



**ORDINARY SHAREHOLDERS MEETING**

**29 APRIL 2022 - IN A SINGLE CALL**

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS**

**ON ITEMS ON THE AGENDA**

*(pursuant to article 125-ter of Legislative Decree no. 58/1998 and article 84-ter of Consob Regulation no. 11971/1999)*



Dear Shareholders,

this report (the "**Report**") has been prepared by the Board of Directors of Civitanavi Systems S.p.A. ("**Civitanavi Systems**" or the "**Company**") pursuant to article 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the "**Consolidated Finance Act**" or "**TUF**"), and article 84-ter of the Regulation adopted by Consob resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), to illustrate the items on the agenda of the ordinary shareholders' meeting convened on 29 April 2022, in a single call.

In particular, you are asked to deliberate on the following agenda:

1. Financial statements as at 31 December 2021, related and consequent resolutions:
  - 1.1 approval of the Company's Financial Statements for the year ending 31 December 2021; reports of the Board of Directors, Board of Statutory Auditors and Independent Auditors
  - 1.2 allocation of the result for the year
2. Report on remuneration policy and compensation paid pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree no. 58/1998:
  - 2.1 Section One: Remuneration policy report. Binding resolution
  - 2.2 Second Section: Report on remuneration paid. Non-binding resolution
3. Adjustment of the remuneration of the Board of Statutory Auditors; related and consequent resolutions

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## PROPOSALS ON AGENDA ITEMS

### 1. Financial statements as at 31 December 2021, related and consequent resolutions:

#### 1.1 approval of the Company's Financial Statements for the year ending 31 December 2021; reports by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors

Dear Shareholders,

With reference to the first item on the agenda, you have been called to the Shareholders' Meeting, in ordinary session, to approve the financial statements for the year ended 31 December 2021, examined by the Board of Directors on 24 March 2022. The financial year ended 31 December 2021 closes with a profit for the year of Euro 4,878,619.

For all detailed information and comments on the financial statements, please refer to the Annual Financial Report, including the draft financial statements as of 31 December 2021, approved by the Board of Directors on 24 March 2022, the Directors' Report on Operations and the certification pursuant to art. 154-bis, paragraph 5, of the Consolidated Law on Financial Intermediation, which will be filed and made available to the public within the terms provided for by applicable laws and regulations, at the Company's registered office, on its *website* at [www.civitanavi.com](http://www.civitanavi.com) and through the authorised storage mechanism "eMarket Storage", together with the Report of the Board of Statutory Auditors and the Report of the Independent Auditors.

In light of the above, in relation to this item on the agenda, the Board of Directors proposes that you adopt the following:

#### - PROPOSAL FOR A RESOLUTION -

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A.,*

- examined the draft financial statements as at 31 December 2021 of Civitanavi Systems S.p.A. and the Director's Report on Operations;*
- having taken note of the reports of the Board of Statutory Auditors and the Independent Auditors;*

*resolves*

- 1. to approve the financial statements for the year ending 31 December 2021, as well as the Board of Directors' Report on Operations;*
- 2. to grant a mandate to the Board of Directors - and on its behalf to the Chairman, Andrea Pizzarulli, with the power to sub-delegate - to take care of all the formalities of communication, filing and publication relating to the above resolution, pursuant to the applicable legislation, making any formal amendments, additions or deletions that may be necessary".*

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#### 1.2 Allocation of the result for the financial year. Related and consequent resolutions

Dear Shareholders,



The financial statements as at 31 December 2021, which are subject to approval pursuant to the first item on the agenda, show a [profit] for the year of 4,878,619.

With regard to the allocation of the profit for the year, the Board of Directors proposes that you allocate the profit for the year, which amounts to 4,878,619, as follows:

- Euro 243,931 to legal reserve;
- Euro 4,634,688 to extraordinary reserve.

In light of the above, in relation to this item on the agenda, the Board of Directors proposes that you adopt the following:

**- PROPOSAL FOR A RESOLUTION –**

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A., having approved the financial statements for the year ended 31 December 2021 and having regard to the proposal of the Board of Directors*

*resolves*

*1. to allocate the net profit for the year 2021, amounting to 4,878,619, as follows:*

- Euro 243,931 to legal reserve;*
- Euro 4,634,688 to extraordinary reserve.*

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**2. Report on remuneration policy and compensation paid pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree no. 58/1998:**

**2.1 Section One: Report on remuneration policy. Binding resolution;**

**2.2 Second Section: Report on remuneration paid. Non-binding resolution.**

Dear Shareholders,

As regards the second item on the agenda, it should be noted that pursuant to Article 123-ter of the Consolidated Law on Finance, issuers shall make available to the public and publish on their website a report on their remuneration policy and the remuneration paid.

This report consists of two sections where inter alia:

(i) the first section illustrates: (a) the Company's policy on the remuneration of the members of the board of directors, general managers and managers with strategic responsibilities with reference at least to the next financial year and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, of the members of the control bodies and (b) the procedures used for the adoption and implementation of such policy; while

(ii) the second section illustrates the remuneration paid to members of the management and control bodies, general managers and executives with strategic responsibilities during the reporting period.



The Board of Directors intends to submit the Report on the remuneration policy and remuneration paid, approved by the administrative body on 24 March 2022, for a vote at the Shareholders' Meeting as follows:

- binding vote, the 'first section' pursuant to Article 123-ter, paragraph 3-bis, of the TUF;
- non-binding vote, the 'second section' of the report pursuant to Article 123-ter, paragraph 6, of the TUF.

For a more detailed description, please refer to the related Report on remuneration policy and compensation paid, prepared pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation and Article 84-quater of Consob Regulation no. 11971/99, which will be made available to the public in accordance with the terms and procedures provided for by law.

## **2.1 Section One: Remuneration policy report. Binding resolution**

In light of the above, in relation to this item on the agenda, the Board of Directors proposes that you adopt the following:

### **- PROPOSAL FOR A RESOLUTION -**

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A.,*

- *having regard to Articles 123-ter of Legislative Decree no. 58/1998 and 84-quater of CONSOB Regulation no. 11971/1999; and*
- *having taken note of the Report on remuneration policy and remuneration paid drawn up by the Board of Directors;*
- *bearing in mind that this resolution will be binding on the Board of Directors*

*resolves*

1. *to approve the first section of the Report on Remuneration Policy and Remuneration Paid drawn up by the Board of Directors pursuant to articles 123-ter of Legislative Decree no. 58/1998 and 84-quater of CONSOB Regulation no. 11971/1999".*

## **2.2 Second Section: Report on remuneration paid. Non-binding resolution**

In light of the above, in relation to this item on the agenda, the Board of Directors proposes that you adopt the following:

### **- PROPOSAL FOR A RESOLUTION -**

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A.,*

- *having regard to Articles 123-ter of Legislative Decree no. 58/1998 and 84-quater of CONSOB Regulation no. 11971/1999; and*
- *having taken note of the Report on remuneration policy and remuneration paid drawn up by the Board of Directors;*



- *considering that this resolution will not be binding on the Board of Directors*

*resolves*

1. *to express a favourable opinion on the second section of the Report on Remuneration Policy and Remuneration Paid drawn up by the Board of Directors pursuant to articles 123-ter of Legislative Decree no. 58/1998 and 84-quater of CONSOB Regulation no. 11971/1999".*

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### **3. Adjustment of the remuneration of the Board of Statutory Auditors; related and consequent resolutions**

Dear Shareholders,

as regards the third item on the agenda, it should be noted that the Shareholders' Meeting on 7 October 2021, with reference to the definition of the remuneration of the Board of Statutory Auditors, resolved for the three-year period 2021-2023 to grant the Chairman of the Board of Statutory Auditors a remuneration of Euro 8,000.00 per year and for each of the standing auditors a remuneration of Euro 6,000.00 per year.

In consideration of the recent listing of the Company's shares on the Euronext Milan market and the consequent increased duties of the control body, it is deemed appropriate to adjust the gross annual remuneration to be paid to the members of the Board of Statutory Auditors as follows:

- gross annual remuneration of the President to be adjusted to the amount of Euro 12,000;
- gross annual remuneration of the Statutory Auditors to be adjusted to the amount of Euro 9,000.

In light of the above, in relation to this item on the agenda, the Board of Directors proposes that you adopt the following:

#### **- PROPOSAL FOR A RESOLUTION -**

*"The Ordinary Shareholders' Meeting of Civitanavi Systems S.p.A., having regard to the proposal of the Board of Directors*

*resolves*

1. *to adjust, with effect from the date of this Shareholders' Meeting, the remuneration of the Board of Statutory Auditors as defined by the Shareholders' Meeting of 7 October 2021 as follows:*
  - *Chairman gross annual remuneration of Euro 12,000;*
  - *Actual members gross annual remuneration of Euro 9,000".*

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Pedaso, 30 March 2022

For the Board of Directors

The Chairman of the Board of Directors

Andrea Pizzarulli