilities of the employees, constant and strict compliance with the envisaged measures is observed, as well as their observance by arranging appropriate inspections;
 - (v) assessing the company risks and drawing up the relevant document in the forms set out in articles 28 and 29 of Legislative Decree 81/2008, ensuring that the periodic meeting is called, in accordance with the procedures and deadlines established by article 35 of Legislative Decree 81/2008;
 - (vi) carry out all the necessary steps to identify prevention measures and prepare implementation programs accordingly;
 - (vii) organize, within the company or the production unit, the prevention and protection service, in particular by identifying and appointing - where appropriate and if permitted by articles 31, paragraph 6, and 34 of Legislative Decree no. 81/2008 also in his own person - the person in charge, previously ascertaining his aptitudes and appropriate skills in compliance with the legislation regulating the matter and after consulting the workers’ representative;
 - (viii) consult, in the cases and manner provided for by law, the safety representative, once elected or appointed, and provide the prevention and protection service with information on the nature of the risks, work organization, planning and implementation of preventive and

protective measures, description of the production facilities and processes, data from the register of accidents and occupational diseases, and the requirements of the supervisory bodies;

- (ix) enable workers to verify, in the manner provided for by law, through their institutional representative, the application of safety and health protection measures;
- (x) provide, promote, organize and supervise the maximum information of the workers present in the company on any specific risks to which they may be exposed insofar as they are connected to the production, with reference to the specific duties concretely performed, as well as on the health and safety risks connected to the company's activities in general, spreading the prevention, safety and hygiene rules by any suitable means that may make them more useful, immediate and exhaustive; attend to the special and general training of individual workers, also by organizing and implementing specific courses, if necessary by appointing one or more service companies;
- (xi) constantly update the prevention measures, in relation to organizational and production changes that are relevant to occupational health and safety, or in relation to the degree of development of prevention and protection technique;
- (xii) impose, control and require, also in application of disciplinary rules, that everyone complies with the law and internal provisions on safety, hygiene and environmental protection, making appropriate use of everything made available to them;
- (xiii) ensure, in the context 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, availing himself for this control of the staff in charge, delegated to this function by law or by the company organizational chart, who shall report those employees who do not use or irregularly use or tamper with the personal protective equipment, for the appropriate disciplinary measures;
- (xiv) organize the set-up of general precautions relating to workplaces and passageways, and those having particular nature relating specifically to the construction, maintenance and use of fixed and movable ladders, suspension bridges, parapets, lighting installations, fire and atmospheric discharge defenses, etc;
- (xv) adopt all the preventive, technical, organizational and information measures necessary for the performance of activities involving the manual handling of loads, as well as those having an equivalent nature and extent provided for by the regulations in force;
- (xvi) take care, in relation to work safety needs, if necessary after obtaining the authorizations and permits required by law, of the maintenance and repair of buildings and works intended for workplaces or workplaces, including ancillary services, installations, machines, apparatus, equipment, tools and instruments, as well as defense equipment;
- (xvii) provide for the preparation and adoption of the personal means of general and specific protection of workers and the preparation and operation of emergency relief;
- (xviii) ensure, in general, that protective devices and means are maintained and constantly improved;
- (xix) draw up emergency plans for cases of serious and immediate danger as provided for by the regulations in force, fully and concretely implementing all the prescriptions envisaged therein;

- (xx) keep and compile in accordance with the law the register of accidents in the workplace and, in any case, comply with the requirements of article 18, letter r), of Legislative Decree 81/2008;
- (xxi) constantly check that all machines, tools, utensils and other equipment comply with legal requirements, adapting them to new technologies concerning safety, hygiene and ecology, as well as to the requirements of fire prevention regulations;
- (xxii) ensure the adoption of the necessary protective measures concerning machinery in general, and in particular the operation and dislocation of engines, transmissions and gears, and in any case provide the required protections for each specific operation or machine, equipment or installation or activity involving the use of dangerous or harmful materials or products;
- (xxiii) arrange the necessary preventive measures for the means, apparatus and methods of lifting, transport and storage, including with regard to the safety of machines, hooks, brakes, ropes and chains, stops and signalling devices, etc;
- (xxiv) implement all the necessary hygiene measures in the premises and spaces owned 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 legal requirements and that the processes involving the use of harmful agents are carried out in accordance with the prescribed occupational hygiene measures, as well as in compliance with the regulations on the disposal, discharge and emission of polluting agents;
- (xxv) adopt all appropriate preventive, evaluative, technical, hygienic, sanitary, protective, organizational, procedural and training-information measures relating to protection from possible carcinogens and biological agents, in order to constantly comply with all relevant legal obligations;
- (xxvi) ensure that first aid facilities and hygiene services comply with legal requirements and organize the physical and medical supervision of workers by appointing a competent doctor and by means of preventive and periodic examinations carried out under the supervision of qualified experts and authorized doctors;
- (xxvii) require compliance by the competent doctor with the obligations provided for in Legislative Decree 81/2008, informing the same of the processes and risks associated with the production activity;
- (xxviii) take care of the duties envisaged and regulated by the legislations on the 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, verifying that the production facility's effluents are authorized and comply with the tabular limits in force, in any case preparing the necessary adjustment and periodic control measures; in any case, taking care to request or renew all those authorizations that the anti-pollution regulations on effluents and residues of any kind, whether in a solid, liquid or gaseous state, may impose;
- (xxix) arrange for and take care of the construction, operation and maintenance of smoke abatement plants, so that compliance with the legal limits in force from time to time is guaranteed;
- (xxx) ensure that waste disposal, of any kind and species, is carried out in compliance with the specific regulations governing the matter, in compliance with any authorizations that may be required or to be required, and in any case through the use of duly authorized companies or entities. In this context, take care of requesting, renewing and enforcing all those

authorizations that the subject matter in question may require, making the due communications to the Authorities;

- (xxxix) Arrange and implement all the necessary measures for compliance with fire prevention regulations and activate the procedures for requesting the necessary authorizations to obtain fire prevention certificates;
- (xxxix) take care of all administrative tasks related to ecology and the matters covered by this delegation;
- (xxxixiii) take appropriate measures to prevent the technical measures taken from causing risks to the health of the population and deterioration of the outdoor environment;
- (xxxixiv) ensure that all legal obligations relating to the use of equipment with video terminals are carried out and complied with, with particular reference to the provisions of Title VII of Legislative Decree 81/2008;
- (xxxixv) 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 (*appalto*) or work contract (*contratto d'opera*), within the company or production unit. In this context:
- provide detailed information on specific risks and on prevention and emergency measures;
 - cooperate in the implementation of measures to protect against occupational hazards, affecting the work activity covered by the contract;
 - coordinate the relevant interventions;
 - require contractors or self-employed workers to provide corresponding information on their methods of intervention in the company. In relation to these activities, the Chief Executive Officer shall prepare, in compliance with article 26, paragraph 3 of Legislative Decree no. 81/2008, a specific risk assessment document indicating the measures adopted to minimize the risks of interference between the Company's activities and those of the contractors and/or self-employed workers operating within the principal's company, ensuring that this document is attached to the contract or work contract in which the costs relating to work safety must be specifically indicated, with particular reference to those connected to the specific contract;
- (xxxixvi) take care, in compliance with Legislative Decree 81/2008, with particular reference to Title IV (temporary or mobile construction sites), of the fulfilment of all obligations for the organization of measures, the verification of safety and coordination plans equivalent to risk assessment, the identification of methods, the verification of the regular compilation of reports, as well as the supervision of their implementation, the coordination of employees, technological adaptation, training and information of workers. In particular, take on the role and function of principal on behalf of the Company, and thus carry out adequate preliminary investigations for the choice and identification of the persons among whom to appoint the professional figures pursuant to article 89 of Legislative Decree no. 81/2008 and, in particular, the person in charge of the works, the coordinator for the design of the work and the coordinator for its implementation, and also verify, in the case of direct contracting, the existence of adequate technical characteristics and attributions of the law in the companies to which the works are to be entrusted. In this context, carry out all 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 the aforementioned Title IV of Legislative Decree 81/2008;
- (xxxixvii) liaise with public and private entities in charge of supervision and control in the aforementioned matters, representing the Company in all venues and on all occasions, including before the Judicial Police Authorities, in the procedural and judicial stages of

ascertaining any offences, with particular reference to the provisions of the special regulations on the subject and of Legislative Decree 758/94;

- (xxxviii) represent the Company in all relations with the competent Public Administrations as well as with the appointed control, verification and assessment bodies;
- (xxxix) periodically report to the Board of Directors, reporting to it, in writing if necessary, on the progress of the activity in the field of accident prevention and health and safety in the workplace, also in order to allow the Board of Directors itself, or whoever on its behalf, to prepare any tasks within its competence, with specific reference to the formal control of the activity performed;
- (xl) report to the Board of Directors any specific circumstance or situation in respect of which he is unable to fulfil his obligations under the preceding points;
- (xli) designate a deputy in all circumstances in which the Chief Executive Officer is temporarily unable to perform his duties, due to illness or other justified absence, after informing the Board of Directors of the impediment and the name of his deputy.

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

- executing 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);
- appointing special attorneys-in-fact *ad negotia* for certain acts or categories of acts within the scope of the powers granted.

Chairman of the Board of Directors

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

The Chairman of the Board of Directors also holds the office of Chief Executive Officer of the Company. The decision to also assign the office of Chief Executive Officer to the Chairman was motivated both by the need to make the administrative body more streamlined, also in light of the Company's size, and by the opportunity to give Mr. Pizzarulli both an institutional and an operational role, making the most of his knowledge and expertise deriving from also being the Company's founder.

Executive Committee (pursuant to Article 123-bis, paragraph 2, letter d), TUF)

As of the date of approval of the Report, the Company did not establish any executive committees.

Information to the Board by the delegated directors/corporate bodies

As of 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 transactions carried out by the Company and its subsidiaries.

Other executive directors

As of the date of approval of the Report, there are no other executive directors in addition to the Chief Executive Officer, Andrea Pizzarulli, and Director Michael S. Perlmutter. None of the non-executive directors, therefore: i) holds the office as Chief Executive Officer or Executive Chairman in a subsidiary of the Issuer having strategic significance or ii) holds management offices in the Issuer or in a subsidiary of the Issuer having strategic significance.

4.7. Independent Directors and Lead Independent Director

Independent directors

On October 13th, 2021 and December 21st, 2021, the Shareholders' Meeting appointed 3 (three) directors, out of a total number of 7 (seven), endowed with the requirements of independence set forth in article 148, paragraph 3, as referred to by 147-*ter*, paragraph 4, of the TUF as well as Recommendations 5 and 7, and Principle VI 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 needs of the Company and the functioning of the Board of Directors, as well as for the establishment of the relevant committees.

In accordance with Recommendation 6 of the Corporate Governance Code, during the Financial Year and, precisely, on March 16th, 2023, the Board of Directors assessed the existence of the independence requirements set forth in article 148, paragraph 3, of the TUF as referred to by article 147-*ter*, paragraph 4, and article 2 of Recommendation 7 of the Corporate Governance Code, in respect of the directors Laura Guazzoni, Maria Serena Chiucci and Tullio Rozzi, based on the information provided by them or otherwise available to the Company, evaluating all the circumstances that appear to jeopardize independence requirements provided by the TUF and the Corporate Governance Code. As of the date of approval of the Report, the last assessment of the independence requirements for independent directors was made on March 14th, 2024. Each non-executive director provided all the elements necessary or useful for the Board of Directors' assessments, always in compliance with Recommendation 6 of the Code.

On May 24th, 2022, the Board of Directors, with the favorable opinion of the Appointments and Remuneration 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, in order 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 term of their office if circumstances relevant to independence arise and, in any case, at least once a year.

On March 16th, 2023, the Board of Statutory Auditors ascertained the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

As of the date of approval of the Report, the Chairman of the Company was not qualified as independent, as he is vested with executive powers and management delegations.

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

Lead Independent Director

The Board of Directors, in compliance with Recommendation 13 of the Code, during its meeting held on October 13th, 2021, taking into account that the Chairman of the Board of Directors is empowered with significant management delegations, appointed independent Director Laura Guazzoni as "Lead Independent Director", with effectiveness conditional upon the Trading Starting Date, to perform the functions and role set forth in article 3, Recommendation 14 of the Corporate Governance Code.

5. Management of corporate information

The Company, upon the proposal of the Chairman, has approved the following procedures: (i) Procedure relating to the disclosure of inside information and the keeping of the insider list, as last updated by resolution of the Board of Directors on December 22nd, 2022, in order to transpose the provisions of EU Regulation 2022/1210, which repealed and replaced Implementing Regulation (EU) no. 2016/347 (the "Inside

Information Procedure”), in accordance with Recommendation 1, f) of the Code, and (ii) Internal Dealing Procedure, approved by the Board of Directors on October 13th, 2021 (the “**Internal Dealing Procedure**”).

Copies of the updated procedures are available on the Issuer’s website, “*Corporate Governance*” section.

The Inside Information Procedure is aimed at regulating, in accordance with the MAR Regulation: (i) the handling and processing of inside information as well as the procedures to be observed for the disclosure, both inside and outside the company, of inside information; and (ii) the establishment and handling of the register of persons who, by reason of their work or profession, or the functions they perform, have access, on an occasional or regular basis, to inside information (“**Insider List**”).

It also incorporates certain Consob recommendations on the handling of inside information provided for in the Guidelines published by Consob in October 2017 and Legislative Decree no. 10/2018 introduced by Legislative Decree no. 107 of August 10th, 2018, setting forth the “*Rules for the compliance of national legislation with the provisions of the MAR Regulation*”.

The purpose of the Internal Dealing Procedure is to regulate the disclosure obligations *vis-à-vis* Consob, the Issuer and the public and the behavioral procedures associated with the completion by “Managers” and “Relevant Persons”, as defined therein, and by persons closely related to them of transactions involving financial instruments issued by the Issuer.

The essential elements of the Inside Information Procedure and the Internal Dealing Procedure, in force at the date of approval of the Report, are briefly outlined below.

Procedure for handling inside information

The Inside Information Procedure includes specific sections on the definition of relevant and inside information, how to handle it, and how to handle so-called market rumors, regulating at the same time the cases of delayed market disclosure, the approval process for press releases, the persons authorized to liaise with third parties and the persons required to comply with the duty of confidentiality.

Definition of inside information

Inside information is defined, pursuant to art. 7 of the MAR Regulation, information: (i) of a precise nature, *i.e.* which (a) relates 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 specific enough to enable a conclusion to be drawn as to the possible effect of the set of circumstances or event referred to in (a) on the prices of financial instruments issued by the Company (as identified in accordance with applicable law); (ii) has not been made public; (iii) relates directly or indirectly to the Issuer or to companies directly or indirectly controlled by the Issuer or to the Issuer’s financial instruments; and (iv) if it were made public, would be likely to have a significant effect on the prices of the Issuer’s financial instruments, *i.e.*, which a reasonable investor would be likely to use as one of the factors on which to base his investment decisions.

In this respect, in the case of a protracted process which is intended to bring about, or that results in, a particular circumstance or future event, such future circumstance or future event, and also the intermediate steps of that process which are connected with bringing about or resulting in such future circumstance or future event, may be deemed to be precise information.

Addressees of the Inside Information Procedure

The following are required to comply with the procedures set forth in the Inside Information Procedure (a) members of the Company’s Board of Directors and Board of Statutory Auditors; (b) persons performing functions of senior management of the Company who, although not members of the corporate bodies referred to in (a) above, have regular access to inside information and hold the power to make 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 letters (a) and (b) above in a subsidiary; (d) persons who hold a stake 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 due to circumstances other than those referred to in the previous letters, when such person knows or should know that it is Inside Information.

Handling of relevant and inside information

The addressees of the Inside Information Procedure - as identified above - are required to maintain absolute confidentiality with regard to relevant information and/or inside information of which they are aware. Inside Information must be handled with all necessary caution so that the relative circulation within the company's context is carried out without prejudice to the confidential nature of the information itself, as long as until it is disclosed to the market according to the modalities provided for by the Procedure and applicable legislation. A similar obligation exists for the handling of relevant information, as long as until it is disclosed to the public according to the modalities provided for by the Procedure and applicable legislation (insofar as it has become inside information or as deemed necessary or appropriate by the competent corporate 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 transactions on the financial instruments issued by the Company (including the cancellation or modification of orders when the order was placed before the relevant person 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 transactions under (a); (c) disclosing inside information to third parties, outside the normal exercise of the respective job, profession, function or office; in particular, it is absolutely forbidden to give interviews to the press or statements in general that contain inside information concerning the Company and its subsidiaries, not yet disclosed to the market in accordance with the Procedure. The disclosure to third parties of the recommendations or inductions referred to in letter (b) shall be considered as an unlawful disclosure of inside information if the person disclosing the recommendation or induction knows or should know that they are based on inside information.

The Board of Directors resolved to appoint the Investor Relator, Letizia Galletti, as the contact person for the purposes of the Inside Information Procedure, effective as of the Trading Starting Date.

Insider List

The Inside Information Procedure also regulates the keeping and updating of the Insider List, pursuant to and for the purposes of art. 18 of the MAR Regulation and the Implementing Regulation (EU) 2022/1210, which is divided into separate sections for each Inside Information, also identifying an information contact person responsible for registering within the Insider List all those who, on a regular or occasional basis have access to Inside Information and all persons with whom the Company or persons acting on its behalf have a professional relationship (employment agreement or otherwise) and who, in the performance of certain tasks, have access to Inside Information (such as consultants, accountants or credit rating agencies).

The Inside Information Procedure also regulates access to the Insider List, the procedures for registration and subsequent updating, confidentiality obligations relating to inside information and the procedures for the use and handling of the relevant documents,

The Board of Directors also set-up the Insider List, entrusting the information contact person as the person responsible for its keeping and updating in order to ensure easy consultation and simple extraction of the data contained therein.

Market Surveys, Delays and Violations

The Inside Information Procedure also regulates: (i) the obligations to be complied with in the event that market surveys are conducted pursuant to article 11, paragraph 5, of the MAR Regulation; (ii) the conditions for activating the procedure for delaying public disclosure of inside information and the formal requirements connected therewith (including the methods of disclosure, as well as the guarantees of accessibility and preservation), together with the Issuer's obligations of conduct during the period of delay; as well as (iii) the

consequences (including sanctions) in the event of breach of the obligations provided for by the same procedure.

Internal dealing procedure

In accordance with the provisions of the MAR Regulation and the TUF and its implementing regulations, the Internal Dealing Procedure imposes on “Managers” and “Relevant Persons” strict disclosure obligations *vis-à-vis* the Issuer and Consob concerning transactions on 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 related to them, with the exclusion of transactions whose total amount does not reach 20,000.00 Euro 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 related with them, all subsequent transactions carried out within the end of the year shall be reported;
- with regard to Relevant Persons and persons closely related with them, any transactions carried out whose total amount again reaches a countervalue of a further Euro 20,000 within the end of the year shall be reported.

For the purposes of the Internal Dealing Procedure the following terms shall mean:

- “Manager”:
 - (a) each member of the Issuer’s Board of Directors and Board of Statutory Auditors;
 - (b) each senior manager of the Company who, although not a member of the corporate bodies referred to in (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;
- “Relevant Persons”: pursuant to article 114, paragraph 7), of the TUF, 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 related with them are required to notify Consob of Relevant Transactions carried out by themselves or on their behalf within 3 business days of the date of completion of such transactions. Relevant Persons shall notify Consob of and publish the information on Relevant Transactions carried out by themselves and by the persons closely related with them by the end of the fifteenth day of the month following the date of completion of the transaction.

If the Managers and the Relevant Persons intend to avail themselves of the Company to notify Consob of Relevant Transactions, they shall inform the Company, respectively, within 3 working days from the date of completion of the transaction and by the end of the tenth day of the month following the date of completion of the transaction. The Company shall make public disclosure of Relevant Transactions it has received notice of, respectively, within 2 business days of receiving notification of the transaction from the Managers and/or the persons closely related with them and by the end of the trading day following the day on which it received the information from the Relevant Persons and/or the persons closely related with them.

Furthermore, the Internal Dealing Procedure regulates the prohibition for Managers to carry out - on their own behalf or on behalf of third parties, directly or indirectly - transactions on Civitanavi Systems and related financial instruments during the 30 calendar days preceding the announcement (so called *black-out period*): (i) of the preliminary results (or, shouldn’t the Company approve preliminary results, of the preliminary financial statements and consolidated financial statements); (ii) of the half-yearly report; (iii) of additional periodic financial information with respect to the annual and half-yearly financial reports.

If the Company publishes preliminary data, the black-out period shall apply only with respect to the date of publication of the preliminary data (and not with respect to the final data), provided that the preliminary data contain all the main information that should be included in the final results.

This prohibition for Managers shall not apply (i) in the case of exceptional situations of subjective necessity, to be assessed on a case-by-case basis, such as, by way of example, severe financial difficulties requiring the immediate sale of shares; (ii) by reason of the nature of the trading in the case of transactions conducted at the same time as, or in connection with, any employee share ownership plan or a savings program, a guarantee or rights to shares, or transactions in which the beneficial interest in the relevant security is not subject to change; as well as (iii) in the further circumstances and conditions set forth in article 9 of Delegated Regulation (EU) 2016/522.

The Internal Dealing Procedure also regulates the obligations of the so-called Reference Person (*Soggetto Preposto*), *i.e.*

- (i) informing Managers and Relevant Persons of their subjection to the obligations provided for in the Internal Dealing Procedure;
- (ii) inform each Manager and Relevant Person in writing of the provisions of the Internal Dealing Procedure so that they may:
 - expressly confirm that they have read and fully understood it;
 - formalize the possible grant of the office;
 - inform the persons closely related with them in writing of the existence of the conditions under which those persons are bound by the disclosure obligations provided for in the Regulation;
 - consent to the processing of personal data in accordance with current privacy legislation, where applicable;
- (iii) draw up and update the list of names of Managers and persons closely related with them and keep the Managers and Relevant Persons' declarations of acknowledgement and acceptance, as well as a record of all notifications received and made to the market and Consob.

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

6. Internal Committees of the Board of Directors (pursuant to Article 123-bis, paragraph 2, d) TUF)

In accordance with Principle XI and Recommendation 16 of the Corporate Governance Code, which recommends that listed companies should have internal committees of the Board of Directors, with responsibility for specific matters, article 21.4 of the By-Laws grants the Board of Directors the power to establish committees with preparatory, advisory and proposing functions within the Board of Directors in accordance with applicable laws and regulations.

On October 13th, 2021, and on December 21st, 2021, the Board of Directors resolved to establish the following board committees with advisory and proposing functions, effective as of the Trading Starting Date:

- the Appointments and Remuneration Committee, composed of Laura Guazzoni, Maria Serena Chiucchi and Tullio Rozzi, all independent directors, with Laura Guazzoni as Chairman. The Appointments and Remuneration Committee is an advisory and proposing corporate body having the main task of formulating proposals to the Board of Directors (i) for the definition of the policy for the remuneration of directors and executives with strategic responsibilities and (ii) on the subject of appointments;
- the Risk Control, Related Party Transactions and Sustainability Committee, composed of independent directors Laura Guazzoni, who has been granted with the office of Chairman, Maria Serena Chiucchi

and Tullio Rozzi, which is a corporate body with advisory and proposing functions having the task of supporting the Board of Directors' evaluations and decisions relating to the internal control and risk management system, as well as those relating to periodic financial and non-financial approvals. As of June 27th, 2023, the Board of Directors resolved to supplement the functions of the Risk Control, Related Party Transactions and Sustainability Committee, including those regarding the sustainability of company policies and interaction with all stakeholders, amending the relevant Regulation.

In the performance of their functions, the committees have access to information and company departments and have adequate financial resources. In particular, within the terms set forth from time to time by the Board of Directors, they may avail of external consultants through the Company's structures, provided that the same are not in a situation that would jeopardize their independence of judgement.

Persons who are not members of the committee may also attend committees' meetings by virtue of invitation and with reference to individual items on the agenda. Minutes of committees' meetings are drawn up by the respective secretaries.

The regulations of the board committees, adopted by the Board of Directors in compliance with Recommendation 11 of the Code, provide that, after each meeting, the Chairman of each committee shall inform the Board of Directors, during the first useful meeting, on the topics discussed and the observations, recommendations, opinions, formulated therein.

As of the date of approval of the Report, none of the proposing and advisory functions of the board committees were reserved for the entire Board of Directors, under the coordination activity of the Chairman.

As of the date of approval of the Report, the Board of Directors defined the tasks of the committees and determined their composition, favoring the knowledge and experience of their members, pursuant to Recommendation 17 of the Corporate Governance Code. It has also determined the composition of the board committees, avoiding an excessive concentration of offices of the respective members and opting for a distribution between the two committees separately established, without proceeding with the concentration of the functions assigned to them in a single committee, in accordance with Recommendation 16 of the Code. The Issuer has also provided adequate information on the tasks and activities performed in relation each of the functions assigned, in accordance with the Code's recommendations concerning the composition of the relevant committees.

Also referring to Sections 7.2 and 9.2 of the Report, the main characteristics of the board committees that compose the governance structure of Civitanavi Systems as of the date of approval of the Report are outlined herein below.

It should also be noted that, as of the date of approval of the Report, the Company did not establish any executive committees.

BOARD COMMITTEE STRUCTURE AS AT 31 DECEMBER 2023

B.o.D.		Control and Risk and RPT Committee		Appointments and Remuneration Committee	
Office/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	5/5	C	3/3	C
Independent Director	Maria Serena Chiucchi	5/5	M	3/3	M
Independent Director	Tullio Rozzi	5/5	M	3/3	M
DISMISSED DIRECTORS DURING THE YEAR					
-	-				
No. of meetings held during the Year:		5		3	
NOTES (*) This column shows the directors' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings held; e.g. 6/8; 8/8 etc.). (**) This column indicates the title of the director within the committee: 'C': chairman; 'M': member.					

7. Self-evaluation and replacement of directors - Appointments Committee

7.1. Directors' self-assessment and replacement

The Issuer, which is qualified as a company with concentrated ownership, did not deem it necessary, in view of the renewal of the administrative body, to conduct a formal self-assessment process on the adequacy in terms of the composition and functioning of the administrative body and of the board committees, considering it unnecessary in light of the size of the Company and its ownership structure.

As of the date of approval of the Report, the Board did not adopt a replacement plan for the Chief Executive Officer and executive directors, nor the Company adopted any procedures for the replacement of top management.

7.2. Appointments Committee

Composition and functioning of the Appointments Committee (pursuant to Article 123-bis, paragraph 2, letter d), TUF)

In accordance with Recommendation 16 of the Corporate Governance Code, on October 13th, 2021, the Board of Directors resolved, *inter alia*, to establish, effective as of the Trading Starting Date, an Appointments and Remuneration Committee, with a term of office equal to that of the Board of Directors.

The Appointments and Remuneration Committee is composed of 3 (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 ascertained that all three members possess adequate knowledge and experience in financial matters or remuneration policies.

During the Financial Year, the Appointments and Remuneration Committee met three times, with meetings lasting an average of approximately 25 minutes, the minutes of which were duly drawn up as well as the results were promptly notified to the Board of Directors. The ratio of attendance of the members of the Appointments and Remuneration Committee at the meetings is shown in the table at the end of Section 6 of this Report.

For the current financial year, the Committee is planning 2 meetings of which 1 already held as at the date of this Report.

The members of the Board of Statutory Auditors, the Chairman of the Board of Directors, Mr. Andrea Pizzarulli, and the Chief Financial Officer, Ms. Letizia Galletti, participated in the work of the Appointments and Remuneration Committee upon invitation of the Committee's Chairman.

In the above-mentioned meetings held during the Financial Year, the Committee mainly carried out the following activities:

- yearly verification of the requirements of independent directors;
- report on variable remuneration for 2023;
- proposal regarding the incentive plans for the Chief Executive Officer and the Executives with Strategic Responsibilities for the short-term period up to 2023;
- proposal regarding the '2023 Stock Option Plan';
- execution of the 'CNS - Stock Option Plan 2023';
- examination of the Remuneration Policy for 2023 and the Remuneration Report for 2022;
- strategic executive salary adjustment;

- examination of the quantitative and qualitative criteria for assessing the significance of relationships that might be relevant for the proper application of the independence criteria.

Functions of the Appointments Committee

The Appointments and Remuneration Committee is provided with its own regulations governing its functioning and duties, approved on October 13th, 2021 (the ‘**AR Committee Regulations**’).

Pursuant to the AR Committee Regulation, the Appointments and Remuneration Committee shall meet as often as necessary for the proper performance of its functions, subject to the sending of a specific notice of call, which shall also be sent to the members of the Board of Statutory Auditors, the Chairman of the Board of Directors and the Chief Executive Officer through the Committee’s Secretary at least 3 (three) days before the date of the meeting, or at least 24 (twenty-four) hours before in cases of urgency. The meetings of the Appointments and Remuneration Committee, the validity of which is subject to the attendance of the majority of the members in office, shall be attended by the Board of Statutory Auditors; however, the Chairman of the Committee may invite to the meetings, with reference to individual items on the agenda, other members of the Board of Directors, as well as representatives of the corporate functions or third parties, whose presence may be helpful to the better performance of the Committee’s functions. The Chairman of the Board of Directors and the Chief Executive Officer may also attend Committee’s meetings. However, Committee’s meetings in the context of which remuneration proposals are formulated to the Board of Directors may not be attended by the interested parties, except in the case of proposals that concern the generality of the members of the committees established within the Board of Directors.

Committee meetings may also be held by means of telecommunications, provided that all participants can be identified and that such identification is recorded in the relevant minutes and that they are able to follow the discussion and intervene in real time in the discussion of the items on the agenda, exchanging documentation where appropriate.

The Committee’s resolutions shall be adopted with the favorable vote of the majority of those present; in the event of a tie, the vote of the Chairman prevails.

The Committee’s meetings shall be recorded in minutes that shall be signed by the Chairman the meeting and the Secretary and kept by the latter in chronological order and sent in copy to the members of the Committee and to the standing members of the Board of Statutory Auditors.

The Appointments and Remuneration Committee has the task of supporting, by means of an adequate preliminary activity having a proposing and advisory nature, the assessments and resolutions of the Board of Directors on remuneration and appointments.

In particular, with reference to appointments, the Appointments and Remuneration Committee performs the following activities:

- self-assessment of the administrative body and its committees;
- the optimal composition of the board and its committees;
- identification of candidates for the office as director in the event of co-optation;
- possible submission of a list by the dismissing board of directors to be implemented in a manner that ensures its transparent formation and presentation, in accordance with Principle XIII of the Code;
- preparation, updating and implementation of any replacement plan for the chief executive officer and other executive directors.

The Appointments and Remuneration Committee shall promptly exchange information relevant to the performance of its duties with the other corporate bodies and functions of the Company that perform relevant

tasks concerning the subjects of finance or remuneration policies and, in the performance of its duties, has the right to access the information and functions of the Company necessary to perform its tasks, possibly availing, at the Company's expense, of 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 Appointments and Remuneration Committee intends to avail of the services of a consultant in order to obtain information on market practices regarding remuneration policies, it shall first verify that the consultant is not in a situation that jeopardizes its independence of judgement.

During the first useful meeting of the Board of Directors, the Chairman of the Appointments and Remuneration Committee is required to report on the Committee's meetings held and on the proposals and guidelines formulated in the most appropriate form.

8. Remuneration of Directors - Remuneration Committee

For information on this section, please refer to the relevant parts of the Remuneration Report published pursuant to article 123-ter of the TUF available at www.civitanavi.com, section "Governance".

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

Composition and Functioning - General Principles

The internal control and risk management system consists of the set of rules, procedures and organizational 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, in accordance with the Issuer's strategies and in compliance with Principles XVIII and XIX of the Corporate Governance Code, as well as Recommendation 33, a).

As provided for in Recommendation 33, g) of the Code, this system contributes to the management of the Company, favoring the adoption of informed decisions. It contributes to ensuring: (i) the safeguarding of corporate economic capital, (ii) the efficiency and effectiveness of corporate processes, (iii) the reliability of information provided to corporate bodies and the market, and (iv) compliance with laws and regulations as well as with the By-Laws and internal procedures.

The Company has implemented this system into its organizational and corporate governance structures, in accordance with Recommendation 32 of the Code, taking into due consideration the recommendations of the Corporate Governance Code to which it has adhered, as well as national and international reference models and best practices. The Board of Directors, in accordance with its role and attributions as well as Recommendation 33, a) of the Code, has defined the guidelines of the internal control and risk management system consistent with the Company's strategies, evaluating its adequacy and effectiveness on a yearly basis.

This section illustrates the main features of the internal control and risk management system implemented as of December 31st, 2023, the methods of coordination between the parties involved in it, and the activities that the Board of Directors has undertaken in the area of internal controls and risks, including through the Control and Risk Committee.

In 2023, in accordance with Principle IXI and Recommendation 33.a), the Board of Directors approved, with the assistance of the Control and Risk Committee, the guidelines of the internal control and risk management system, so as to structure effective and efficient internal processes aimed at mapping and correctly identifying the main risks pertaining to the Company, as well as their adequate management and control, 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 components of the internal control and risk management system consist of (i) the system of powers and delegations conferred by the Board of Directors, consistent 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 function 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, upon initiative of the Chairman of the Board. This process provides for the involvement of management in the identification of the main risks and uncertainties that could jeopardize the achievement of budget objectives and, consequently, the Strategic Plan.

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

Civitanavi depicted to the Control and Risk Committee 14 macro-risks, three of which were defined as high. For all identified macro-risks, risk response strategies were defined by management, which were also 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 organizational procedures and provisions aimed at ensuring compliance with the general control principles set 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 subject to periodic assessment and review of the control measures implemented in order to mitigate corporate risks.

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

During the Financial Year, the Board of Directors, supported by the Control and Risk, Related Party Transactions and Sustainability Committee, in accordance with Principle XIX and Recommendation 33, g) of the Code, assessed the adequacy of the internal control and risk management system in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness, on March 16th, 2023.

In addition to the Board of Directors and the Risk and Control, Related Party Transactions and Sustainability Committee, the control model envisages the involvement of the following parties:

- the Chief Executive Officer, responsible for verifying the proper functioning and overall adequacy of the internal control and risk management system;
- the Financial Reporting Officer, in charge of implementing the administrative-accounting procedures governing the preparation of periodic financial information;
- the Board of Statutory Auditors responsible for monitoring the compliance with the principles of proper administration and the adequacy of the internal control and risk management system;
- the Head of Internal Audit, in charge of 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 organizational solutions adopted for the implementation of the internal control and risk management system, with particular reference to the organizational model pursuant to Legislative Decree 231/01, appointed in the first half of 2022, following the adoption of the Organization, Management and Control Model. The activity of the Supervisory Board began immediately and continued regularly during the Financial Year, including through frequent hearings with management, cooperation with the Internal Audit function and periodic meetings with the Control and Risk, Related Party Transactions and Sustainability Committee.

The internal control system in relation to financial reporting

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

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

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

Following the listing of the Issuer's Shares on Euronext Milan, the Chief Financial Officer, Letizia Galletti, the Financial Reporting Officer in charge of preparing the company's legal and accounting documents, initiated a specific analysis of the internal control system for financial reporting in order to periodically check its effectiveness and efficiency and to allow for an informed and supported statement to the market.

During the Financial Year, the activities envisaged in the Approved Audit Plan were duly carried out, which concerned the analysis of the control system aimed at financial reporting, in particular, in accordance with the Annual Plan L262 for the monitoring of the effectiveness and efficiency of the system itself (Model L262) inspired by national and international best practices in compliance with the requirements of Law 262/2005 (the so-called "Savings Law").

In particular, the Internal Audit function verified the validity of the control structure (RCM - Risk and Control Matrix) for the Personnel Cycle and for the Accounts Closure Cycle, performing operational effectiveness checks on the planned controls of the model, and discussing the results of these testing activities with management.

The activities can be summarized as follows:

- identification of the main risks to financial reporting through a careful analysis of the Issuer's business model, Issuer's strategies, the impact of its activities and results achieved, disclosures to the market, financial statement filings, listing documentation, and the Issuer's verification financial statements. Identification of the relevant accounting data and formalization of control objectives through the analysis of Financial Assertions by financial statements area, to which the accounts of the verification financial statements were associated (scoping phase);
- analysis of the general IT controls and, in particular, of the policies and procedures used by the IT function to manage its activities and organize the processing environment, applications and security of accounting data. These controls refer specifically to the applications that are significant for the formation of accounting data, are recorded on the basis of international frameworks and support the effective functioning of application controls and contribute to verifying the operational continuity of the corporate information system involved in financial reporting;
- analysis of the structure of the Issuer's administrative and accounting processes and, in particular, of the procedures and process controls that management has adopted to mitigate the risks identified in the scoping phase;
- verification of the operational effectiveness of the manual and application controls of the operational processes mapped in the previous activities, as well as of the general IT controls;

- identification of possible areas of improvement against which the management, in agreement with the Financial Reporting Officer in charge, defines action plans aimed at strengthening the internal control system, the execution of which is monitored by the Internal Audit function;
- supporting the Supervisory Board in its activities, also through the IT manager, by sharing the action plan and implementing the improvement actions previously identified in order to obtain ISO 27001 certification;
- verification of the Issuer's compliance with the whistleblowing regulations most recently amended by Legislative Decree no. 24 of 2023, in implementation of Directive (EU) 2019/1937, suggesting the implementation of a special portal for the management of whistleblowing reports that would allow for greater security and compliance in terms of whistleblower protection. The definition of said reporting management model was entrusted to the Issuer's external consultants.

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 October 13th, 2021, to the Chief Executive Officer, Andrea Pizzarulli, in accordance with Recommendation 32, b) of the Code.

In particular, by virtue of the powers delegated to Andrea Pizzarulli, he:

- ensured the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submit them periodically to the Board of Directors for examination, in accordance with Recommendation 34, a) of the *Corporate Governance Code*;
- implemented the guidelines defined by the Board of Directors, providing for the devising, implementation and management of the internal control and risk management system, constantly verifying its overall adequacy and effectiveness, as well as taking care of its adjournment in consideration of the dynamics of the operating conditions and the legislative and regulatory framework in accordance with Recommendation 34, b) of the Corporate Governance Code;
- entrusted the Internal Audit function with the performance of 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 Control and Risk Committee and the Chairman of the Board of Statutory Auditors, in accordance with Recommendation 34, c) of the Corporate Governance Code;
- promptly reported to the Control and Risk Committee (or the Board of Directors) on problems and critical issues that have arisen in the course of its work or of which it has otherwise become aware, so that the Committee (or the Board) can take appropriate action in accordance with Recommendation 34, d) of the Corporate Governance Code.

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 Department, defined a process to identify the Company's main risks and uncertainties in relation to its strategic objectives over the medium term, involving the Company's management. This process, initiated following the admission of the Issuer's Shares to listing on Euronext Milan, was further deepened by involving a greater number of functions and proceeding to a risk assessment that led to their prioritization and the definition of adequate response plans aimed at bringing risks back to a level deemed acceptable, which will also be monitored during 2024. The Chief Executive Officer, Andrea Pizzarulli, duly reported to the Control and Risk Committee, supported by the Financial Reporting Officer and the head of the Internal Audit function.

9.2. Control and Risk Committee

In accordance with the provisions of Recommendation 16 of the Corporate Governance Code, on October 13th, 2021, and December 21st, 2021, the Board of Directors resolved to establish the Control, Risk and Related Party Transactions Committee, effective as of the Trading Starting Date.

Composition and functioning of the Control and Risk Committee (pursuant to Article 123-bis, paragraph 2, letter d), TUF)

The Control and Risk, Related Party Transactions and Sustainability Committee (the “**CR Committee**”), in application of Recommendation 26 of the Corporate Governance Code and pursuant to the Regulation of the Control and Risk, Related Party Transactions and Sustainability Committee (the “**CR Committee Regulation**”), most recently amended on June 27th, 2023, may be composed of non-executive directors whose majority shall be independent, provided that the latter shall be in a number not lower than 2 (two), and shall chaired by an independent director, in accordance with Recommendations 35 and 7 of the Code.

The members of the Committee and its Chairman are appointed and may be dismissed by reasoned resolution of the Board of Directors.

The Committee, upon the proposal of its Chairman, appoints a Secretary, who may or may not be a member of the Committee, who is entrusted with the task of assisting the Chairman and the Committee in carrying out their activities and drawing up the minutes of the Committee’s meetings.

Currently, the CR Committee is composed of three independent directors (Laura Guazzoni, as Chairman, Maria Serena Chiucci and Tullio Rozzi), with adequate knowledge and experience in accounting and finance or risk management, ascertained by the Board of Directors.

The persons identified as members of the Committee are required to declare in a timely manner the existence of any related party relationship with respect to the specific Related Party Transaction, in order to allow the application of the so-called equivalent safeguards.

In particular, if one of the members of the Committee cannot be considered an unrelated Director, the following equivalent safeguards shall be taken, in this order

- (a) the Committee’s opinion shall be issued unanimously by the remaining unrelated Directors of the Committee;
- (b) if there are not at least 2 (two) unrelated Directors on the Committee, or in any event the supervision referred to in subparagraph (a) above cannot be applied, the opinion shall be issued:
 - by the sole member, if any, of the Committee who qualifies as unrelated and Independent Director jointly with: (i) the Chairman of the Board of Statutory Auditors provided that the same is not, with respect to the specific Transaction, a Related Party; or (ii) another member of the Board of Statutory Auditors indicated by the same corporate body provided that such member is not, with respect to the specific Transaction, a Related Party; or
 - by the Board of Statutory Auditors; or
 - by an independent expert selected by the Board of Directors from among persons of acknowledged professionalism and knowledge on the matters of interest, whose independence and absence of conflicts of interest shall be assessed.

The entire Board of Statutory Auditors was constantly invited to participate in the work of the Control and Risk, Related Party Transactions and Sustainability Committee, in accordance with Recommendation 17 of the Code.

As provided for in Recommendation 17 of the Code, the Chairman may from time to time invite other members of the Board of Directors, as well as the Chief Executive Officer, the Financial Reporting Officer/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 and other third parties with reference to specific items on the agenda, to provide information and express their opinions or whose presence may help the Committee to better perform its functions.

The meetings of the Control and Risk, Related Party Transactions and Sustainability Committee shall be recorded on the minutes. The minutes of the meetings shall be 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 Audit and Risk Committee

The Control and Risk, Related Party Transactions and Sustainability Committee, in compliance with the By-Laws and Recommendations 33 and 35 of the Corporate Governance Code, performs proposing and advisory functions *vis-à-vis* the Board of Directors in order to support the Board's assessments and resolutions, by means of an adequate preliminary activity, on matters concerning:

- risks and the system of internal controls;
- sustainability;
- transactions with related parties.

The Committee shall meet as often as is appropriate for the proper performance of its functions.

The notice of call of the meeting, containing an indication of the day, time and place of the meeting and the list of items to be discussed, shall be sent to the members of the Committee and the Board of Statutory Auditors by the Secretary, upon indication of the Chairman of the same Committee, normally at least three days before the date of the meeting; in cases of urgency, the term may be shorter, in any case observing a minimum notice period of 24 hours. The notice of call of the meeting is sent by the secretary, for information, to the Chairman of the Board of Directors and the Chief Executive Officer.

The Committee has the right to access - within the limits of the tasks assigned to it - the information and corporate functions necessary for the performance of its duties and may avail of external consultants and experts at the Company's expense, within the limits of the overall budget approved by the Board of Directors for all committees.

Risk Functions and Control System

With regard to risks and the internal control system in accordance with the provisions of the *Corporate Governance Code*, the CR Committee supports the Board of Directors in the following activities:

- (a) defining the guidelines of the internal control and risk management system in accordance with the company's strategies and evaluating, at least once a year, the adequacy of said system with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness;
- (b) appointment and dismissal of the head of the Internal Audit function,
- (c) approval, at least once a year, of the work plan prepared by the head of the Internal Audit function, after consulting the supervisory body and the Chief Executive Officer;
- (d) assessing the appropriateness of implementing measures to ensure the effectiveness and impartial judgement of the other corporate functions indicated in Recommendation 32, letter e), of the Corporate Governance Code, verifying that they have adequate professionalism and resources;

- (e) assigning to the supervisory body or to a specially constituted entity of the supervisory functions pursuant to Article 6, paragraph 1, letter b) of Legislative Decree no. 231/2001.
- (f) evaluating, in consultation with the supervisory body, of the results set out by the auditor in the letter of suggestions, if any, and in the additional report addressed to the supervisory body;
- (g) describing, 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 reference models and national and international best practices, expressing its overall assessment of the adequacy of the system itself and reporting on the choices made regarding the composition of the supervisory entity referred to in point (e) above

The CR Committee, in compliance with the Corporate Governance Code, in assisting the Board:

- (a) assesses, together with the Financial Reporting Officer responsible for preparing the company's financial reports and having consulted the auditor and the Board of Statutory Auditors, the correct use of accounting principles and their uniformity for the purposes of preparing the consolidated financial statements, prior to the Board's approval of the consolidated financial statements;
- (b) assesses the suitability of periodic financial and non-financial information to fairly 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 and supports the Board's assessments and decisions relating to the management of risks arising from harmful facts of which it has become aware;
- (e) examines the periodic reports concerning the evaluation of the internal control and risk management system and those of particular relevance prepared by the Group Auditing function;
- (f) monitors the autonomy, adequacy, effectiveness and efficiency of the Group Auditing function;
- (g) may entrust the Internal Audit function with the performance of audits on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors and the Director in charge of the internal control and risk management system, unless the subject of the audit request specifically concerns the latter's activity;
- (h) reports to the Board, at least every six months, on the occasion of the approval of the annual and half-yearly financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system.

Sustainability Functions

The CR Committee performs preparatory, proposing and advisory functions *vis-à-vis* the Board of Directors on the sustainability of corporate policies and its dynamics of interaction with all stakeholders. In particular:

- (a) monitors the alignment of the corporate governance system with legal provisions, the Recommendations of the Corporate Governance Code and national and international best practices in the analysis of issues relevant to the generation, in the long term, of economic - financial value and social and environmental value for shareholders and all other stakeholders, making proposals to the Board of Directors;
- (b) promotes the spread of the culture of sustainability among all the stakeholders and, in particular, to employees, shareholders, customers and suppliers;

- (c) examines the guidelines of the sustainability plan and the Company's policies on human rights, business ethics and integrity, diversity and inclusion, as well as the policies for integrating environmental, social and governance issues into the business model, and the initiatives undertaken by the Company to tackle climate change issues and related reporting;
- (d) examines and supervises the sustainability guidelines, objectives and consequent processes, and the sustainability reporting submitted yearly to the Board of Directors, *i.e.* the Group's sustainability reporting, including materiality analysis and related stakeholder engagement activities, assessing its completeness and reliability;
- (e) supports the Board of Directors' assessments and decisions regarding the approval of disclosures on risks, generated or incurred, related to social-environmental issues arising from the company's activities, services or business relationships, including, where relevant, supply chains and subcontracting;
- (f) expresses, upon request of the Board of Directors or the Chief Executive Officer, opinions on sustainability issues;
- (g) examines the economic and financial strategy and policies for sustainability;
- (h) supervises the evolution of sustainability also in the light of new regulations and international principles on the subject, monitoring the Company's positioning with respect to the financial markets on sustainability issues, with particular reference to the Company's position in ESG indexes, as well as international environmental, social and governance initiatives and the Company's participation thereto, aimed at consolidating the Company's reputation on the international front;
- (i) reports to the Board of Directors, at least every six months, on the occasion of the approval of the annual and half-yearly financial report, on its sustainability activities;
- (j) performs the additional tasks assigned to it by the Corporate Governance Code or the Board of Directors in the area of sustainability.

Related Party Transaction Functions

With regard to transactions with related parties, the Committee performs the functions assigned to it by the Board of Directors under the RPT Procedure adopted by the Company.

Meetings in 2023

During the Financial Year, the Control and Risk, Related Party Transactions and Sustainability Committee met 6 times, with meetings lasting about one hour on average. The attendance of Committee members at the meetings is shown in the table at the end of Section 6 of this Report.

For the current year, the Committee is planning 4 meetings of which 1 already held as at the date of this Report.

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

- prepared periodic reports for the Board of Directors;
- reviewed the results of the audits conducted in 2022 and the proposed Audit Plan for 2023;
- examined the report of the Supervisory Board;
- examined the letter of the Corporate Governance Committee of Borsa Italiana and its recommendations for 2023;

- reviewed the results of the processes for identifying the Issuer’s main risks and uncertainties and monitoring 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;
- coordinated with the Financial Reporting Officer, the auditing firm and the Board of Statutory Auditors on the transformation process of the annual financial report;
- coordinated with the Head of Internal Audit on the periodic report prepared by the latter, especially with regard to the L.262 annual program;
- coordinated with the auditing firm on the work performed by the latter, audit methodologies, materiality thresholds and valuation methods applied;
- also gave its opinion to the Board 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;
 - to the half-yearly financial report as of June 30th, 2023;
 - changes to the corporate purpose of the Issuer, as referred to in article 4 of the By-Laws;
- assessed the suitability of periodic financial information to fairly represent the Issuer’s business model, its strategy and the impact of its activities and performance;
- carried out adequate evaluations on the most significant related party transactions, checking yearly on the application of exemptions;
- approved the adaptation of the CR Committee Regulation
- reviewed and approved the Sustainability Report for the financial year ending December 31st, 2022, in order to comply in advance with the legislation that will come into force in 2024, highlighting the importance of the sustainability report for certain customers and suppliers;
- reported to the Board (i) on March 16th, 2023, providing information on the activity carried out in 2022 in relation to the monitoring of the adequacy of the risk control system, without noting any critical issues in any of the areas of investigation; (ii) on September 21st, 2023, summarizing the contents of the CR Committee’s Report, on the activity carried out by the CR Committee during the first half of 2023;

Within the scope of its functions, the Control and Risk, Related Party Transactions and Sustainability Committee 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 the internal audit function

On October 13th, 2021, the Board of Directors established the Internal Audit function referred to in article 6 of the Corporate Governance Code effective as of the Trading Starting Date and appointed Athena Professionisti e Consulenti Associati as the head of this function effective as of the Trading Starting Date, acknowledging that this company meets the appropriate requirements of professionalism, independence and organization, as

set forth in Recommendation 33, letter b), of the Code. On December 22nd, 2022, the Board of Directors renewed the appointment of the external consultant Athena Professionisti e Consulenti Associati as head of the internal audit function, whose office expires on the date of approval by the Shareholders' Meeting of the financial statements as of December 31st, 2023.

The Company's decision to outsource the internal audit function, adequately reasoned pursuant to Recommendation 33, letter b), of the Code, was made in consideration of the greater expertise and efficiency that external consultants specialized 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 on the basis of an economic proposal submitted by the outsourcer and outlined on the basis of the function's operational activities. 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 fulfil its responsibilities.

The Head of the Internal Audit function shall report directly to the Board of Directors, in accordance with the guidelines defined by the latter, in compliance with Recommendation 32, letter d), of the Code, and shall be independent of the heads of the different operational areas, including the Company's Administration and Finance area, and shall have direct access to all information useful for the performance of its office in the Company, and reports periodically on its work to the Chairmen of the Control and Risk, Related Party Transactions and Sustainability Committee, 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 shall:

- verify, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and adequacy of the internal control and risk management system, through an *audit* plan, on a yearly basis, 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 prioritization of the main risks, in compliance with Recommendation 36, letter a), of the Code;
- have right to access directly all information relevant to the performance of the assignment, in accordance with Recommendation 36 of the Code;
- draw up periodic reports providing for adequate information on its activities, on the manners risk management activity is conducted and on compliance with the plans defined for their mitigation, as well as an assessment of the adequacy of the internal control and risk management system, and sends them to the Chairmen of the Board of Statutory Auditors, the Control and Risk, Related Party Transactions and Sustainability Committee and the Board of Directors, as well as to the Director in charge of the internal control and risk management system, in accordance with Recommendation 36, letter d), of the Code;
- promptly draw up reports on particularly significant events, also upon the request of the Board of Statutory Auditors, and send them to the Chairmen of the Board of Statutory Auditors, the Control and Risk, Related Party Transactions and Sustainability Committee and the Director in charge of the internal control and risk management system, in accordance with Recommendation 36, letters b) and c) of the Code;
- verify, as part of the audit plan, the reliability of information systems including accounting systems, in accordance with Recommendation 36, letter e), of the Code.

During the Financial Year, the Head of Internal Audit:

- presented the annual work plan to the Control and Risk, Related Party Transactions and Sustainability Committee and the Board of Directors;

- had direct access to all information relevant to the performance of its duties;
- performed direct and specific control activities, consistent with the annual work plan;
- reported on its activities and findings to the Control and Risk, Related Party Transactions and Sustainability Committee, the Company’s Board of Statutory Auditors, the executive Director in charge of supervising the operation of the internal control system and the Chairman of the Company’s Board of Directors;
- attended the Board of Directors’ meeting (i) on March 16th, 2023, presenting the Manager’s Report; (ii) on September 21st, 2023, illustrating the activities relating to the execution of the Annual Program 262 and on the adequacy of the internal control system in relation to the size and characteristics of the Issuer.

On March 14th, 2024, the Board of Directors, in accordance with Recommendation 33, letter c), of the Code, approved the work plan for the financial year 2024 prepared by the Head of the Internal Audit function, after consulting the Control and Risk, Related Party Transactions and Sustainability Committee, the Board of Statutory Auditors and the Director in charge of the internal control and risk management system.

Article 2.1, letter c), of the CR Committee Regulation also provides that the CR Committee must approve, at least once a year, the work plan prepared by the Head of the Internal Audit function, after consulting the supervisory body and the Chief Executive Officer.

During the Financial Year, the CR Committee approved the work plan prepared by the Head of Internal Audit.

9.4. Organizational Model pursuant to Legislative Decree 231/2001 and Supervisory Board

The Company has adopted and effectively implements an Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (**‘Model 231’**), approved by the Board of Directors on July 4th, 2022, and subsequently amended on December 22nd, 2023. The Model 231 is adequate to preventing the commission of unlawful conduct by senior executives, executives or persons with decision-making powers and holding the Company harmless, as far as possible, from potential sanctions against 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 legal framework, the structure of Model 231 adopted by the Company, the methods for identifying risks and analyzing 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 criminal offences as those 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* of Legislative Decree 231/2001;
- Special Section C: Crimes related to hygiene and safety at the workplace - Art. 25-*septies* Legislative Decree 231/2001;
- Special Section D: Computer crimes and unlawful processing of data and crimes 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 - Article 25-*undecies* of 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 - Art. 25-*sexies* of Legislative Decree 231/2001;
- Special Section J: Receiving stolen goods (*ricettazione*), money laundering, self-laundering and crimes 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, by expressing the principles and ethical values of the Company, constitutes a first valid safeguard against the commission of the underlying criminal offences (*reati presupposto*) and, more in general, encourages an effective, correct and transparent behavior to which all corporate functions are bound. The Code of Ethics is available on the Company's website.

The Supervisory Board acknowledged that during the Financial Year all the objective evidence necessary for the Supervisory Board to draw up its report was forwarded by the competent functions. During the period of observation, it also to be noted that no breaches of the Model 231 emerged and that the collection of findings used by the Supervisory Board for its own assessment was duly kept by the Supervisory Board.

During the period under analysis, and more precisely on December 12th, 2023, the general part of the Model 231 was amended in relation to the necessary changes introduced with regard to whistleblowing regulation provided for by Legislative Decree no. 24/2023. More specifically, the Model 231 was updated to reflect the introduction, by the aforementioned decree, of (i) the obligation to set up internal reporting channels, (ii) the prohibition of retaliation and (iii) the disciplinary and sanctions system.

No further amendments to the Model 231 in the special parts were deemed necessary. The Company will, however, consider amendments in the course of 2024 in view of the introduction of new underlying criminal offences, such as bid rigging (*turbativa d'asta*).

The Supervisory Board held three separate training sessions on 231/2001 discipline (one of them dedicated to senior management). The material was made available and audit tests were carried out by the participants. The Supervisory Board also carried out audit activities aimed at preventing market abuse also pursuant to MAR Regulation and ensuring the safety in the workplace, and there was no evidence of any violations in these areas during the Financial Year.

The Supervisory Board acknowledged that no criminal proceedings were reported in 2023, nor were any sanctions imposed on the Issuer's personnel in connection with matters covered by the Model 231.

Furthermore, in compliance with the provisions of Legislative Decree no. 24/2023, the Company has adopted a whistleblowing policy, which has been brought to the attention of all personnel, as well as a specific procedure for carrying out internal reporting activities. This system makes it possible to quickly and easily report concerns about actual or suspected misconduct that may have a negative impact on the Company or on the well-being of individuals, it being understood that this system allows reports to be sent anonymously, guaranteeing broad confidentiality, also thanks to the opening of a secure mailbox, 'Inbox', supported by a special software, to facilitate the reporting activity. In this regard, it should be noted that the Company:

- (a) has adopted an appropriate privacy policy, which specifies the legal basis of the processing and the standards of data transmission and security, as well as the storage period, available on the Company's website, where the data controller and data protection officer are also indicated, which can be found at privacy@civitanavi.com;
- (b) in compliance with Directive (EU) 2019/1937, Legislative Decree 24/2023, as well as the Guidelines of ANAC of July 12th, 2023, has assigned the task of managing the internal reporting channel to an

entity external to the Company, independent of the same and equipped with personnel specifically trained for the performance of such activity, identified in Athena Professionisti e Consulenti Associati, with registered office in Via Castelbarco 2 - 20136 Milan (P. Iva: 06792760966), in the person of Dr. Francesca Marino, Head of the Company's Internal Audit function, and Dr. Nicole Pasqualini. The Company has also granted Athena Professionisti e Consulenti Associati an annual expense budget. This entity is in charge of receiving reports and assessing their admissibility, as well as of involving a corporate function not involved in the report to agree on subsequent actions. In-depth investigations may be entrusted to parties other than the reporting channel manager, it being understood that the latter should maintain full visibility of the actions taken, as well as of the conclusions reached, so as to be able to inform the reporter of the outcome of the checks carried out. Furthermore, the manager is required to provide periodic reports to the Control and Risks, Related Party Transactions and Sustainability Committee, the Board of Directors and the Board of Statutory Auditors, as well as to the Supervisory Body for the matters falling within its competence.

9.5. Auditing Firm

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

The Shareholders' Meeting of Civitanavi Systems on October 13th, 2021, (effective as of the Trading Starting Date) appointed BDO Italia S.p.A, with registered office in Milan, Viale Abruzzi 94, registered with the Companies' Register of Milan, Monza Brianza and Lodi, registration number, tax code and VAT number 07722780967, registered no. 167991 with the Register of Auditors at the Ministero dell'Economia e delle Finanze (*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 in charge of auditing the accounts for the financial years 2021 to 2029 and of the limited audit of the Issuer's half-yearly condensed financial statements for the half-years ending June 30th of the financial years 2022 to 2029, as well as of verifying that the accounts are properly kept and that the operating events are correctly recorded in the accounting records during said financial years. Furthermore, on December 22nd, 2023, the Company resolved to approve to supplement the office granted to the Auditing Firms, entrusting it also with the audit of the Group's consolidated financial statements for the financial year ending December 31st, 2023.

For the purpose of the listing process of the Shares on Euronext Milan, the Auditing Firm voluntarily audited the Issuer's three-year financial statements for the financial years ended December 31st, 2020, 2019 and 2018, drawn up in accordance with EU-IFRS and approved by the Board of Directors on November 3rd, 2021.

During the Financial Year, the Board of Directors, with the support of the CR Committee, assessed the results presented by the auditor in the supplementary report addressed to the Board of Statutory Auditors with reference to the 2022 financial statements, in accordance with Recommendation 33, letter f), of the Corporate Governance Code.

9.6. Financial Reporting Officer

On October 13th, 2021, the Issuer's Board of Directors appointed Ms. Letizia Galletti (the "**Financial Reporting Officer**") as the executive responsible for the drafting of corporate accounting documents, effective as of the Trading Starting Date

On this occasion, the Board of Directors acknowledged Letizia Galletti as a person suitable to hold this office, also in consideration of the requirements of professionalism and honorableness set forth in article 32 of the By-Laws, pursuant to which the Financial Reporting Officer shall 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 legal and regulatory provisions. The Financial Reporting Officer has all the powers and means to perform the tasks assigned to them by legislation in force and the By-Laws, 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 authorization.

The Financial Reporting Officer, pursuant to article 154-*bis* of the TUF, shall:

- (i) draft accompanying written statements for the Company's acts and communications disclosed to the market and relating to accounting information, including interim reports;
- (ii) implement adequate administrative and accounting procedures for the drafting of the annual financial statements and, where applicable, the consolidated financial statements, as well as any other financial disclosures;
- (iii) certify with an ad hoc report on the annual financial statements, the condensed half-yearly financial statements and the consolidated financial statements (a) the adequacy and effective implementation of administrative and accounting procedures for the drafting of the aforesaid documents; (b) that the documents are drawn up in accordance with applicable international accounting standards in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19th, 2002; (c) that the documents correspond to the results shown in the books and accounting records; (d) the adequacy of the documents to provide a true and fair representation of the patrimonial, economic and financial situation of the Issuer as well as of the entities included in the consolidation (e) for the annual financial statements and the consolidated financial statements, that the management report includes a reliable analysis of the current performance and result of the management, as well as of the situation of the Issuer and of the entities included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed; (f) for the condensed half-yearly financial statements, that the interim management performance report provides for a reliable analysis of the information referred to in article 154-ter, paragraph 4, TUF.

The Financial Reporting Officer is supported in the performance of the relevant activities by the Internal Audit function, which has been acknowledged to be independent, competent and impartial in its judgement, as well as having sufficient economic and operational resources.

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

Also in consideration of the effectiveness of the internal control and risk management system, the Board of Directors did not deem it appropriate during the Financial Year to adopt additional safeguards to ensure the effectiveness and impartial judgement of the corporate functions involved in the system.

9.7. Coordination between those 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 regulations relating to the functioning of the Board of Directors and Committees, which impose periodic information flows between the corporate bodies and the various functions so that they are efficiently coordinated with each other and interact constructively on an ongoing basis, also drawing inspiration from national and international models and best practices. In particular, the Board, in compliance with Principle XX of the Code, has adopted certain procedures aimed at maximizing the efficiency of the corporate system, reducing duplication of activities and ensuring the effective performance of the Board of Statutory Auditors' tasks.

In this respect, it should be noted that the Company encourages meetings between these various parties in order to coordinating and sharing information with each other. 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 Risk and Control, Related Party Transactions and Sustainability Committee, in compliance with Recommendation 37, and furthermore, upon the invitation of the Committee's 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,

representatives of the Auditing Firm as well as consultants who supported the Company on specific projects examined by the Committee, attended some meetings.

In compliance with the principles defined by the Model 231 pursuant to Legislative Decree 231/01, the Supervisory Board exchanged information flows with the management, the Board of Statutory Auditors and reported on a six-monthly basis to the Control and Risk, Related Party Transactions and Sustainability Committee and the Board of Directors on the activities carried out.

Lastly, the Board of Statutory Auditors periodically shall meet with the Financial Reporting Officer, the Auditing Firm, as well as the various corporate functions involved in the processes and procedures that shall be specifically verified by the Board of Statutory Auditors, including those relating to the internal control and risk management system.

On March 24th, 2022, the Board of Directors adopted the Issuer's Policy of Dialogue with the Generality of Shareholders, which promotes dialogue outside of the shareholders' meeting between the Board of Directors and the representatives of Investors on issues falling within the Board's competence, relating to corporate governance, social and environmental sustainability, policies on the remuneration of directors and executives with strategic responsibilities and their implementation, and the internal control and risk management system. In this respect, the Policy of Dialogue with the Generality of Shareholders entrusts the Board of Directors, and, on its behalf, the Chairman, with the function of coordinating the performance of preliminary and organizational activities concerning the management of the dialogue, and - on behalf of the Chairman and/or the Chief Executive Officer - through the support of the competent corporate functions, depending on the issues under discussion, without prejudice to the different competences and attributions entrusted to the corporate functions to which the management of ordinary dialogue management activities, not falling within the scope of this Policy of Dialogue with the Generality of Shareholders, is delegated within the organizational structure of the Company and the Group.

10. Directors' Interests and Related Party Transactions

As of the date of approval of the Report, the Board of Directors, after obtaining the favorable opinion of the independent directors pursuant to article 4 of the RPT Regulation, adopted a Procedure to Identify Related Party Transactions to ensure the transparency and substantial and procedural fairness of such transactions, also based on the amendments to the aforementioned regulation containing the provisions on related party transactions made by Consob Resolution no. 21624 of 10 December 2020.

The RPT Procedure is available in its full text on the Company's website (www.civitanavi.com), in the Governance - Documents and Procedures section.

Pursuant to the RPT Procedure, a related party transaction is any transfer of resources, services or obligations between the Company and one or more related parties, regardless of whether a consideration has been agreed upon, as defined pursuant to the international accounting standards adopted in accordance with the procedure laid down in article 6 of Regulation (EC) No. 1606/2002.

In general terms, the RPT Procedure identifies the rules and controls aimed at ensuring the transparency and substantial and procedural fairness of related-party transactions carried out directly by the Issuer or through its subsidiaries. In particular, it identifies the RPT Committee, considering that it is composed exclusively of non-executive and independent directors (for the composition, functioning, duties and activities, carried out during the Financial Year, of the Control and Risk, Related Party Transactions and Sustainability Committee, see section 9.2 of this Report), as the body responsible for expressing a reasoned opinion on the Company's interest and the substantial fairness of the relevant conditions concerning the execution of transactions with related parties of less and more significance.

Prior to the approval of related party transactions subject to the RPT Regulation, the Control and Risk, Related Party Transactions and Sustainability Committee shall express a reasoned, non-binding opinion on the Company's interest in carrying out the transaction, as well as on the convenience and substantial fairness of the relevant conditions.

The Company establishes a special register in which Related Parties are registered. In particular, this register and the relevant notices to Related Parties may be managed directly or also through an external party. The establishment and updating of the register of Related Parties is cured by the Company's Investor Relations function, which shall be responsible for updating it at least once a year.

The Company's Investor Relations function shall (i) identify the Company's Direct Related Parties and (ii) notify in writing each Director and Statutory Auditor as well as the executives with strategic responsibilities of the Company or of the entity controlling the Company that they have been entered in the register, at the same time requesting from each interested party the initial transmission of data on close family members, the entities in which they or their close family members exercise control, including joint control, or significant influence, all as identified pursuant to the RPT Procedure.

In order to allow the Control and Risks, Related Party Transactions and Sustainability Committee to issue its reasoned opinion, the Chief Executive Officer shall provide the Committee with complete and adequate information on the specific related party transaction in advance. In particular, such information shall concern at least the name of the related party, the nature of the relatedness, the subject, the consideration envisaged 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, Related Party Transactions and Sustainability Committee shall issue its opinion before the final approval of the related party transaction by the Board of Directors, if the transaction falls within the latter's competence, or by the Shareholders' Meeting, if the transaction falls within the latter's competence.

If, in relation to a more significant transaction, the proposed resolution to be submitted to the Shareholders' Meeting is adopted nevertheless the unfavorable opinion of the Control and Risks, Related Party Transactions and Sustainability Committee, without prejudice to the provisions of articles 2368, 2369 and 2373 of the Italian Civil Code, such transaction shall not be carried out if the majority of the non-related voting shareholders attending the Shareholders' Meeting, representing a shareholding of at least 10% of the share capital, express unfavorable vote on the related party transaction.

In the context of the RPT Procedure, framework resolutions are permitted that envisage the Company, directly or through subsidiaries, carrying out 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 precision, the transactions that are the subject of the resolutions, the foreseeable maximum amount of the transactions to be carried out during the reference period, and the justification of the conditions envisaged in relation to such transactions.

The Chief Executive Officer shall provide the Board of Directors and the Board of Statutory Auditors with adequate and complete information on the execution of Related Party Transactions. In particular, the Chief Executive Officer provides the Board of Directors and the Board of Auditors with a report:

- on at least a quarterly basis, of the Less Significant Transactions and the More Significant Transactions performed, with particular reference to the nature of the relatedness, the manner in which the transaction was performed, the terms and conditions of the Transaction, the evaluation procedure followed, the underlying motivations as well as any risks for the Company and its subsidiaries;
- on at least an yearly basis, on the application of the cases of exemption provided for in article 13 of the RPT Procedure, at least with reference to more significant transactions.

In addition to the foregoing, the Board of Directors of the Company provides information in the half-yearly management performance report and the annual management performance report on:

- More Significant Transactions completed during the reporting period;

- any other Related Party Transactions completed during the reporting period that have materially affected the financial position or results of the Company;

any modification or development of the Related Party Transactions described in the last annual report that had a material effect on the Company's financial position or results in the reference period. As of the date of approval of the Report, except as indicated above with reference to the RPT Procedure, the Board of Directors has not adopted specific operating solutions to facilitate the identification and adequate handling of situations in which a director has an interest even on behalf of third parties, taking into account that the decisions of the Board of Directors are made with adequate transparency and after exhaustive discussion that allows for the evaluation of any possible situation of conflict of interest or co-interest .

11. Board of Statutory Auditors

11.1. Appointment and replacement

Pursuant to article 26 of the By-Laws, the Board of Statutory Auditors consists of 3 (three) standing members and 2 (two) alternate members, appointed by the Shareholders' Meeting and functioning 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 cumulation of offices or are subject to causes of ineligibility and forfeiture or do not meet the requirements of independence, honorableness and professionalism and other requirements provided for by law and regulations, shall be elected as Statutory Auditors, and if elected shall be dismissed. For the purposes of determining the requirements of professionalism and honorableness, subjects pertaining to commercial law and tax law, business economics and corporate finance, and disciplines with a similar or contiguous subject, as well as subjects and sectors pertaining to the business sectors indicated in the Company's corporate purpose, are considered strictly pertinent to the Company's sector of activity.

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

With reference to the appointment and replacement of the members of the Board of Statutory Auditors, article 27 of the By-Laws provides that the statutory and alternate statutory 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 with a progressive number. 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, similarly to the provisions for the submission of lists of candidates for the office as Director. The notice of call of the Shareholders' Meeting called to resolve upon the appointment of the Board of Statutory Auditors shall indicate the percentage shareholding required for the submission of candidate lists. No Shareholder, including (i) any entity, including non-corporate entities, belonging to the same group as a Shareholder in its capacity as entity controlling, controlled by, or under common control with, said Shareholder pursuant to article 2359 of the Italian Civil Code and article 93 of the TUF (ii) Shareholders who are parties 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 applicable laws and regulations, may submit - or participate in the submission of, not even through a third party or fiduciary company - of more than one list, nor may they vote for different lists.

The endorsements and votes cast in violation of this prohibition, should the same be decisive for the outcome of the vote, shall not be attributed to any list, it being understood that if the Shareholder who submitted the majority list or a person related to a Shareholder who submitted or voted for the majority list voted for another list, the vote and/or the existence of such connection shall be decisive only if the vote was decisive for the election of the Auditor to be selected from such other list and exclusively with reference to the vote cast with respect to such other list. Each candidate may only appear on one list under penalty of ineligibility.

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

The first of the candidates in each section must be enrolled in the register of statutory auditors and have exercised statutory auditing activities for a period of at least 3 (three) years. The other candidates, if not in possession of the requirement envisaged in the previous period, must have the other professionalism requirements envisaged by the By-Laws and by the laws and regulations, also regulatory, in force at the time.

In order to ensure gender balance, lists of at least three candidates must be composed of candidates belonging to different genders, in each of the two sections, in such a way that a number of candidates belonging to the less represented gender meets the minimum requirements of the law and the regulations on gender balance in force from time to time.

The lists shall also provide for:

- (i) information on the identity of the Shareholders who submitted the lists, with an indication of the total percentage of shareholding held, it being understood that the certification proving the ownership of such stake may also be produced after the filing of the lists, provided that it is within the deadline set for the publication of the lists by the Company;
- (ii) a declaration by the Shareholders submitting the lists, other than those who hold, even jointly, a controlling or relative majority stake, certifying the absence of any connection, even indirect, pursuant to the By-Laws and the laws and regulations in force at the time, with the latter;
- (iii) exhaustive information on the personal and professional characteristics of the candidates, with an indication of the directorships and auditing offices held in other companies, as well as a declaration by the same candidates certifying that they meet the requirements, including those of honorableness, professionalism, independence and the number of offices held, envisaged by the laws and regulations in force at the time and by the By-Laws;
- (iv) the declaration by each candidate accepting their candidature;
- (v) any other or different declarations, information and/or documents required by the law, including regulations, in force at the time.

Should only one list - or only lists submitted by shareholders who are connected with each other pursuant to the laws and regulations in force - be filed by the deadline for submitting lists, other lists may be submitted up to the next deadline provided for by the laws and regulations in force. In this case, the thresholds of minimum share capital with voting rights in the Ordinary Shareholders' Meeting established by Consob for the submission of lists shall be halved.

In the event of non-compliance with the obligations described above, the list shall be deemed as not having been submitted. Any changes that may occur up to the day on which the Shareholders' Meeting is effectively held shall be promptly notified to the Company.

The vote of each Shareholder shall relate to the list and thus automatically to all the candidates named therein, without the possibility of variations, additions or exclusions.

In order to ensure the appointment of at least one statutory auditor elected from the minority list, the By-Laws provide that two statutory auditors and one alternate auditor are elected from the list obtaining the higher number of votes, based on the progressive order in which they are listed in the list, while the third auditor, who shall chair the Board of Statutory Auditors, and the second alternate auditor shall be elected from the list that obtained the second higher number of votes and that is not connected, even indirectly, with the shareholders who submitted, or with those who voted for, the majority list pursuant to the applicable provisions, according to the progressive order they are listed therein.

In the event of a tie between lists, a new ballot shall be held between those lists by all the persons entitled to vote attending the Shareholders' Meeting, and the candidates of the list obtaining the relative majority shall be elected.

If only one list is submitted, the Shareholders' Meeting shall decide applying the majority quorum provided for by law and all Auditors shall be elected from that list, according to the relative order.

Without prejudice to the foregoing, if, following the vote on the lists or the vote on 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 law and regulations in force at the time on gender balance, the candidate for the office as standing and/or alternate auditor of the more represented gender last elected in progressive order from the majority list or from the single list shall be considered not elected and shall be replaced by the next candidate, according to the progressive order following which the candidates are listed, selected from the same list and belonging to the other gender.

Shouldn't any list be submitted and in the case the number of elected candidates through the list voting mechanism is lower than the number established by the By-Laws, the Shareholders' Meeting, as the case may be, shall appoint or supplement the Board of Statutory Auditors with the majority quorum provided for by law, so as to ensure compliance with the minimum requirements provided for by law and the regulations in force from time to time on gender balance.

In the latter cases, the chairmanship of the Board of Statutory Auditors shall be vested respectively in the head of the only list presented or in the person appointed by the Shareholders' Meeting if no list was presented.

11.2. Composition and Functioning (pursuant to art. 123-bis, paragraph 2, letters d) and d-bis) TUF)

The Shareholders' Meeting, held on October 7th, 2021, in the context of the transformation the legal form of the Company from a "Limited Liability Company" to a "Joint Stock Company", resolved upon the appointment of the Board of Statutory Auditors and the determination of their remuneration pursuant to the By-Laws. 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 that will be called to approve the annual financial statements.

No list voting mechanism was used for the appointment of the aforementioned Board of Statutory Auditors currently in office.

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

Name and Surname	Office	Date of appointment
Marco Donadio	Chairman of the Board of Auditors	October 7 th , 2021
Cesare Tomassetti	Statutory Auditor	October 7 th , 2021
Eleonora Mori	Statutory Auditor	October 7 th , 2021
Giuseppe Mogliani	Alternate Auditor	October 7 th , 2021
Daniela Angeloni	Alternate Auditor	October 7 th , 2021

Pursuant to Article 144-*novies* of the Issuers' Regulations and the Corporate Governance Code, the existence of the personal and professional characteristics of the members of the Board of Statutory Auditors shall be assessed by the Board of Statutory Auditors, which shall provide the Board of Directors with the results thereof, which shall be published by the latter in a press release and, subsequently, annually in the Report.

The *curriculum vitae* of each member of the Board of Statutory Auditors in office at the date of approval of the Report, from which their expertise and experience in corporate management emerge, is provided herein below

Marco Donadio: in 1997 he graduated in Business Administration from the University of Ancona and, subsequently, in 2003 he graduated in Law from the University of Macerata. Since 2001, Marco Donadio has gained significant experience in the fields of tax, economics 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 (at no. 124529 - G.U. 1/3/2002), as well as a Chartered Accountant at no. 453/A.

Cesare Tomassetti: he graduated in Economics and later obtained a Master's degree in Technology and Management. Cesare Tomassetti has been a Chartered Accountant since 1994 and a Statutory 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 currently is a member of the board of statutory auditors of several medium and large industrial, commercial and private healthcare companies. As an associate professor at the University of Macerata (2002 - 2007) and at the Università Politecnico delle Marche (1994 - 1998), he ran classes in Business Organization, Economics and Business Management, Decision Strategy Techniques for SMEs and Organization of Industrial Companies.

Eleonora Mori: born in Osimo (AN) in 1978, she graduated in Economics and Commerce, business course, at the Università Politecnico delle Marche. A Chartered Accountant and Auditor, she gained significant experience in the area of statutory auditing and supervisory activities, working with auditing firms and holding offices as Auditor and Statutory Auditor in both non-profit organizations and joint-stock companies, including Gel S.p.a., listed on the AIM Italia stock exchange markets. She is specialised in business, corporate and tax matters and is a consultant in the field of tax reliefs and indirect European funding. She is an auditor of projects in the field of European direct financing.

Giuseppe Mogliani: he graduated in Economics and Business Administration and, subsequently, got a master's degree in Economics and Management. Since 2013, Giuseppe Mogliani has been a Chartered Accountant and Auditor. Giuseppe Mogliani has gained significant experience in the field of tax consultancy and assistance (particularly 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 Ministero dell'Interno (*Ministry of the Internal Affairs*). Also since 2007, she has been an Auditor registered under no. 146714 with the Ministero dell'Economia e delle Finanze (*Ministry of Economy and Finance*), and a Chartered Accountant registered under no. 573/A with the Order of Chartered Accountants of Macerata and Camerino. Since 2007, Daniela Angeloni has also been a business consultant for private companies, providing tax assistance as well as financial reporting. Between 2012 and 2016, Daniela Angeloni served as a statutory auditor in several joint-stock and limited liability companies.

All members of the Board of Statutory Auditors meet the eligibility requirements of article 2399 of the Italian Civil Code.

On October 13th, 2021, March 24th, 2022, and lastly on March 16th, 2023, the Board of Directors also ascertained that all the members of the Board of Statutory Auditors meet the independence requirements of article 148, paragraph 3, of the TUF and the Corporate Governance Code, as well as the requirements of honorableness and professionalism required by article 148 of the TUF and the implementing Regulation adopted by Decree of the Ministro della Giustizia (*Minister of Justice*) no. 162/2000, as well as Principle XIII of the Code.

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's Regulation concerning the limits on the cumulation of offices.

With regard to the offices held by members of the Issuer's Board of Statutory Auditors 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.

Name	Company/Entity	Charge/Participation	Status
Marco Donadio	Saggese S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Solaris Sport s.r.l.	Chairman of the Board of Statutory Auditors	Current
	Autotrazione Metano Adriatica - AMA s.r.l.	Sole Auditor	Current
	Leaff Engineering s.r.l.	Single Auditor	Current
	Grafica Metelliana S.p.A.	Member of the Board of Statutory Auditors	Current
	Duca del Nord s.r.l.	Member of the Board of Statutory Auditors	Current
	Confidi Macerata Soc. Coop. per azioni	Member of the Board of Statutory Auditors	Current
	Falc S.p.A.	Member of the Board of Statutory Auditors	Current
	Terre Cortesi Moncaro Soc. Coop. Agricola	Member of the Board of Statutory Auditors	Current
	Oikon s.r.l.	Shareholder	Current
	Upper Side s.r.l.	Sole Auditor	Current
	Sergio Renzi e C. S.p.A.	Member of the Board of Statutory Auditors	Current
	Artelito S.p.A.	Member of the Board of Statutory Auditors	Current
Cesare Tomassetti	Quadrilatero Marche Umbria S.p.A. – Gruppo Ferrovie dello Stato Italiane	Chairman of the Board of Statutory Auditors	Current
	Duca del Nord s.r.l.	Chairman of the Board of Statutory Auditors	Current
	Abitare il Tempo s.r.l.	Sole Auditor	Current
	La Fonte S.p.A.	Member of the Board of Statutory Auditors	Current
	Trans World Shipping S.p.A.	Member of the Board of Statutory Auditors	Current
	Saggese S.p.A.	Member of the Board of Statutory Auditors	Current
	C.I.P.E.S. s.r.l.	Sole Auditor	Current

	La Rotonda A.P.S.	Supervisory body in Charge of the Legal Audit	Current
	Fondazione In-Oltre E.T.S.	Supervisory body in Charge of the Legal Audit	Current
	Oikon s.r.l.	Shareholder	Current
	Fondazione Succisa Virescit Maria Baldassarri E.T.S.	Founding Partner	Current
Eleonora Mori	Indelfab S.p.A. in liquidazione	Member of the Board of Statutory Auditors	Current
	QS Group S.p.A.	Alternate Statutory Auditor	Current
	Gel S.p.A.	Member of the Board of Statutory Auditors	Current
	Aitec Electronics - S.r.l. - in liquidazione	Insolvency Administrator	Current
	Osimo Servizi S.p.A.	Member of the Board of Statutory Auditors	Current
	Beltrame Lavorazioni in Ferro di Beltrame Claudio Alejandro & C. & C. S.N.C.	Insolvency Administrator	Current
	Confezioni Amica S.r.l.	Insolvency Administrator	Current
	Promo S.p.A.	Member of the Board of Statutory Auditors	Current
	Ecocittà S.p.A. in liquidazione	Member of the Board of Statutory Auditors	Current
Giuseppe Mogliani	Solaris Sport S.r.l. Unipersonale	Member of the Board of Statutory Auditors	Current
	Pallottini Antincendi S.r.l.	Auditor	Current
	Calzaturificio Duca del Nord S.r.l.	Member of the Board of Statutory Auditors	Current
Daniela Angeloni	-		

It should also be noted that no member of the Board of Statutory Auditors has, as of the date of approval of the Report, or has had in the past, directly or indirectly (through professional firms/companies/close family members), 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 STATUTORY AUDITORS FROM 1.1.2023 TO 31.12.2023

Board of Auditors									
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Indep. Code	Attendance at College meetings	No. other offices ****
Chairman	Marco Donadio	1973	October 7 th , 2021	October 7 th , 2021	Approval of Financial Statemets 2023	-	X	6/6	0
Standing Auditor	Cesare Tomassetti	1968	October 7 th , 2021	October 7 th , 2021	Approval of Financial Statemets 2023	-	X	6/6	0
Standing Auditor	Eleonora Mori	1978	October 7 th , 2021	October 7 th , 2021	Approval of Financial Statemets 2023	-	X	6/6	1
Alternate Auditor	Giuseppe Mogliani	1985	October 7 th , 2021	October 7 th , 2021	Approval of Financial Statemets 2023	-	X	N/A	0
Alternate Auditor	Daniela Angeloni	1971	October 7 th , 2021	October 7 th , 2021	Approval of Financial Statemets 2023	-	X	N/A	0
Number of meetings held during the reporting year: 6									
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%.									

NOTES

* The date of first appointment of each Statutory Auditor means the date on which the Statutory Auditor was appointed to the Board of Statutory Auditors of the Issuer for the first time (ever).

** This column shows the list from which each auditor was drawn (“M”: majority list; “m”: minority list; “U”: single list).

*** This column shows the attendance of auditors at meetings of the board of statutory auditors (indicate the number of meetings attended out of the total number of meetings held).

**** This column shows the number held as director or statutory auditor by the relevant person pursuant to article 148-*bis* of the TUF and the related implementing provisions contained in the Issuers’ Regulation. The complete list of offices is published by Consob on its website pursuant to article 144-*quinquiesdecies* of the Issuer’s Regulation.

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

The remuneration of the Board of Statutory Auditors in office was set by the Shareholders' Meeting held on October 7th, 2021, providing for an annual remuneration of Euro 8,000.00 for the Chairman of the Board of Statutory Auditors and Euro 6,000.00 for each standing Statutory Auditor, gross of withholding taxes. On April 29th, 2022, the Shareholders' Meeting resolved to adjust, effective as of the date of the Shareholders' Meeting itself, the remuneration of the Board of Statutory Auditors indicated above as follows: to the Chairman of the Board of Statutory Auditors an annual gross remuneration of Euro 12,000.00 and to each standing Statutory Auditor an annual gross remuneration of Euro 9,000.00. The remuneration accrued in 2023 is however detailed in the Remuneration Report.

The members of the Board of Statutory Auditors receive remuneration commensurate with the competence, professionalism and commitment required by the importance of the office held, and the size and sectoral characteristics of the company.

During the Financial Year, the Board of Statutory Auditors met 6 times, with meetings lasting an average of 4 hours each.

For the financial year 2024, there are scheduled 6 meetings of the Board of Statutory Auditors, of which 1 already held.

The Board of Statutory Auditors, pursuant to article 149 of the TUF, supervises, also through the exercise of the powers pursuant to article 2403-*bis* of the Italian Civil Code, on compliance with the law and the By-Laws, on compliance with the principles of correct management and on the adequacy of the Company's organizational structure for the aspects falling within its competence, the internal control system and the administrative-accounting system, as well as on the reliability of the latter to correctly represent operating events, on the procedures for the concrete implementation of the corporate governance rules provided for by the codes of conduct drawn up by companies managing regulated markets, and lastly on the adequacy of the instructions issued by the Company to its subsidiaries pursuant to art. 114, paragraph 2, of the TUF. Furthermore, pursuant to article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors supervises both the auditing activity on the annual and consolidated accounts and the effectiveness of the internal control, internal audit and risk management systems, as well as the financial reporting process. The Board of Statutory Auditors also monitors compliance with the provisions on non-financial reporting set out in Legislative Decree 254/2016 and reports on this matter in its yearly report to the Shareholders' Meeting. Acknowledging the recommendations of the Corporate Governance Code, the Board of Statutory Auditors supervises the process of financial reporting and auditing activity, in particular with regard to the provision of non-audit services.

In carrying out its activities, the Board of Statutory Auditors coordinated with the Head of the Internal Audit function and with the Control and Risk, Related Party Transactions and Sustainability Committee through its attendance at the meetings of the Committee itself, usually attended also 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. Lastly, the Board of Statutory Auditors participated in the work of the Appointments and Remuneration Committee. With reference to the Internal Audit function, the Control and Risk, Related Party Transactions and Sustainability Committee and the Appointments and Remuneration Committee, it should be noted that their functioning began with the start of trading of the Company's shares on Euronext Milan (February 17th, 2022).

The Board of Statutory Auditors, as part of its supervision activity on the implementation of the corporate governance rules, ascertained the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members. The outcome of these checks was disclosed to the market.

Diversity criteria and policies

In accordance with the provisions referred to in Section 4.3 of the Report as well as the provisions of Recommendation 8 of the Corporate Governance Code and article 148, paragraph 1-*bis*, of the TUF, Civitanavi

Systems has 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 By-Laws, lists consisting of at least 3 (three) candidates shall be composed of candidates belonging to both genders, so that the least represented gender has a number of candidates that complies with the minimum requirements of the law and the regulations in force from time to time regarding gender balance.

As of the date of approval of the Report, one-third of the Board of Statutory Auditors consists of auditors of the least represented gender.

Independence

It is also required that the members of the Board of Statutory Auditors shall be chosen from among those who meet the requirements of honorableness, professionalism and independence provided for by law and by regulatory provisions; they shall also be qualified as independent on the basis of the criteria provided for directors in the Corporate Governance Code.

In particular, the By-Laws, in compliance with article 148, paragraph 3, of the TUF and Recommendations 6 and 9 of the Corporate Governance Code, provide that the administration body shall assess the independence of each non-executive director and statutory auditor after appointment as well as during the term of their office upon the occurrence of circumstances relevant to independence. Otherwise, any additional independence requirements are provided other than those set forth in article 148, paragraph 3, of the TUF.

At the time of their appointment, the statutory auditors confirmed that they meet the independence requirements of article 148, paragraph 3, of the TUF and the recommendations of the Corporate Governance Code.

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

- assessed the existence and persistence of the independence requirements for 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 jeopardize independence identified by the TUF and the Corporate Governance Code;
- applied all the criteria of 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 on the implementation of the corporate governance rules, 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 outcome of these checks was disclosed 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 significance of the office, and the size and sectoral characteristics of the Company.

Interest Handling

Pursuant to Recommendation 37 of the Corporate Governance Code, any 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 of the nature, terms and scope of the interest.

12. Relations with shareholders

Access to information

The Issuer has established a separate, easily identifiable and accessible section on its website named “*Investors*”, where information concerning the Issuer that is relevant to its shareholders has been and shall always be made available, so as to enable the latter to exercise their rights in an informed manner. On its website, the Issuer has also set up a further, easily identifiable and accessible section dedicated to “*Governance*” containing extensive documentation.

With reference to the disclosure and storage of regulated information pursuant to article 113 of the TUF, please note that the Company:

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

On October 13th, 2021, the Company appointed Letizia Galletti as Investor Relator effective as of the Trading Starting Date. The Company’s investor relations department shall take care of investor relations, ensuring correct, continuous and complete communication.

The Company’s investor relations function also shall liaise with financial analysts who follow the Company and with institutional investors. This function shall organize periodic conference call meetings on the subject of periodic economic and financial reporting and the documents illustrated in these meetings, at the same time, shall be made available to the public on the Company’s website and at Borsa Italiana.

The Issuer has always strived to provide timely and easy access to significant information 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 function and shall strive to ensuring that the shareholders are adequately informed, 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, upon the proposal of the Chairman in his capacity also as Chief Executive Officer, approved and adopted, on March 24th, 2022, a Policy of Dialogue with the Generality of Shareholders for the purpose of conforming the rules of corporate governance and management of dialogue with Shareholders to the principles provided for in the Corporate Governance Code.

This Policy aims at:

- identifying and regulating the extra-meeting dialogue between the Board of Directors and the investors’ representatives on issues within the Board’s competence;
- defining the rules of this dialogue, identifying the proper counterparties, the criteria for assessing requests, the topics to be discussed, internal governance processes, timing and 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 in general, of the integrity of the markets. In particular, pursuant to the Policy of Dialogue with the Generality of Shareholders, the Company acts in compliance with the following principles:

- the principle of transparency of information provided in the dialogue, according to which the information provided should be clear, complete, correct, truthful and not misleading;
- the principle of equal treatment of the holders of financial instruments issued by Civitanavi Systems;
- compliance with the legal and regulatory provisions 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 competent administrations.

As a rule, the topics discussed in the dialogue with shareholders relate to relevant issues such as:

- (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 number of the members, professionalism, honorableness, independence and diversity, the composition, duties and functions of board committees, the replacement 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 executives with strategic responsibilities and their implementation;
- (e) the internal control and risk management system.

On the other hand, the Policy of Dialogue with the Generality of Shareholders does not cover dialogue management aspects relating to the Shareholders' Meeting, as these are governed by laws and regulations, as well as by the By-Laws.

The Policy of Dialogue with the Generality of Shareholders aims at pursuing 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 embodied in 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 impacts that its operations may have.

The Policy of Dialogue with the Generality of Shareholders is available on the Issuer's website, www.civitanavi.com.

13. Shareholders' Meetings

Pursuant to article 14 of the By-Laws, the Shareholders' Meeting resolves on matters reserved to it by law and the By-Laws. Resolutions of the Shareholders' Meeting, adopted in accordance with the law and the By-Laws, 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 absence or impediment of the same, the Chief Executive Officer, may also call the Shareholders' Meeting in second and third call in accordance with the provisions of the laws and regulations in force, illustrating the terms in the notice of call. The Shareholders' Meeting is validly held and resolves upon the items assigned to it by law and by these By-Laws with the quorum provided for by law.

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

The persons entitled to attend the Shareholders' Meeting, in compliance with the laws and regulations in force, are those who are entitled to vote and for whom the Company has received the appropriate communication made by the intermediary authorized to keep accounts in accordance with the law, based on the evidence of its accounting records at the end of the accounting day of the seventh trading day prior to the date of the Shareholders' Meeting in single call, and received by the Company within the terms provided by the law.

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

Those entitled to vote may be represented at the Shareholders' Meeting in accordance with the law, by means of a proxy issued in accordance with the procedures provided for by the regulations in force. The proxy may also be notified to the Company by electronic mail in the manner specified in the notice of call. The Company may designate, for each Shareholders' Meeting, with an indication provided in the notice of call, a person to whom shareholders may grant proxy with voting instructions on all or some of the items on the agenda, within the terms and in the manner 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 by the majority of the capital represented at the Shareholders' Meeting .

The Board of Directors has not submitted yet to the Shareholders' Meeting a proposal for approval of a regulation to governing the conduct of Shareholders' Meetings, believing that the powers attributed by law and the By-Laws to the Chairman of the Shareholders' Meeting are sufficient to ensuring the orderly conduct of meetings.

During the Financial Year, the Shareholders' Meeting was held on April 27th, 2023, partly in ordinary and partly in extraordinary session, by means of a single call sent on March 28th, 2023, with the attendance of a number of shares at the opening of the vote of 22,274,475, equal to 72.414% of the 30,760,000 shares representing the entire share capital. At this meeting, the Shareholders' Meeting discussed and resolved upon:

- the approval of the financial statements for the financial year, on which the Shareholders' Meeting voted unanimously;
- the Remuneration Report pursuant to article 123-ter, paragraphs 3-*bis* and 6, of the TUF, upon which the Shareholders' Meeting resolved with 97.110% favorable votes;
- the authorization to purchase and dispose of treasury shares, pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code, article 132 of the TUF, and article 144-*bis* of the Consob Regulation adopted by resolution no. 11971 of May 14th, 1999. Related and consequent resolutions, upon which the Shareholders' Meeting voted with 97.137% favorable votes;
- the approval of the stock option plan known as the "2023 Stock Option Plan" for members of the board of directors and employees of the Issuer and/or its subsidiaries, upon which the Shareholders' Meeting voted with 97.110% favorable votes;
- the approval of the amendments to article 4 of the By-Laws, upon which the Shareholders' Meeting voted unanimously;
- a payable share capital increase, in one or more tranches and with the exclusion of option rights pursuant to article 2441, paragraphs 5 and 8, of the Italian Civil Code, up to a maximum amount (including share

premium) of Euro 8,000,000.00, through the issuance of a maximum of 1,300,000 new ordinary shares with no par value, to service the stock option plan called “2023 Stock Option Plan” intended for the members of the board of directors and employees of the Issuer and/or its subsidiaries, with the simultaneous amendment of article 5 of the By-Laws. In this respect, the Shareholders’ Meeting resolved with 97.110% favorable votes.

The Board of Directors, during said Meetings, through its Chairman, strived to ensure that the shareholders were adequately informed about the necessary elements to be able to make informed decisions at the Shareholders’ Meeting.

The file containing a copy of the preliminary 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 in order to provide them with adequate information on the necessary elements to be able to make informed decisions on the matters for which the Shareholders’ Meeting is competent.

In particular, the aforementioned documents, together with the results of the voting, as summarized in the summary report of the same, has been made available and can be consulted on the Company’s website www.civitanavi.com, Governance Section, Shareholders’ Meeting.

The Appointments and Remuneration Committee deemed not necessary to report to the Shareholders’ Meeting during 2023 on how it exercised its functions, taking into account that such information is already provided in the Remuneration Report made available to Shareholders prior to the Shareholders’ Meeting and duly approved by them on April 27th, 2023.

14. Additional Corporate Governance Practices

As of the date of approval of the Report, there are no additional corporate governance practices currently applied by the Issuer other than the requirements of the law 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 Financial Year.

16. Thoughts on the letter from the Chairman of the Corporate Governance Committee

The letter dated December 14th, 2023, from the Chairman of the Corporate Governance Committee on Corporate Governance was reviewed by the Control and Risk, Related Party Transactions and Sustainability Committee and the Board of Directors at their respective meetings held on and March 13th and 14th, 2024.

This letter provided for, *inter alia*, several recommendations aimed at fostering and supporting the process of compliance of listed companies to the requirements of the Corporate Governance Code. In particular, the recommendations concerned the following issues:

- (i) involvement of the Board of Directors in the examination and approval of the business plan and in the analysis of issues relevant to the creation of long-term value;
- (ii) disclosure of any exceptions to the timeliness of the pre-consultation information for reasons of confidentiality;
- (iii) guidance on the optimal composition of the administrative body (provided for companies other than those with concentrated ownership);
- (iv) increased voting rights.

The aforesaid recommendations - immediately brought to the attention of the Chairman of the Company’s Board of Statutory Auditors - were shared with the Issuer’s entire Board of Directors during the meeting held

on March 14th, 2024. On that occasion, the Board of Directors noted, first of all, that recommendations (iii) and (iv) are not applicable to the Company (the first, because it is addressed to companies other than those with concentrated ownership; the second, because the Board of Directors did not propose the introduction of the increased voting rights). With regard to further recommendations, the Board of Directors took into account the ideas suggested in the letter when drafting this Report.

In light of the foregoing, the Board of Directors decided not to undertake any further initiatives, with respect to those already implemented or initiated, and not to implement any specific actions at the moment, for the reasons indicated in the paragraphs of the Report on Corporate Governance and Ownership Structure and the Remuneration Report.