

Arnoldo Mondadori Editore S.p.A.

Registered office: Via Bianca di Savoia 12, Milan

Share capital € 67,979,168.40 fully paid-up

Tax code and Register of Companies of Milan-Monza Brianza-Lodi 07012130584

**REPORT ON REMUNERATION POLICY AND
FEES PAID**

**(prepared pursuant to articles 123-ter
of Lgs. Decree no. 58/1998 and 84-quater
of Consob Regulation 11971/1999)**

2022

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DURING FINANCIAL YEAR 202148

Letter from the Chair:

Dear Shareholders,

As Chair of the Appointments & Remuneration Committee, I am pleased to present the annual Remuneration Report of Arnoldo Mondadori Editore Spa.

The Committee presented the remuneration policy for 2022 to the Board of Directors, which approved it at its meeting of 16 March last. The principles that inspire the Company and the Group's remuneration policy are as follows:

- the generation of value for the Company and the Group, and its sustainability over time and for stakeholders;
- the correlation between pay and financial and sustainability performance;
- attention to the variable component of remuneration, also in a medium-long term perspective, to achieve consolidated corporate performance.

The now well-established structure of the Remuneration Policy – a Rolling Performance Share Plan, a three-year vesting period and the assignment of Company shares on attainment of predetermined cumulative objectives – is confirmed.

The Committee worked to introduce further efficiency improvements into the remuneration model and align it with the most advanced best practices and the indications of the proxy advisors.

As part of this effort, the following innovative changes have been introduced into the 2022 Policy:

- in the long-term variable Remuneration system, **a one-year extension of the lock-up period** and, above all, **the introduction of a new composite ESG indicator, the Impact Inclusion Index**. As an indicator referring specifically to the "social" component of the ESG factors, the index is a tangible and innovative result of the path taken by Mondadori for its own Sustainability Plan, already approved by the Board of Directors. A group active in culture, Mondadori has developed an acute sensitivity to ESG issues, including socio-cultural growth and promotion of reading;
- with regard to the short-term variable remuneration model (MBO), compared with the previous solution, a criterion that takes account of objectives on an integrated basis has been adopted, whereby **bonuses are disbursed in relation to attainment of individual objectives rectified in light of the Group's results**.

The Committee believes that the remuneration policy for 2022 described in Section I of the attached report responds to economic and social sustainability goals, is consistent with the principles of diversity and enhancement of individual competences, and has been drawn up to guarantee full, transparent and useful information for the reader.

Special thanks must go to the Human Resources & Organisation Division for the technical support and constructive collaboration provided during the normal phase of adjustment to the remuneration policy and plan and in connection with specific measures.

I trust that the choices we have made meet your expectations and thank you, personally and on behalf of the members of the Committee, for your attention and for the approval I hope you give to the remuneration policy for 2022.

The Chair
Angelo Renoldi

Introduction

In accordance with art. 123-*ter* of Lgs. Decree 58/1998 (hereinafter also "TUF") and art. 84-*quater* of Consob Regulation no. 11971/1999 as amended (hereinafter also "Issuers Regulation"), this "Report on Remuneration Policy and Fees Paid" (hereinafter also "Report") provides information on the remuneration policies adopted by Arnoldo Mondadori Editore S.p.A. (hereinafter also "Company" or "Issuer"), with reference to the members of the Board of Directors and the Board of Statutory Auditors and Key Management Personnel.

Pursuant to the aforementioned regulatory provisions, the Report is divided into two sections, drawn up in compliance with Annex 3A, Scheme 7-*bis* of the Issuers Regulation.

The **first section** illustrates, in terms of principles, purposes, mechanisms and rules, the remuneration policy that will be adopted in 2022 and the procedures used to adopt and implement the policy.

The **second section** illustrates the outcomes of the policy implemented in 2021. It includes tables showing the remuneration disbursed, individually, to the Directors and Statutory Auditors, and in aggregate form to Key Management Personnel.

The Remuneration Policy is drawn up in accordance with the governance model adopted by the Company and with the indications set out in the Corporate Governance Code for Listed Companies, which Mondadori follows. Specifically, the Policy implements the provisions of the Shareholders' Rights Directive II and the amendments of 10 December 2020 to the Issuers Regulation (Consob Del. 21263) and was drawn up considering the best market practices, identified with the support of leading consultancy companies.

The Report was approved by the Board of Directors on 16 March 2022, on the recommendation of the Remuneration & Appointments Committee.

The first section of the Report is subject to a binding resolution of the Shareholders' Meeting called for 28 April 2022 to approve the financial statements as at and for the year ended 31 December 2021. The second section, pursuant to art. 123-*ter*.6, of the TUF, is subject to a non-binding resolution of the Shareholders' Meeting.

As deliberated, the Remuneration Policy will be updated annually.

Pursuant to art. 123-*ter* of Lgs. Decree no. 58/1998, the Report will be available to the public at the registered office, on the "1info" authorised storage mechanism (www.1info.it) and on the website www.gruppomondadori.it.

In compliance with the provisions of Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments on transactions with related parties, as applied in the related procedures approved by the Board of Directors, the adoption and definition of the remuneration policy illustrated in this Report, as implemented with the involvement illustrated below of a Remuneration & Appointments Committee comprised exclusively of Non Executive Directors, the majority of which are Independent and its approval by the vote of the Shareholders' Meeting with a binding resolution, exempts the resolutions on the remuneration of the Directors and Key Management Personnel – adopted in compliance with the Policy – from the application of the procedures envisaged by the aforementioned Consob provisions on related parties.

THE MONDADORI POLICY – EXECUTIVE SUMMARY

The key objectives of our policy

LINK REMUNERATION AND PERFORMANCE	To work for the attainment of the corporate strategic objectives for the creation of long-term sustainable value, for the benefit of the stakeholders.
PEOPLE	To attract, motivate and retain resources with the professional qualities needed for the growth of the Group and to adopt equality and a non-discriminatory approach in remuneration management.
TRANSPARENCY	To represent our Policies and practices clearly and transparently and communicate with investors to improve our approach.

Our remuneration policy in brief

The remuneration policy for the Chief Executive Officer and Key Management Personnel ("KMP") can be summarised as follows:

Remuneration Element	Purpose	Characteristics	Determination criteria
Fixed component	Recognise the breadth of responsibility and strategic importance of the position held, consistently with market benchmarks	Aims to ensure correct remuneration for the position held based on criteria of internal and external equity, and with no form of discrimination. Determined with reference to market benchmarks for comparable positions and of similar value, also on the basis of the Hay method of job evaluation. For executive directors, the fixed component may include remuneration for work as an employee and the fee for the position.	<i>The weighting of the fixed component may not exceed 70% of total compensation.</i> For the CEO the fixed component amounts overall to 700,000 Euro, including the annual consideration for the non-competition agreement; for the CFO the fixed component amounts to 600,000 Euro, including the annual consideration for the non-competition agreement; for the KMP the fixed component is set on an individual basis in accordance with the criteria described.

<p>Short-term variable component (MBO)</p>	<p>Promote and make the link between economic reward and degree of attainment of annual objectives transparent</p>	<p>For all beneficiaries, the short-term variable component is directly linked to the degree of attainment of the Group's business and financial objectives. Disbursement is subject to reaching an access gateway and is linked to Group performance measured in terms of EBITDA and Ordinary Cash Flow, as well as to the degree of attainment of specific Business Area/Function targets. Targets are pre-defined and linked clearly and objectively to budget values or strategic objectives.</p> <p>The KPIs for the CEO for 2022 are:</p> <ul style="list-style-type: none"> • Net profit (50%), • Revenue (25%), • Strategic development project (25%) <p>For KMP who head Business areas or Central Functions, the KPIs relate to individual Area or Function objectives. A maximum disbursement cap is envisaged.</p> <p>The annual incentive is subject to a clawback clause.</p>	<p><i>The weighting of the short-term variable component by target may not exceed 75% of total variable remuneration.</i></p> <p><i>The access gateway is equivalent to attainment of 85% of the Group's consolidated EBITDA and Free Cash Flow targets.</i></p> <p><i>The maximum value of the MBO is 125% of the target bonus.</i></p> <p>The value of the short-term variable component as a % of the fixed component corresponds:</p> <ul style="list-style-type: none"> ▪ for the new CEO, to 57% for target results and 80% for maximum performance (cap 140%). ▪ for the CFO, to 33% for target results and 40% for maximum performance; ▪ for KMP, to 40% for target results and 48% for maximum performance (mean values).
<p>Medium/long-term variable component (LTI)</p>	<p>Promote the sustainability of corporate operations through attainment of the objectives of the Company's long-term strategic plans and creation of sustainable value for shareholders and stakeholders</p>	<p>Achieved through the assignment of shares (Performance Shares) on attainment of predetermined Group consolidated three-year objectives, which correspond to the targets of the Three-Year Plans approved by the Board of Directors and to ESG metrics.</p> <p>The value of the annual share assignments is determined in relation to the position held and to criteria of internal and external equity, which also refer to market benchmarks.</p> <p>There are five performance conditions:</p> <ol style="list-style-type: none"> 1) Cumulative Group Net Profit (25%), 2) relative TSR with respect to the FTSE MIB All Share index (20%), 3) Cumulative Group EBITDA (20%), 4) Cumulative Group Ordinary Cash Flow (25%), 5) ESG Objective - improvement of the Group Impact Inclusion Index (10%) <p>The Plan also envisages:</p>	<p>The weighting of the LTI variable component by target may not be lower than 25% of total variable remuneration.</p> <p><i>The maximum value of the LTI is 120% of the target opportunity.</i></p> <p>The value of the LTI component as a % of the fixed component corresponds:</p> <ul style="list-style-type: none"> ▪ for the new CEO, to 29% for target results and 34% for maximum performance (cap). ▪ for the CFO, to 25% for target results and 30%

		<ul style="list-style-type: none"> • a clawback clause, • a 24-month share lock-up, • rules for good and bad leaving situations and extraordinary transactions. 	for maximum performance; for KMP , to 27% for target results and 33% for maximum performance (mean values).
One-off/extraordinary bonuses	Ensure meritocracy and retention of excellent resources who have distinguished themselves through outstanding contributions in connection with exceptional events, in compliance with the approval procedure and specific caps.	<p>One-off monetary bonuses may be paid, for an amount not exceeding short-term variable remuneration, with reference to specific circumstances such as: extraordinary operations, completion of re-organisation/restructuring projects, assumption of multiple responsibilities.</p> <p>Bonuses assigned to Executive Directors are approved by the Board of Directors on a recommendation of the Remuneration & Appointments Committee, compatibly with the Related-Party Transactions procedure.</p>	Cap equivalent to the amount of the short-term variable component.

Benefits	Guarantee retention and alignment with best market practices.	The benefits package is determined in line with market practices.	The main benefits are: a car, a fuel card, supplementary life and medical insurance, health check-ups and, for residence abroad, housing and schooling.
Indemnities for termination of office and/or early termination of employment	To date, the Company does not envisage ex-ante agreements. In the event of termination of office or employment, the Policies set a cap on discretionary indemnities.	<p>There are no ex-ante agreements that regulate discretionary indemnities; in all cases, the Policies provide that the maximum indemnity is equivalent to 24 months pay in addition to the notice due by law, determined on the basis of current annual remuneration and the average incentive attributed in the final three years.</p> <p>The Company reserves the right to draw up, in its own interest, non-competition agreements for a maximum period of 32 years and a consideration that does not exceed 24 months current pay.</p>	Cap on discretionary indemnities equivalent to 24 months pay.

The **remuneration of the Chair** consists of a fixed fee only, deliberated by the Shareholders' Meeting and the Board of Directors at the beginning of the term of office.

The **remuneration of non-Executive Directors** is commensurate with the professionalism, competence and commitment required, also taking any appointments to Board committees into account. It therefore includes a fixed amount,

plus, for directors who are members of committees, a fixed fee for the position as Chair or Member.

Remuneration of the members of the **Board of Statutory Auditors** consists solely of a fixed component, the amount of which is established by the Shareholders' Meeting at the time of appointment.

The pay mix

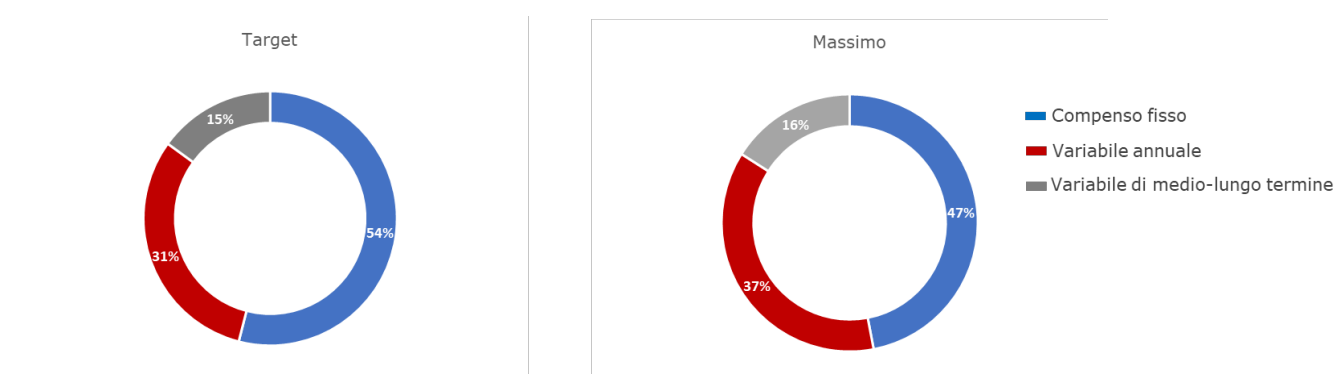
The Mondadori Policy provides that the remuneration package of the Executive Directors and the KMP meet the following minimum requirements:

- the weighting of the fixed component may not exceed 70% of total remuneration;
- the variable component by target accounts for at least 30% of total remuneration:
 - the short-term variable remuneration by target may not exceed 75% of the total variable remuneration;
 - the long-term variable remuneration (LTI) by target may not be less than 25% of the total variable remuneration.

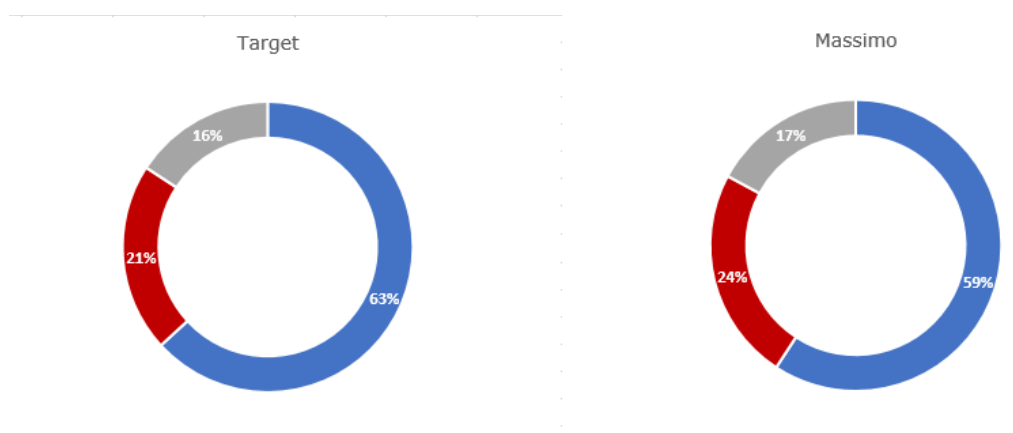
The weighting of the variable component with respect to the entire remuneration package of the CEO, CFO and KMP amply complies with the minimum requirements.

The pay mix for the attainment of target and maximum results for the CEO, the CFO and the KMP is set out below.

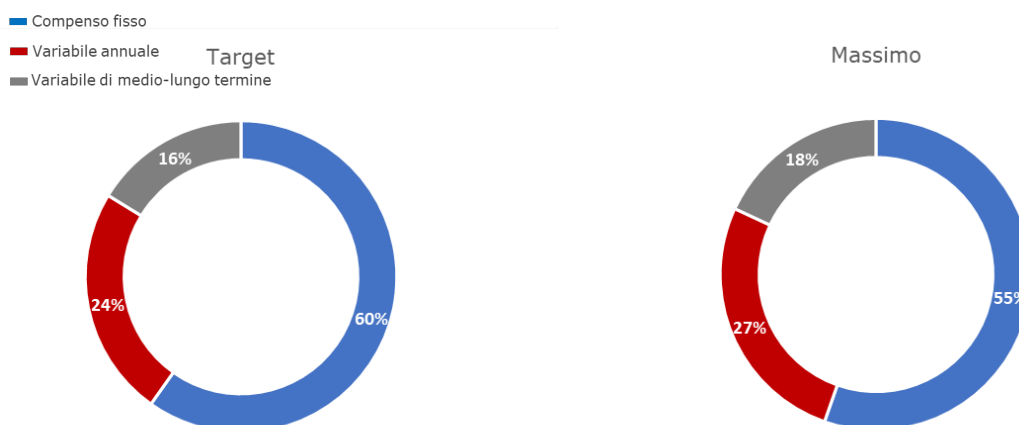
CHIEF EXECUTIVE OFFICER



CFO



Average representation of Key Management Personnel



% Remunerazione Variabile Totale vs. Remunerazione Fissa

	riferimento generale Politica	Target	Massimo
AD	> 43%	86%	114%
CFO	> 43%	58%	70%
DRS (media)	> 43%	67%	81%

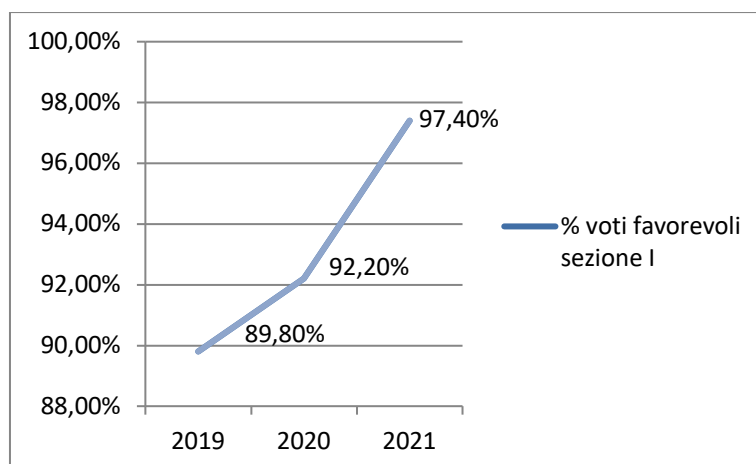
With regard to the KMP, all the individual cases comply with the pay-mix limits set out in the Policy.

For the pay-mix analyses, the share-based component is shown at the face value when the rights are granted. Any other forms of remuneration (e.g., benefits), described in section II of the Report, are not included in the pay-mix analysis.

The main new features of the 2022 Policies

The outcome of the vote for the approval of Section I of the 2021 Remuneration Report showed **97.4% of votes in favour, an increase of more than 5 percentage points** from 2020.

The result rewards the constant attention paid by Mondadori in recent years to aligning its Remuneration Policies to the expectations of shareholders and proxy advisors, with whom it is in constant contact.



Also as regards the 2022 Remuneration Policy, with the support of PwC, Mondadori has introduced additional improvements to come into line with market best practices and respond in full to the recommendations from investors, for the benefit of stakeholders.

Specifically, the main changes related to:

- **Remuneration of the Chief Executive Officer:** the remuneration package of the CEO, which is not disclosed in the 2021 Report, since it had not yet been determined by the Board of Directors, was subsequently established on the basis of the indications of a market benchmark conducted by PwC among a national and international panel of comparable companies. The package, detailed in section I, has an overall value of 1,300,000 Euro and is in line with the market ranges for companies similar to the Mondadori Group.
- **Variable short-term remuneration MBO:** in order to give greater emphasis to the link between remuneration and creation of shareholder value, a review was conducted of the mechanism that regulates the determination of MBO remuneration, which for all beneficiaries is now more greatly influenced by Group results. An access gateway has been introduced linked to Group EBITDA and Ordinary Cash Flow, which, if not reached, blocks disbursement; the

performance of the two Group indicators determines an adjustment of the theoretical basic amount of each individual bonus, which is then set according to the results achieved in the respective Area/Function.

- **Introduction of ESG objectives in the LTI:** as anticipated in last year's Policy, starting with the 2022-2024 Plan, Mondadori has decided to introduce non-financial objectives, as recommended by the Corporate Governance Code for Listed Companies, with the focus, given the central role of the human factor in a publishing company, on Diversity & Inclusion as a key factor in equality and development.
- **Extension of the lock-up:** at the end of the vesting period for the LTI Plans, the lock-up is extended from 12 to 24 months, taking the duration of the share plans to 5 years, as recommended by the Corporate Governance Code for Listed Companies and market practice.

SECTION I - REMUNERATION POLICY 2022

1 – Governance of the process for the definition of the Remuneration Policy

a) Bodies and individuals involved

The Remuneration Policy (hereinafter also the "Policy") is approved and defined by the Board of Directors on the recommendation of the Remuneration & Appointments Committee (hereinafter also the "Committee"), established within the Board of Directors, with the composition, skills and procedures described in point b) below.

Definition and implementation of the Policy in compliance with the principles and guidelines it sets forth is the responsibility of:

- the Board of Directors, with regard to the remuneration of the Executive Directors and the other directors vested with special offices in the Company;
- the Chief Executive Officer, who is supported by the Central Group Human Resources & Organisation Division, for the remuneration of Key Management Personnel.

The Manager of Central Group Human Resources & Organisation reports to the Committee on the effective implementation of the Policy at least once a year.

In light of the findings of the Report, the Committee then monitors and verifies that the implementation of the Policy respects the principles laid down, and reports to the Board of Directors.

b) Remuneration & Appointments Committee

Composition and appointment of the Committee

The Committee was established by the Board of Directors in 2005. In 2012, given the organisational requirements of the Company, the Board of Directors decided to concentrate powers regarding appointments and remuneration into a single committee within the Board, known as the Remuneration & Appointments Committee.

The composition, appointment, powers and procedures of the Committee are governed in compliance with the recommendations of the current Corporate Governance Code.

The committee members in office at the date of this Report were appointed by resolution of the Board of Directors of 27 April 2021, and will remain in office until

the end of the Board's term, and hence until the Shareholders' Meeting called to approve the financial statements as at and for the year ended 31 December 2023, unless otherwise decided.

The Committee currently in office is composed of three non-Executive Directors, since they are not holders of individual management mandates and do not hold management positions in the Company or in companies belonging to the Mondadori Group; the majority of Committee members are independent directors. The members of the Committee have proven professional skills in the sector in which Mondadori operates, adequate knowledge and experience in financial and remuneration policy issues.

Comitato per la Remunerazione	
Angelo Renoldi	Presidente Amministratore non esecutivo e indipendente
Elena Biffi	Amministratore non esecutivo e indipendente
Cristina Rossello	Amministratore non esecutivo

- **Committee duties and functions**

In compliance with the recommendations of Corporate Governance Code, the Board of Directors has tasked the Committee with the duties and functions for investigation, consulting and proposal purposes summarised below.

- a) assist the Board of Directors, with an advisory and propositional function, in the development of the policy for the remuneration of Directors and Managers with Strategic Responsibilities pursuant to art. 123-ter TUF;
- b) submit proposals or express opinions on the remuneration of executive directors, other directors who hold specific offices and directors who are members of internal board committees, as well as on the setting of performance objectives related to the variable component of this remuneration;
- c) monitor the actual application of the remuneration policy and verify, in particular, the actual achievement of the performance objectives;
- d) periodically assess the adequacy and overall consistency of the remuneration policy for directors and managers with strategic responsibilities;

- e) formulating proposals to the Board of Directors regarding the criteria, categories of beneficiaries, quantities, terms, conditions and methods of share-based remuneration plans as well as supporting the Board of Directors on executive activities connected with the aforementioned plans;
- f) assist the Board of Directors in the self-assessment process of the Board of Directors and its Committees as well as in the development of the Guidelines on the qualitative and quantitative composition of the Board of Directors deemed optimal, also taking into account the results of the aforementioned self-assessment process;
- g) without prejudice to the mandatory provisions of the articles of association on the subject, identify and propose candidates for the office of director in the event of co-optation;
- h) support the Board of Directors with respect to the possible presentation of a list by the outgoing Board of Directors, to be implemented in a manner that ensures its formation and transparent presentation;
- i) propose to the Board of Directors the possible adoption of a plan for the succession of the chief executive officer and other executive directors.

- **Operating procedures of the Committee**

The activities of the Committee are governed by operating rules provided for in a specific Regulation approved by the Board of Directors.

The Committee members meet and act collectively whenever the Chair deems it necessary, or at the request of the other two members, and in any case with the frequency that is required to carry out the Committee functions. The Committee meetings may be held in any location, including locations other than the registered office of the Company, or remotely via electronic means. The presence of at least two members of the Committee is required in order for its resolutions to be valid.

Committee resolutions are carried by a simple majority and are contained in a report signed by the Chairman and the Secretary and subject to approval by the Committee at the opening of the first subsequent meeting.

With regard to the need to manage potential conflicts of interest:

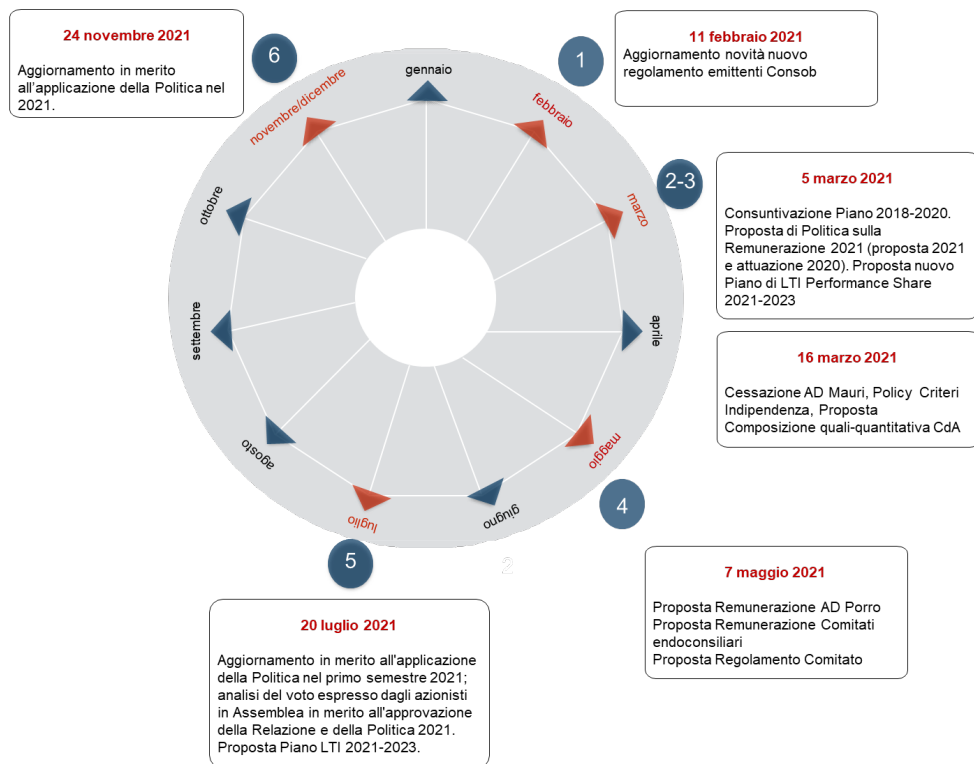
- the Committee deliberates with regard to the proposal functions assigned to it by the Board of Directors in the absence of those directly involved;
- the members of the Committee abstain during voting by the Board of Directors on draft resolutions relating to their own fees;
- the Committee members do not receive fixed or variable remuneration other than that approved by the Board of Directors for the position.

The Committee has access to all the corporate information and functions necessary to the performance of its duties. At the request of the Committee Chair, managers of the company, or other individuals, may participate in the meetings to provide information or assessments on the individual items on the agenda.

- **Committee cycle of activities**

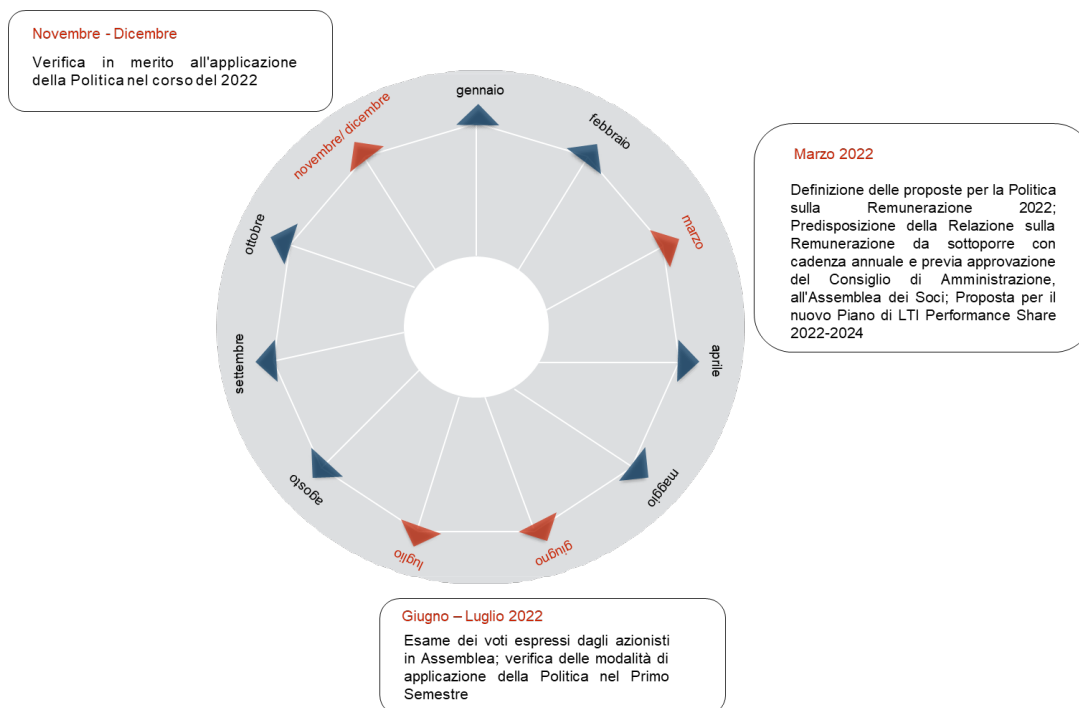
Activities carried out in financial year 2021

In financial year 2021, the Committee met six times, with 100% of the Committee members in attendance. Minutes were regularly taken for these meetings. The infographic below contains a summary of the dates and content of meetings held.



Activities scheduled for 2022

In 2022, the activities of the Committee will take place in implementation of the annual program, as shown in the infographic below.



2 - Purposes of the Policy and beneficiaries

The beneficiaries of the remuneration Policies are the members of the Board of Directors, the Key Management Personnel and the members of the Board of Statutory Auditors.

The Policy is designed to attract, motivate and retain resources with the professional qualities required to guarantee attainment of the priority goal of creating sustainable value over the medium/long-term for the Company and the Stakeholders.

The alignment of management's objectives and the Company's strategies is the fundamental element that guarantees the Company's sustainability over time, both at the economic level and in terms of social responsibility.

To this end, maintenance of a strong and continuous correlation between remuneration and attainment of strategic plans is identified as the focal point where the interests of the Shareholders and Stakeholders coincide with those of management.

It follows that a significant part of the overall remuneration of the Executive Directors and Key Management Personnel is linked to the achievement of the Group consolidated short and medium/long-term objectives, established with

reference to the Company's strategies and performance, which prevail over objectives of specific business areas or corporate functions, and also to the share price as a concise representation of the market's appreciation of the Company's value.

3 - General principles of the Policy

In keeping with the general purposes outlined above, the Policy is based on the following principles:

- an appropriate balance between the fixed component and the variable component in connection with the Company economic and social sustainability objectives, taking into account the sector of activity and the work carried out;
- equality, non-discrimination and internal consistency as guiding principles in determining remuneration levels;
- a close link between the bonuses assigned to managers and the consolidated results of the Mondadori Group;
- clarity, pre-determination and measurability of performance objectives related to the computation of the variable components;
- focus on defining objectives consistent with a sustainable development Plan that also promotes attainment of non-financial objectives and, specifically, gender equality;
- pre-determined limits on the variable remuneration components;
- a significant portion of variable remuneration linked to long-term objectives and Total Shareholder Return, disbursed as shares subject to multi-year retention periods.

Similarly, the remuneration system that Mondadori applies to all employees is based on the same principles of equality and non-discrimination, recognition of merit, links with performance, and pays attention to people's safety, well-being and quality of life, as decisive factors for the healthy sustainable growth of the Company.

4 - Duration of the Policy

The current Remuneration Policy is valid for one year; in order to assure Stakeholders and Shareholders of continuous consistency with strategic development and the evolution of socio-economic conditions, it will be critically reviewed and submitted for the consideration of the Shareholders' Meeting every 12 months.

The Policy in question will therefore be valid until approval of the financial statements for 2022.

5 – Approach used in drawing up the Policy

The content of the Policy was formulated with the support of leading consultancy companies that specialise in the application of governance and compensation systems.

The principles, remuneration structure and treatments described are drawn up with reference to best market practices and consultation of specialised databases, and are constantly monitored through recourse to benchmarks (*Hay Korn-Ferry*).

The 2022 Policy was drawn up with the support of *PwC*, a consultancy with specific competences and experience on the Italian market and abroad. In order to improve the management remuneration systems, the company organises specific contacts with the proxy advisors, supported by *Georgeson*, a specialist proxy solicitor, and with the main investors. It also ensures on-going monitoring of the recommendations published annually by the Report on Corporate Governance of Listed Companies, and of relevant legislation and regulations.

At the time of the renewal of the Board of Directors in April 2021, the remuneration of the Directors was determined on the basis of a benchmarking analysis of peers listed on the FTSE-MIB, identified by economic dimensions, business sector and additional specific characteristics. Attention was also paid to European companies in the media/publishing industry.

6 – Policies for fixed and variable remuneration components

Under the Mondadori Policy, the fixed and the short and medium/long-term variable components are structured in relation to the different types of beneficiaries, as described below.

6.1 Non-Executive Directors

Non-Executive Directors are directors who do not hold individual management powers or executive positions in the Company or in Group companies.

Non-Executive Directors are entitled to a fixed fee determined by the Shareholders' Meeting at the time of their appointment.

On the recommendation of the Remuneration & Appointments Committee, and with the approval of the Board of Statutory Auditors, the Board of Directors determines additional fixed fees relating to participation in Board committees.

The fees of the non-Executive Directors are not linked to the Company's economic performance or to performance targets in general, but are determined taking into account the level of professionalism and commitment required.

6.2 Statutory Auditors

The fee of the members of the Board of Statutory Auditors consists exclusively of a fixed amount; the Shareholders' Meeting has approved an overall amount to remunerate the Statutory Auditors for their work and commitment on behalf of the Company.

6.3 Executive Directors

6.3.1 Directors vested with particular duties in the Issuer under the Articles of Association (Chair/CEO)

The directors with particular duties in the Issuer will receive, in addition to the fixed fee as above in their capacity as directors, remuneration (in fixed and/or variable form) as determined by the Board of Directors for the performance of the duties assigned to them, in compliance with a specific proposal of the Committee and the favourable opinion of the Board of Statutory Auditors, also pursuant to art. 2389, paragraph 3, of the Italian Civil Code. If the CEO is an employee, a remuneration package determined by the Board of Directors may also be provided.

The variable component of the CEO's remuneration is determined in compliance with the criteria set out in the next section for Key Management Personnel. The uniformity of the criteria on which the variable component of the CEO and the Key Management Personnel is based guarantees alignment of purpose among top management.

Chief Executive Officer: the Board of Directors approved the remuneration package of the new CEO, Antonio Porro, who was appointed by the new Board of Directors on 27 April 2021.

The remuneration of the CEO, proposed by the Chair of the Remuneration Committee after a detailed market benchmark on a panel of 11 comparable companies at European level (including two non-Italian companies) conducted by PwC, an Executive Remuneration specialist, is as follows:

Compenso	Importo	%vs. Tot.
Retribuzione dipendente	400.000	
Compenso Amministratore	100.000	
Remunerazione Fissa	500.000	38%
Patto di Non Concorrenza	200.000	
Remunrazione ricorrente	700.000	54%
Remunerazione variabile di breve termine (MBO)	400.000	31%
Remunerazione variabile di lungo termine (LTI) /anno	200.000	15%
Totale Remunerazione Variabile	600.000	46%
Remunerazione Totale	1.300.000	

The Non-Competition Agreement, for disbursement during the term of office, envisages an annual consideration of 200,000 Euro for the three years of the mandate, in return for an undertaking valid for two years after termination of employment and, in the event of early termination of the appointment, the payment of the unpaid amount up to the overall three-year sum.

This remuneration is fully compliant with the limits set by the 2021 Policy:

- Fixed remuneration less than 70% of the total: actual weighting 54%
- Variable long-term remuneration (LTI) above 25% of total variable remuneration: actual weighting 33%

For further details and comparisons, the reader is referred to the Executive Summary and to Section II of this Report.

6.3.2 Directors vested with particular duties in a strategic subsidiary of the Issuer (Chair/CEO of the subsidiary)

The remuneration of Executive Directors tasked with particular duties in a subsidiary of the Issuer that has strategic significance (i.e., the CEO and chair of a subsidiary of strategic significance when they are given individual management mandates or when they have a specific role in the setting of corporate strategies) – in addition to the fixed remuneration determined by the Issuer's Shareholders' Meeting at the time of their appointment as directors – is determined by the competent corporate bodies of the subsidiary, with regard to the position held in the subsidiary. Remuneration is determined with the support of the Group Central Human Resources & Organisation Division.

A variable remuneration component may be determined and attributed by the relevant subsidiary bodies, also on the proposal of the Issuer's Chief Executive Officer, taking account of the strategic and performance objectives of the subsidiary, which must be predetermined, measurable and linked with the creation of value.

6.3.3 Executive Directors for managerial duties with the Issuer (cf. managerial duties connected with the office of Group CFO)

At the determination of the Chief Executive Officer assisted by the Central Group Human Resources & Organisation Division, Executive Directors with managerial duties with the Issuer receive, in addition to the fixed fee as determined by the Shareholders' Meeting at the time of their appointment, a remuneration package in accordance with the criteria set out in the section below for the remuneration of Key Management Personnel.

6.4 Key Management Personnel

Key Management Personnel are individuals, including directors, with authority and responsibility, directly or indirectly, for planning, directing, and controlling the activities of the Company and for making decisions that may affect the results, prospects and development of the Company itself.

In relation to this principle, the Key Management Personnel are identified as:

1. Executive Directors, in their capacity as directors holding individual management powers or management positions in the Company;
2. the Managers of the main Activity Areas or Business Areas in which the Mondadori Group operates;
3. the Central Managers of the Corporate Functions with decision-making and management powers that may have a material impact on the Company's current and future results.

The remuneration package attributed to Key Management Personnel is aligned with the responsibilities associated with the exercise of operational management powers, the size of the managed business and the ability to contribute to the Group's consolidated results, and is verified against market benchmarks for equivalent positions (Hay method) with the support of specialised consultancies (PwC and Korn-Ferry).

It consists of the following elements:

- i) annual fixed component;
- ii) short-term variable component (MBO);
- iii) medium/long-term variable component (LTI);
- iv) non-monetary benefits.

- i) The fixed component consists of the basic salary and other forms of continuous remuneration and has a percentage weighting not exceeding 70% of the total remuneration.
- ii) The annual variable component (MBO) is obtained on attainment of pre-set annual Group and individual Area/Function objectives linked with the implementation during the financial year of the Company's economic and social sustainability Plans.

To reflect more clearly the link between variable short-term remuneration and creation of stakeholder value, the 2022 MBO plan strengthens the link with Group performance by introducing, for all beneficiaries, two key elements:

- **Access gateway:** disbursement of the annual variable component is subject to achievement of an access gateway: if results are less than 85% with regard to Group EBITDA and Ordinary Cash Flow, no incentive is disbursed;
- **Group Multiplier:** a mechanism that guarantees a direct correlation between Group performance and individual performance; Group performance measured in terms of EBITDA and Ordinary Cash Flow determines the amount of the individual (theoretical) bonus, which may be reduced proportionately down to 40% in the event of minimum performance (85% of the target) or increased proportionately up to 120% in the event of over-performance (110% of the target). For the CEO, expected maximum performance is 120% and the corresponding bonus is raised to 140%.

The table below illustrates the standard operation of the access gateway and the Group multiplier:

Indicatore di Gruppo	Scenario di performance		Moltiplicatore di Gruppo
	Ebitda (75%) Free Cash Flow (25%)	Inferiore al minimo (GATE)	<85% vs budget
Minimo		85% vs budget	40%
Target		In linea con il budget	100%
Massimo		110% vs budget	120%

The annual variable component is therefore determined, only when the access gateway is achieved and on the basis of the Group multiplier, consistently with the degree of attainment of the **individual performance objectives**, linked to specific business or Function targets. The Key Performance Indicators (shown in the table below) which are usually derived from budget data, put priority on quantitative data to ensure objectivity, transparency and measurability. Qualitative objectives, envisaged only in specific circumstances, are linked to Group strategic priorities and measured using objective valuation elements (e.g., project completion time), in order to limit discretionality in valuations.

Obiettivi individuali		
Ruolo	Obiettivi	Peso
AD	Utile Netto	50%
	Fatturato	25%
	Pista Strategica	25%
CFO	Utile Netto	50%
	Costi gestiti	25%
	Pista strategica	25%
HRO	Costo del Lavoro	40%
	Costi Gestiti	35%
	Progetto Strategico	25%
BU	EBITDA di BU	50%
	Fatturato di BU	20%
	Ordinary Cash Flow di BU	30%

The mechanism used to compute the individual bonus envisages a minimum access threshold for each KPI of 90% of the target, with a 50% reduction of the bonus, and a maximum level of 110%, with an increase in the bonus up to 120% (cap).

The table illustrates the mechanisms used to compute the individual bonus

Indicatore	Scenario di performance	Erogazione
Obiettivi individuali	<90%	Nessuna erogazione
	90-99%	50-95%
	100% (Target)	100%
	101-110%	101-120%
	>110%	120%

For reasons of confidentiality, the target levels of the performance objectives are not provided, since the data in question are quantitative projections not yet published by Mondadori.

To guarantee the method used, the target levels, identified by the Chief Executive Officer, with the sole exception of those relating to his/her own MBO which are established by the Chair, are certified by Group Management Control, both in the allocation and final accounting stages, and the process guarantees traceability and transparency at every stage.

The composition of the objectives for top management ensures assessment and monitoring of the main aspects of management.

Target and maximum MBO opportunities

Under Mondadori policy, the weighting of the MBO component is no greater than 75% of overall variable remuneration (in turn, not less than 30% of total remuneration or a weighting of not less than 43% of fixed remuneration).

In practice, the weighting of the theoretical MBO component, in relation to fixed remuneration, has been established as follows:

- for the CEO: 57% for target results and 80% for maximum performance;
- for the CFO: 33% for target results and 40% for maximum performance;
- for the KMP (mean values): 40% for target results and 48% for maximum performance.

There are no cases of non-compliance among the individual members of KMP.

The overall disburseable bonus is subject in all cases to a **cap** of 125% of the total target bonus (140% for the CEO for Group results above 120%).

iii) the medium/long-term variable component (LTI). Mondadori adopts rolling performance share plans, which assign Mondadori shares at the end of a three-year vesting period upon attainment of pre-determined three-year objectives, to which, as from 2022, an additional 2-year lock-up relating to a decreasing portion of the assigned rights is added.

The 2022-2024 Performance Share Plan refers to the attainment of the targets set in the 2022-2024 Three-Year Plan approved by the Board of Directors.

Performance shares, adopted by the majority of peer companies, have the advantage of creating, in the interests of the Stakeholders, a close link between the performance of the Company's executive managers and its strategic objectives. The amount of the bonus is a concise representation of the market valuation of operations executed and medium/long-term business sustainability.

The three-year **performance objectives** to which actual assignment of the 2022-2024 Plan Shares is linked are of three types:

1. Objectives related to Shareholder remuneration

- Cumulative Group *net income* over the period,
- *TSR – Total Shareholder Return* at the end of the period (comparison between the performance of the share and the performance of the shares listed on the FTSE MIB All Share index).

2. Management indicators for profitability and financial risk

- Cumulative Group EBITDA over the period,
- Cumulative Group Ordinary Cash Flow over the period.

3. ESG indicators

- *Impact Inclusion Index*, a compound indicator that measures the reduction of gender disparity at the end of the period.

The Objectives related to **Shareholder Remuneration** have a significant overall weighting of **45%**

The **Profitability Indicators** have a weighting of **45%**

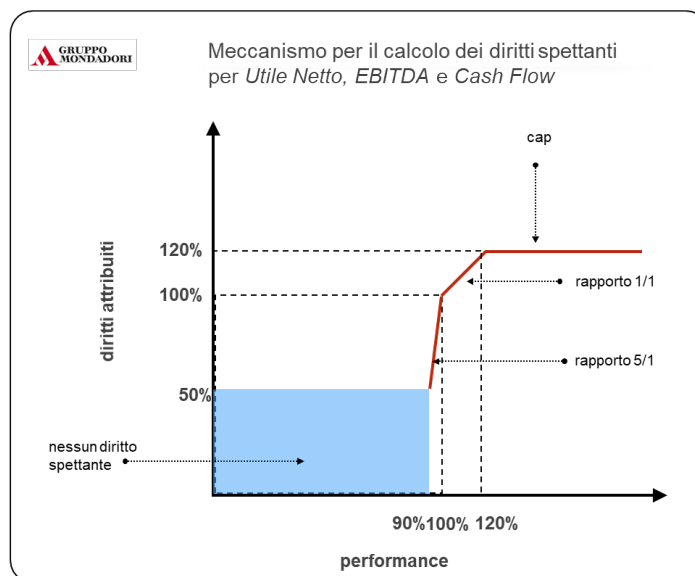
The newly introduced **ESG Indicators** have a weighting of **10%**, which may be raised in the future as strategic corporate social responsibility activities are consolidated.

Recognition of the right to be assigned shares is commensurate with the degree of attainment of targets at the end of the vesting period. The mechanism for the calculation of the number of shares due establishes, for the cumulative Group Net Income, EBITDA and Ordinary Cash Flow targets, an access threshold of 90% of the target, with allocation of 50% of the shares, a correspondence of the full result with 100% of the bonus and a 120% cap if the three-year objectives are exceeded and maximum performance is achieved. Linear interpolation is applied for intermediate results.

With regard to the TSR target, performance above the mean of the reference panel is recognised up to a maximum of 120%, with recognition of the bonus excluded for performance below the mean (100%-120% mechanism).

The ESG target, which comprises the results in three different areas, may have a result oscillating from 0% to 120%, depending on the results in each area.

Under the mechanisms described above, the overall maximum bonus of the plan may not exceed 120% of the target bonus.



Obiettivi di Performance triennio 2022-24					
Ruolo	Obiettivi Consolidati di Gruppo		% raggiungimento target	% calcolo premio	
Obiettivi riferiti alla remunerazione degli azionisti	KPI	Utile netto	25%	90%-120%	50%-120%
		Total Shareholder Return (TSR)	20%	100%-120%	100%-120%
Obiettivi gestionali funzionali alla	KPI	Ebitda di Gruppo	20%	90%-120%	50%-120%
		Ordinary Cash Flow	25%		
Obiettivi ESG	KPI	Impact Inclusion Index	10%	0% - 120%	0% - 120%



For reasons of confidentiality, the target levels of the performance objectives are not provided, since the data in question are quantitative projections not yet published by Mondadori.

Focus on ESG objectives – Impact Inclusion Index

Always attentive to its role as a cultural player in Italy, the Mondadori Group has been concerned with environmental issues for many years, and has completed conversion to use of raw materials (paper) with a low environmental impact, as described in the Non-Financial Disclosure.

As anticipated in the 2021 Remuneration Report, the Group has also introduced a systemic approach to Gender Equality, which is of particular importance given the central role of the human factor in the realisation of its mission.

For this reason, with the assistance of PwC (Price Waterhouse Coopers), one of the leading national and international management consultants on these issues, besides adopting a set of indicators for constant monitoring of inequalities, the Group has set up an action strategy in the following areas:

1. **Dissemination of a culture** to promote inclusion and combat all types of bias
2. **Equal opportunities** for professional and, above all, managerial, development
3. **Equal pay** for equal jobs.

To assess the improvements achieved in these three separate areas, the Mondadori Group has set up an “**Impact Inclusion Index**” to measure the improvements obtained over the next three years with respect to the starting position reported in 2021. The weighting of the three areas with respect to the index is as follows:

- the indicator that measures the dissemination of an equality culture as the main condition for change: 40%;

- with regard to equal opportunities, the Index uses an indicator that measures the increase in women in managerial positions: 30%;
- with regard to equal pay, the indicator measures the reduction of the gender pay gap for managerial positions: 30%.

Ambito	Obiettivo	Metriche	Indice	Target
Diffusione della cultura	Coinvolgimento in eventi di sensibilizzazione	Tasso di partecipazione dei dipendenti ad almeno una iniziativa	40	90% dei dipendenti
Pari opportunità	Aumento delle donne in posizioni manageriali	% donne Dirigenti	30	miglioramento 10%
Equità retributiva	Riduzione del gap retributivo per le posizioni manageriali	Divario retributivo a parità di posizione per le posizioni di quadro e dirigente	30	miglioramento 10%
			100	

For the first indicator, the performance target is reached when 90% of employees participate in initiatives; the minimum and maximum levels correspond to a participation rate of 81% and 100% respectively. For the second and third indicators, performance is measured in terms of improvement with respect to the current situation; the starting figure is the access threshold and a deterioration leads to cancellation of the individual score; when current levels are maintained the index value decreases by 10%, on attainment of the target the envisaged result is recognised, and when performance exceeds the target, valuation of the indicator may increase by 20% in the event of maximum performance (+10% of the target).

In this way, the index recognises the results achieved overall; the bonus linked to the performance of the index may vary proportionately from 0% (no improvement in any area) to 120% (better than expected improvements in all areas).

Target and maximum LTI opportunities

The beneficiaries of the 2022-2024 Performance Share Plan are the CEO and the Group Key Management Personnel, as well as some second-line managers deemed significant for the performance of their respective businesses/functions.

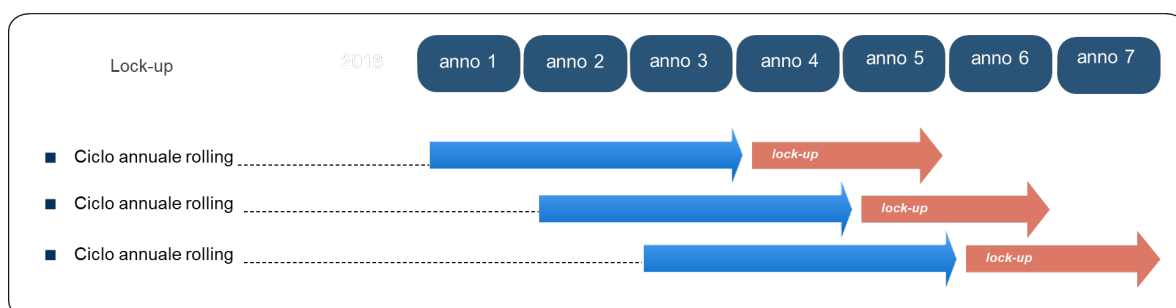
Under the Mondadori policy, the weighting of the LTI component is not less than 25% of the overall variable remuneration (in turn, not less than 30% of total remuneration, or a weighting of not less than 11% of fixed remuneration).

In practice the weighting of long-term remuneration, in relation to fixed remuneration, has been determined as follows:

- for the CEO: 29% for target results and 34% for maximum performance;
- for the CFO: 25% for target results and 30% for maximum performance;
- for KMP (mean): 27% for target results and 33% for maximum performance.

There are no cases of non-compliance among the individual members of KMP.

At the end of the three-year vesting period, starting from the 2022-2024 Plan, a **24-month lock-up** period comes into effect, requiring that at least 20% of the assigned shares be kept in portfolio for the first 12 months and 10% for the second 12 months, in order to consolidate management alignment with the matters stakeholders consider important, over the short and long term, summarised in the performance of the share price.



Should the Board of Directors consider it appropriate to link potential monetary remuneration more closely to the future market valuation of the Company, it may increase the portion of shares subject to lock-up.

Since these remuneration elements are also intended to strengthen the loyalty of the roles of greatest strategic importance for the governance of the Company over the long term, termination of employment during the vesting period signifies for so-called **bad leavers** the automatic loss of the right to be assigned shares, while for **good leavers** the beneficiary retains the right to receive the bonus, for an amount established on a *pro rata temporis* basis at the date of termination, without prejudice to the attainment of the performance objectives considered over the normal three-year period of the Plan. The bonus actually accrued will be computed and assigned in accordance with the Regulation¹.

¹ The term good leaver refers to cases where employment is terminated due to:

- retirement of the Beneficiary;
- termination of the contract on the initiative of the Beneficiary for just cause;
- non-renewal of the mandate for Beneficiaries who are exclusively directors;
- total and permanent invalidity of the Beneficiary;
- death of the Beneficiary.

With regard to the 2022-2024 Performance Share Plan approved by the Board of Directors on 16 March 2022 upon the recommendation of the Remuneration & Appointments Committee of 10 March 2022, and subject to the approval of the Shareholders' Meeting of 28 April 2022, reference should be made to the description in the information document drawn up pursuant to art. 84-*bis* of the Issuers Regulation and available on the website www.gruppomondadori.it (Governance section).

In the case of projects of importance for strategic development that impact only a specific business area and have a duration of at least two years – for example but not limited to, extraordinary transactions, business restructuring/recovery/reorganisation /innovation projects, etc. – the Company may introduce monetary incentive systems based on long-term objectives for the manager responsible for the implementation of the projects. In any case, the amount of the bonus assigned under this system will be established with reference to the maximum limits and the pay mix defined by the remuneration policies, since it does not constitute an additional bonus for the beneficiary.

A Key Manager who is the beneficiary of a plan of this type will receive the pre-defined compensation at the end of the long-term period, based on attainment of the pre-determined objectives and on calculation mechanisms linking the result achieved and the value of the bonus similar to those already described for the Performance Share Plan.

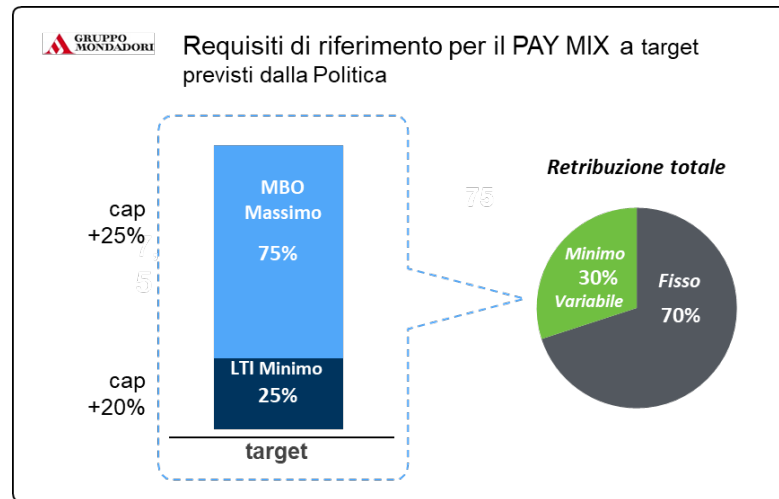
- iv) Non-monetary benefits include, in addition to those envisaged by the relevant national contract and in line with market practice, health check-ups life and medical insurance in addition to compulsory insurance cover, a car and use of a fuel card. Key Management Personnel assigned by the Group to live and work outside Italy also receive housing and schooling benefits.

The combination of annual and medium/long-term variable components by target represents not less than 30% of the total annual remuneration.

In the event of termination of the contract during the vesting period for good-leaver-related reasons, the Beneficiary retains the right to receive the bonus, for an amount determined on a *pro-rata temporis* basis at the date of cessation of the contract, without prejudice to attainment of the performance objectives as per art. 8 considered over the normal three-year performance period envisaged by the Plan. The bonus actually accrued will be computed and assigned in accordance with this Regulation.

The Board of Directors has the power to consider more favourable conditions. The Board of Directors may give the CEO a mandate to exercise this power, except where the beneficiary is the CEO him/herself or the CFO-Executive Director.

As part of the overall variable remuneration, the component related to medium/long-term performance will be no less than 25% of variable remuneration on an annual basis, to foster the sustainability of operations over the medium/long-term.



7 – Claw-back clause

Provision has been made for a claw-back mechanism through which the variable components of remuneration already paid can be claimed back if earned on the basis of data that was later shown to be manifestly inaccurate, or through which repayment can be claimed of all incentives relative to a financial year (or financial years) in reference to which information is found to have been maliciously altered for the purpose of achieving the results and earning the bonus. Similarly, repayment is envisaged in the event of serious and intentional violations of laws and/or regulations, the Code of Conduct adopted by the Company, or Company procedures.

This principle is formalised in the regulation, which is available for viewing on the Company intranet.

8 – Derogations in the event of extraordinary transactions and unforeseen significant circumstances

In the event of extraordinary transactions concerning the Group, including but not limited to, corporate acquisitions or disposals, asset disposals, mergers or spin-offs, transfers or conferrals of business units, impairment, amendments to accounting criteria, capital transactions, financial or equity transactions able to impact the share price, as well as legislative or regulatory amendments or unforeseen significant circumstances, including those arising from natural events, with the potential to significantly influence the performance objectives, the Remuneration & Appointments Committee recommends to the Board of Directors to make, if and when it deems necessary, all appropriate changes and additions

to ensure that, criteria being equal, the substantive and financial contents of the Plans and the KPIs underlying the medium/long-term incentive systems remain unchanged and reliable.

Similar changes may be made, subject to approval by the aforementioned bodies, to the common management KPIs underlying the short-term incentive systems. The CEO has the power to introduce variations in the targets of the MBOs of Key Management Personnel, which, in the same cases, may concern only specific business areas.

9 – One-off extraordinary bonuses and special projects

From a pay-for-performance standpoint, the disbursement of one-off bonuses to managers who have distinguished themselves through exceptional individual efforts of particular strategic impact is considered to constitute a significant differentiation and meritocratic selection mechanism for retention of excellent personnel.

Monetary amounts in addition to the variable remuneration components may therefore be paid, on a non-continuous basis, to reward the contribution of a manager to extraordinary operations, non-recurring business or service re-organisation, re-positioning or restructuring projects, assumption of multiple *ad interim* responsibilities or exceptional performance in response to the challenge of a particularly difficult market situation. These rewards may take the form of one-off bonuses or variable bonuses linked to the completion of specific projects and pre-set objectives.

The disbursement of these rewards, in the cases and for the purposes indicated, is subject, for the Directors, to the assessment and approval of the Board of Directors, on the recommendation of the Remuneration & Appointments Committee, supported by the Central Group Human Resources & Organisation Division, after consultation with the Related Parties Committee where envisaged; for the other KMP, assessment and approval is performed by the CEO, supported by the Central Group Human Resources & Organisation Division, after consultation with the Related Parties Committee where envisaged and in accordance with the current company procedure/regulations.

In all cases, the amount of such one-off bonuses shall not exceed the amount of short-term variable remuneration.

10 – Treatment in the event of termination of office or the employment relationship

With regard to the Executive Directors and Key Management Personnel with employment contracts, *ex-ante* agreements that regulate indemnities in the event

of termination of office or early termination of employment are not envisaged at the current time. In all cases, Mondadori policy is in line with the recommendations of the Corporate Governance Code and Corporate Governance practices and envisages for the above-mentioned cases, in addition to the notice established by current law or regulations, an amount not in excess of 24 months of current pay and average variable remuneration received in the last three years. In the case of Directors who are not employees, compensation corresponding to the end of the term of office is envisaged, but with a maximum amount that is not in excess of 24 months of current pay and average variable remuneration received in the last three years.

With regard to the Performance Share Plans, the regulatory provisions illustrated in the information document apply, under which, in the case of a bad leaver, for example voluntary resignation or termination of the relationship for just cause, the rights assigned by the Plan are forfeited. In the event of termination of the contract during the vesting period for good-leaver-related reasons, the beneficiary retains the right to receive the bonus, for an amount determined on a *pro-rata temporis* basis at the contract termination date, without prejudice to attainment of the performance objectives over the normal performance period envisaged by the Plan. The bonus actually accrued will be computed and assigned in accordance with the Regulation. More favourable conditions are allowed, subject to approval by the Board of Directors on the proposal of the Remuneration & Appointments Committee, supported by the Group Central Human Resources & Organisation Division, and after consultation with the Related Parties Committee where envisaged, and in compliance with current company procedures and regulations, only in the case of good leavers or mutually agreed termination.

With regard to non-competition agreements, without prejudice to existing regulations, the Company reserves the right to draw up, in its own interests, non-competition agreements for a maximum period of 2 years and a consideration not in excess of 24 months of fixed remuneration.

SECTION II – FEES PAID IN FINANCIAL YEAR 2021

This section of the Report sets out key information on the application of the Policies described in the Report on Remuneration and Fees Paid in 2021, approved by the Board of Directors, at the proposal of the Remuneration & Appointments Committee, on 18 March 2021 and approved by the Ordinary Shareholders' Meeting of 27 April 2021.

Part one includes:

- a focus on the final balance of the objectives relating to the 2019-2021 LTI Plan;
- a description of each of the items that make up the remuneration of the Directors and the Key Management Personnel of the Group, indicating consistency with the description in the first section of the Policies;
- the 2021 pay mix of the Directors and Key Management Personnel, in application of the Policies;
- the variation in the remuneration of the Directors, the members of the Board of Statutory Auditors, the employees and in the performance of the Company.

The second part sets out the tables detailing the remuneration paid to the Directors – on an individual basis - and to the Key Management Personnel – in aggregate form.

The outcome of the vote for the approval of Section II of the 2021 Remuneration Report showed 91.4% of votes in favour.

PART ONE - IMPLEMENTATION OF THE 2021 POLICY

During financial year 2021, the Remuneration Policy was implemented in compliance with the general purposes, the reference principles and the procedures envisaged by the 2021 Policies.

1) FINAL BALANCE OF THE 2019-2021 PERFORMANCE SHARE PLAN

The following levels of attainment were achieved for the three-year objectives of the 2019-2021 Performance Share Plan:

Results of the 2019-2021 Performance Share Plan	
Group Three-Year Objectives	Result vs. target
KPIs:	
Group net profit	113%
Group EBITDA	115%
Ordinary Cash Flow	113%
TSR	2019 On /2020-2021 Off

The overall performance level was **94.9% of the target** which was *re-proportioned* in light of the measures approved in connection with the Covid 19 pandemic.

Given the impact on consumption and markets caused by the outbreak of the pandemic and the emergency laws approved by the Italian Government, the 2019-2021 Three-Year Plan on which the Performance Share Plans were originally based lost all significance.

For this reason, with the approval of the Board of Directors on 10 November 2020, a new 2019-2021 Three-Year Plan was drawn up; with the review of the targets of the 19-21 Performance Share Plan, the opportunities for assignable rights were reduced by 25% for 2020 and 15% for 2021, with the introduction of a cap on 100% of the new total bonus, so as to avoid the possibility of an above-target number of shares being assigned in the event of over-performance. The changes were approved by the Shareholders' Meeting on 27 April 2021.

The actual results achieved in 2019-2021 reflect a much stronger than expected response of the Group to the impact of the pandemic, leading to results that were significantly above target in business and financial terms. Unfortunately, TSR performance was below the index average: despite the general rise in value over the three years, the share price suffered from the consequences of the fall in value in 2020.

As a result of application of the approved correction mechanisms, **the number of assignable shares** was **94.9%** of the target. This value is **5.1% lower than the re-proportioned target bonuses** and **17.8% lower than the original 2019 assignments**.

Further details on the rights actually attributed to the Executive Directors and Key Management Personnel are provided in the following sections.

The 2021-2023 Performance Share Plan was not subject to extraordinary corrections, since its objectives, like those of the 2020-2022 Plan, are the targets of the 2021-2023 Three-Year Plan; the share assignment was in line with the projections of the information document and the 2021 Policies.

2) REMUNERATION AND FEES PAID

The remuneration and fees paid to the members of the governing and control bodies and to Key Management Personnel are illustrated below; reference should be made to tables 1, 3A and 3B for the representation of the amounts.

2.a - Remuneration of Directors

A. Non-Executive Directors

In accordance with the definition in Section I, **non-Executive Directors** are directors who do not hold individual management powers or executive positions in the Company or in Group Companies.

Disbursements during the 2021 financial year were as follows, in line with the procedures defined in the Policy:

- fixed annual fees for the role of Director, as determined by the Ordinary Shareholders' Meeting of 27 April 2021, corresponding to a fixed annual lump sum of 15,000 Euro disbursed in equal amounts to all Directors, with an increase to 20,000 Euro for the Chair;
- additional annual fixed fees due to non-Executive Directors as members of the Board Committees (Control & Risk Committee and Remuneration & Appointments Committee) determined by the Board of Directors on 13 May 2021, on the proposal of the Remuneration & Appointments Committee and with the favourable opinion of the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code.

The individual sums disbursed in 2021 were:

- 25,000 Euro for the Chair,
- 20,000 Euro for Directors who are Committee members.

Additional fixed remuneration was determined for Directors who sit on the Related Parties Committee, which, given the small number of meetings it was possible to hold during the year, was set at an attendance fee of 5,000 Euro for each member of the Committee, with an increase of 10,000 Euro for the Chair. A cap was set on the remuneration of the Related Parties Committee equivalent to the remuneration for the members of the other Board committees (25,000 Euro for the Chair and 20,000 Euro for the members). In 2021, the new Related Parties Committee held four meetings.

The fees attributed to non-Executive Directors are not linked to attainment of performance objectives nor, in general, to the Company's business results.

B. Directors holding key positions, in accordance with the Articles of Association: Chair and Chief Executive Officer

With regard to the attainment of the performance objectives for the vesting of variable remuneration, for reasons of confidentiality quantitative data of a prospective nature not already published by Mondadori are not provided below, whereas qualitative performance and the composition of bonuses are illustrated.

Chair, Marina Berlusconi

The remuneration of the Chair Marina Berlusconi consists of an annual fixed sum for the role of 500,000 Euro approved by the Board of Directors on 13 May 2021, on a specific recommendation of the Remuneration & Appointments Committee and with the favourable opinion of the Board of Statutory Auditors pursuant to art. 2389 Italian Civil Code. The sum in question has not changed with respect to that provided for the previous three-year term of office.

Chief Executive Officer, Antonio Porro

The remuneration of the CEO Antonio Porro for 2021 was consistent with the resolution carried by the Board of Directors on 13 May 2021, with the favourable opinion of the Remuneration & Appointments Committee of 7 May 2021, as follows:

- a) *fixed component*: referring to the CEO's salary as an employee, the remuneration for the position and the annual consideration relating to the non-competition agreement, for a total of 616,227 Euro, arising from the payment until 27 April 2021, of the salary as General Manager of the Books BU and, as from the same date, of the remuneration *pro rata temporis* established by the Board of Directors for the Chief Executive Officer;
- b) *variable short-term component (MBO)*: the MBO for the appointment as Chief Executive Officer was for an amount of 357,300 Euro. The planned objectives and attainment levels are set out below.

Performance indicators in the 2021 MBO system				
Role	Group Consolidated Objectives		% target attainment	
Chief Executive Officer	KPI	Group net profit	25%	120%
		Group EBITDA	25%	120%
		Ordinary Cash Flow	20%	120%
		Revenue	15%	114%
		Strategic Objective	15%	120%

c) *variable long-term component (LTI)*: as illustrated in section 1) the 2019-2021 Performance Share Plan produced an overall result equal to 94.9% of the rights reduced due to application of the revised Three-Year Plan in the wake of the Covid 19 pandemic. The new CEO Antonio Porro is one of the beneficiaries of the above plan given his previous role as General Manager of the Books BU, with a theoretical assignment of 51,344 rights on attainment of the target results. The number of rights that will actually be assigned based on the results achieved is 48,726, with a reduction of 10,515 rights with respect to the original assignment envisaged in the 2019-2021 Plan.

Previous CEO, Ernesto Mauri

The amounts shown for Ernesto Mauri in the attached Table 1 refer to the remuneration received for the period prior to the expiry of the term of office (January - April 2021).

With reference to the accelerated vesting of the 2019-2021 Plan granted to the outgoing CEO, Ernesto Mauri, with the approval of the Board of Directors and the Shareholders' Meeting and described in the 2020 Remuneration Report – section II, in compliance with the approved conditions, given a final overall result of 94.9%, less than 100% of the rights assigned in advance, the envisaged offsetting will be applied.

C. Other Executive Directors

Chief Financial Officer, Alessandro Franzosi

The remuneration of the CFO Alessandro Franzosi for 2021 is as follows:

- a) *fixed component*, consisting of basic salary and other non-variable monetary components, for an annual amount of 400,000 Euro. The CFO also has a non-competition agreement, for a constant annual amount of 200,000 Euro, which has a duration of two years after termination of his employment.
- b) *variable short-term component (MBO)* Consistently with the good results of the Group, the CFO had a final MBO result equivalent to 120% of the target, thus accruing a bonus of 240,000 Euro with respect to the theoretical variable remuneration of 200,000 Euro.

The planned objectives and related attainment levels are set out below:

Indicatori di Performance nel sistema MBO 2021			
Ruolo	Obiettivi Consolidati di Gruppo	% Raggiungimento premio	
Chief Financial Officer	Ebitda di Gruppo	40%	120%
	KPI: Ordinary Cash Flow	30%	120%
	Utile netto	15%	120%
	Progetto strategico	15%	120%

- c) *variable long-term component (LTI)*: since the CFO joined the company in June 2020, he is not a beneficiary of the final 2019-2021 Performance Share Plan as set out in the separate financial statements. He is, however, a beneficiary of the 2021-2023 Performance Share Plan that commenced in 2021. The assignment for the CFO is 98,425 rights for target results.

D. Remuneration of Key Management Personnel

As a result of the organisational changes described above, as of 31 December 2021, the Key Management team was as follows:

Dirigenti con responsabilità strategiche (al 31/12/2021)	
Carlo MANDELLI	Direttore Generale Business Unit Media
Carmine PERNA	Direttore Generale Business Unit Retail
Gian Luca PULVIRENTI	Direttore Generale Business Unit Libri Educational
Daniele SACCO	Direttore Centrale Risorse Umane, Organizzazione e Legale
Enrico SELVA CODDE'	Direttore Generale Business Unit Libri Trade

The following persons also fall under the category of Key Management Personnel:

Antonio PORRO	Chief Executive Officer
Alessandro FRANZOSI	Executive Director Chief Financial Officer

The Key Management Personnel include Gian Luca Pulvirenti, who joined the Group on 17 December 2021 following the acquisition of the De Agostini Scuola company, and assumed responsibility for the Group Educational Area, previously held ad interim by the CEO, Antonio Porro.

As from 2022, the Chief Technology and Innovation Officer, Andrea Santagata, will be a member of Key Management Personnel.

The positioning of the remuneration of the Key Management Personnel, with selected reference to the 3rd market quartile, was verified through constant monitoring, with the support of PwC, based on the market benchmarks provided by the Hay-Korn Ferry company.

The aggregate remuneration in 2021 of Key Management Personnel who are not directors is detailed below:

- a) the fixed component, consisting of the basic salary and other non-variable monetary components, was 1,530,805 Euro, with a reduction from 2020 of approximately 21% arising from the changes in KMP during 2021.
- b) the annual variable component (MBO), which is paid out based on the level of achievement of annual budget targets. On a comparative basis, the bonuses for 2020 underwent a 50% reduction as a measure approved by the Board of Directors with reference to the Covid-19 emergency. In 2021 this entirely extraordinary measure was not applied and the theoretical value of the short-term variable remuneration (MBO) was restored to the levels envisaged by the Policies.

A summary of the level of achievement of the planned objectives is set out below:

Indicatori di Performance nel sistema MBO 2021			
Ruolo	Obiettivi Consolidati di Gruppo		% Raggiungimento premio
Dirigenti con Responsabilità Strategiche	Ebit di Gruppo	30%	120%
	Ordinary Cash Flow	10%	120%
	KPI: Ebit di BU	30%	115%
	Ordinary Cash Flow BU	20%	115%
	Fatturato di BU	10%	112%
	Costo del Lavoro (per Dir. Centr. HRO)	15%	108%

For the reasons described above and thanks to the healthy results achieved by the Group with respect to the target values, the overall amount disbursed for bonuses was 699,630 Euro, equivalent to 119% of the theoretical target values and 237,000 Euro higher than the 2020 disbursement.

c) the medium/long-term variable component (LTI).

With the approval of the 2021 separate financial statements, the vesting period for the 2019-2021 Performance Share Plan closed. As illustrated in section 1), the final overall result of the 2019-2021 Performance Share Plan was equivalent to 94.9% of the rights reduced due to the review of the Three-Year Plan for the Covid-19 pandemic.

A total of 154,300 rights was therefore assignable to the Key Management Personnel with respect to a revised target assignment of 162,592 rights, with a reduction from the original 2019 assignment, including the measures introduced for the Covid-19 emergency, of 33,700 rights, corresponding to an amount, at the assignment price, of 56,200 Euro (-18%).

During the year, the vesting period was completed for the 2019-2021 Cash LTI Plan referring to specific BU objectives, the beneficiary of which is a member of Key Management Personnel.

In 2021 the new 2021-2023 Performance Share Plan commenced, envisaging the overall assignment of 220,910 rights to KMP.

3 – Pay mix

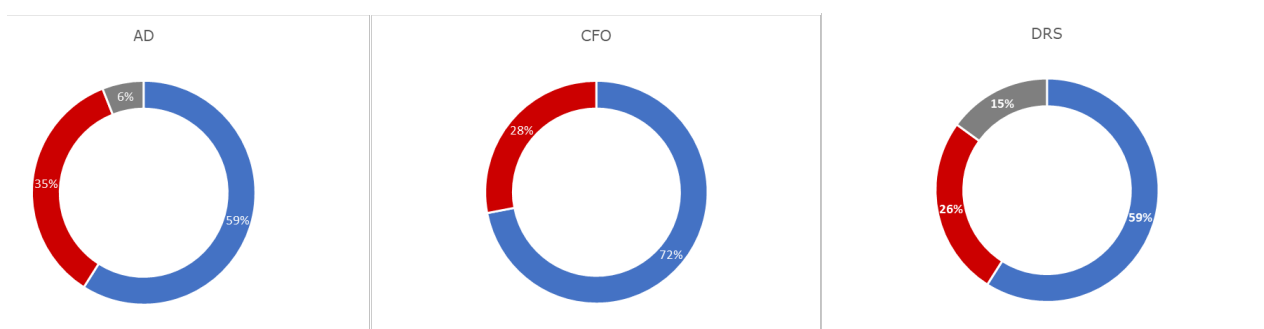
The actual pay mix for the CEO, CFO and Key Management Personnel, calculated on the basis of remuneration actually paid during the year in accordance with the 2021 Policies, is illustrated below.

The reference for the CEO is to remuneration actually received during the year, which therefore includes remuneration for Mr Porro's previous post as head of the Books Business Unit for the period January-April 2021.

- The overall variable component with respect to total remuneration was 41% for the CEO who was still a beneficiary of the previous LTI Plans as head of the Books Business Unit, 28% for the CFO (who took up his post during 2020 and therefore did not accrue any amount for LTI) and 41% for the other Key Management Personnel.
- Short-term variable remuneration with respect to variable remuneration was 84% for the CEO, again due to the low LTI value for the reason described above, 100% for the CFO (not having had any previous LTI) and 65% for the other Key Management Personnel.
- Long-term variable remuneration (LTI) with respect to variable remuneration was 16% for the CEO, as a beneficiary of Plans predating his appointment, not

applicable for the CFO, who joined the Group halfway through 2020, and 35% for the other Key Management Personnel.

The weighting and percentages of the fixed and variable components of theoretical remuneration for 2021 are amply aligned with the Policy parameters and individual remuneration complied with the minimum pay mix requirements indicated in the 2021 Remuneration Policy. With reference to the CEO, the above remains valid since it refers to the pay mix of the theoretical remuneration as head of the Books business unit and as CEO.



4 – Variation in remuneration and Company performance

The table below sets out, for the three years 2019-2021, the variation in:

- remuneration of the CEO, the Chair, the Directors, the members of the Board of Statutory Auditors;
- remuneration of employees;
- Company performance.

		2019	2020	2021
DIPENDENTI (Remunerazione Media)		48.173	48.486	49.452
%			0,6%	2,0%
MARINA BERLUSCONI, Presidente		515.000	515.000	518.333
%			0,0%	0,6%

ERNESTO MAURI, Amministratore Delegato %	fino al 27 aprile 2021	2.852.034	2.337.417 -18,0%	499.930 -78,6%
ANTONIO PORRO, Amministratore Delegato %	dal 27 aprile 2021			1.040.233
FRANZOSI ALESSANDRO, Amministratore Esecutivo %	dal 4 giugno 2020		426.411	859.759 101,6%
BERLUSCONI PIERSILVIO, Amministratore %		10.000	10.000 0,0%	13.333 33,3%
BIFFI ELENA, Amministratore %		32.000	32.000 0,0%	60.333 88,5%
CASELLA VALENTINA, Amministratore %	dal 27 aprile 2021			20.000
CURRO' FRANCESCO, Amministratore %		10.000	10.000 0,0%	13.333 33,3%
GALBIATI ELISABETTA, Amministratore %	dal 27 aprile 2021			30.000
PELLEGRINO DANILO, Amministratore %		10.000	10.000 0,0%	13.333 33,3%
RAPAGNA ALCEO, Amministratore %	dal 27 aprile 2021			23.333
RENOLDI ANGELO, Amministratore %		78.000	78.000 0,0%	104.000 33,3%
ROSSELLO CRISTINA, Amministratore %		57.000	57.000 0,0%	57.000 0,0%
PERFORMANCE MONDADORI				
Utile Netto %		33,1	4,7 -85,9%	44,2 843,0%
Ebitda %		87,0	49,1 -43,5%	91,1 85,6%

Remuneration of the members of the **Board of Statutory Auditors** consists of fixed amounts disbursed in application of the resolutions of the Shareholders' Meeting and the Board of Directors, and did not undergo any variation in the period under review. A summary of the amounts disbursed is provided in Table 1 attached to this Report.

Key:

- the amounts shown refer to total remuneration (fixed component + 2021 annual variable component + fair value of the performance share plan). For "employees", the annual variable component disbursed in 2021 is shown.
- Employees refers to the number of employees present at 31 December of each year in Italy; the remuneration amounts are full time equivalent.

PART TWO – ANALYTICAL DESCRIPTION OF REMUNERATION PAID OUT DURING FINANCIAL YEAR 2021

Schedule 7-bis: Remuneration Report

Table 1: Amounts paid to the members of the Board of Directors, the Board of Statutory Auditors, General Managers and other Key Management Personnel.

*Table 2: Stock options assigned to the members of the Board of Directors, the General Managers and the other Key Management Personnel. **[The table is not filled in since no stock option plans are active for the year in question].***

Table 3A: Incentive plans based on financial instruments other than stock options, for the members of the Board of Directors, the General Managers and the other Key Management Personnel.

Table 3B: Cash incentive plans for the members of the Board of Directors, the General Managers and the other Key Management Personnel.

Schedule 7-ter: Schedule setting out information on the equity interests held by the members of the Board of Directors, the members of the Board of Statutory Auditors, the General Managers and the other Key Management Personnel.

Table 1: Equity investments of the members of the Board of Directors, the Board of Statutory Auditors and General Managers.

Table 2: Equity interests of the other Key Management Personnel.

Draft Resolutions (art. 123-ter.3-bis and 6 of Legislative Decree 58/1998).

Pursuant to art. 123-ter.3-bis and 6 of Lgs.Decree 58/1998, the Shareholders' Meeting is invited:

- i) to approve with a binding resolution Section I of the Report on Remuneration Policy and Fees Paid;
- ii) to carry a resolution in favour of or against Section II of the Report on Remuneration Policy and Fees Paid. The resolution is non-binding.

In reference to the above, the following draft resolutions are presented:

First Resolution

"The Ordinary Shareholders' Meeting of Arnoldo Mondadori Editore S.p.A.

resolves

to approve Section I – as per art. 123-ter.3 of Lgs.Decree 58/1998 – of the "Report on Remuneration Policy and Fees Paid", concerning the remuneration policy adopted for the members of the governing bodies, the Key Management Personnel and the control bodies, and the procedures used to adopt and implement said policy."

Second Resolution

"The Ordinary Shareholders' Meeting of Arnoldo Mondadori Editore S.p.A.

resolves

in favour of Section II – pursuant to art. 123-ter.4 of Lgs.Decree 58/1998 – of the "Report on Remuneration Policy and Fees Paid"."

Arnoldo Mondadori Editore S.p.A.
for the Board of Directors

Chair
Marina Berlusconi

2021

TABLE 1: Remuneration of the members of the Board of Directors, the members of the Board of Statutory Auditors, the general managers and the other Key Management Personnel.

(A) Surname and Name	(B) Office	(C) Period for which the position was held	(D) Expiration of Term of Office	(1) Fixed remuneration	(2) Remuneration for participation in committees	(3) Non-equity variable remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair value of equity remuneration	(8) Severance pay for termination of office or employment
						Bonuses and other incentives	Profit sharing					
Berlusconi Marina Elvira	Chair	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	18.333,33 a) 500.000,00 b)						518.333,33		
Mauri Ernesto	Chief Executive Officer	01/01/2021 - 27/04/2021	Approval of 2021 Financial Statements	3.333,33 a) 370.000,00 b)				9.930,00	116.666,67 l)	499.930,00		
Porro Antonio	Chief Executive Officer	27/04/2021 - 31/12/2021	Approval of 2023 Financial Statements	76.666,64 a)b) 400.000,44 c)		357.300,00		6.226,22	133.333,36 l)	973.526,66	167.812,78	
Franzosi Alessandro	Director	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	13.333,33 a) 400.000,04 c)		240.000,00		6.245,93	200.000,00 l)	859.579,30	149.552,23	
Ainio Paolo Guglielmo Luigi	Director	01/01/2021 - 27/04/2021	Approval of 2021 Financial Statements	3.333,33 a)						3.333,33		
Berlusconi Pier Silvio	Director	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	13.333,33 a)						13.333,33		
Biffi Elena	Director	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	13.333,33 a)	20.000,00 e) 27.000,00 f)					60.333,33		
Casella Valentina	Director	27/04/2021 - 31/12/2021	Approval of 2023 Financial Statements	10.000,00 a)					10.000,00 o)	20.000,00		
Curro Francesco	Director	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	13.333,33 a)						13.333,33		
Forneron Mondadori Martina	Director	01/01/2021 - 27/04/2021	Approval of 2021 Financial Statements	3.333,33 a)						3.333,33		
Galbiati Paola Elisabetta	Director	27/04/2021 - 31/12/2021	Approval of 2023 Financial Statements	10.000,00 a)	20.000,00 f)					30.000,00		
Gianguialano Patrizia Michela	Director	01/01/2021 - 27/04/2021	Approval of 2021 Financial Statements	3.333,33 a)	6.666,67 g)					10.000,00		
Pellegrino Danilo	Director	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	13.333,33 a)						13.333,33		
Poli Roberto	Director	01/01/2021 - 27/04/2021	Approval of 2021 Financial Statements	3.333,33 a)						3.333,33		
Rapagna Alceo	Director	27/04/2021 - 31/12/2021	Approval of 2023 Financial Statements	10.000,00 a)	13.333,33 g)					23.333,33		
Renoldi Angelo	Director	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	13.333,33 a)	25.000,00 e) 23.000,00 f) 23.333,33 g)				20.000,00 i)	104.666,67		
Resca Mario	Director	01/01/2021 - 27/04/2021	Approval of 2021 Financial Statements	3.333,33 a)						3.333,33		
Rossello Cristina	Director	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	13.333,33 a)	20.000,00 e) 2.000,00 f) 21.666,67 g)					57.000,00		
Fornasiero Sara	Chair of the Board of Statutory Auditors	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	60.000,00 a)					25.000,00 i)	85.000,00		
Minutillo Flavia Daunia	Standing Statutory Auditor	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	40.000,00 a)						40.000,00		
Simonelli Ezio	Standing Statutory Auditor	01/01/2021 - 31/12/2021	Approval of 2023 Financial Statements	40.000,00 a)						40.000,00		
Key Management Personnel	5 (m)	01/01/2021 - 31/12/2021		1.515.270,93 c)		699.630,00		15.534,15		2.230.435,08	440.017,32	
(l) Remuneration from the company that prepares the financial statements				3.563.604,72	202.000,00	1.296.930,00	0,00	37.936,30	505.000,03	5.605.471,04	757.382,33	0,00

Resca Mario	Chair of the Board of Directors of Mondadori Retail S.p.A.	01/01/2021 - 31/12/2021	Approval of 2022 Financial Statements	120.000,00 a)								120.000,00		
Minutillo Flavia Daunia	Standing Auditor of Rizzoli Education S.p.A. Standing Auditor of Mondadori Scienza S.p.A.	01/01/2021 - 31/12/2021	Approval of 2021 Financial Statements	9.000,00 a)								9.000,00		
		01/01/2021 - 08/04/2021	Approval of 2020 Financial Statements	3.333,33 a)									3.333,33	
Simonelli Ezio	Standing Auditor of Mondadori Scienza S.p.A.	08/04/2021 - 31/12/2021	Approval of 2023 Financial Statements	6.666,67 a)								6.666,67		
Key Management Personnel				0,00 d)		0,00		0,00				0,00		
(II) Remuneration from subsidiaries and affiliates				139.000,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	139.000,00	0,00	0,00
(III) Total				3.702.604,72	202.000,00	1.296.930,00	0,00	37.936,30	505.000,03	5.744.471,04	757.382,33	0,00		

DESCRIPTION OF COLUMNS

The following are indicated separately under "Fixed remuneration", eventually in a note and on an accrual basis: (i) remuneration approved by the shareholders' meeting, even if not paid; (ii) attendance fees; (iii) flat-rate expense reimbursements; (iv) remuneration received for the performance of particular duties, pursuant to art. 2389, paragraph 3, of the Italian Civil Code (such as chair, vice-chair); (v) fixed remuneration for employment gross of social security and tax charges payable by the employee, excluding obligatory collective social security charges to be paid by the company and severance indemnity provisions. Any other forms of remuneration linked to employment (bonuses, other remuneration, non-monetary benefits, etc.) are shown in the relative columns, with a footnote specifying the part paid for the role in corporate governance and the part paid for the employment contract.

"Remuneration for participation in committees" is shown on an accrual basis, and may be shown at an aggregate level. A footnote provides information on which committees the director participated in, and in the event of participation in more than one committee, remuneration received is reported for each one.

The column "Bonuses and other incentives" includes remuneration that vested during the year on attainment of objectives in the year, even if not yet paid out, in connection with cash incentive plans. The values of assigned or exercised stock options, or other financial instruments are not included in this column. Said value is the sum of the amounts shown in Table 3B, columns 2A, 3B and 4, row (IV).

In the column "Profit sharing", the amount is indicated on an accrual basis, even though the financial statements and appropriation of profit have not yet been approved.

The column "Non-monetary benefits" shows the value of fringe benefits (on a taxable basis) including any insurance policies and supplementary pension funds.

The column "Other remuneration" separately lists on an accrual basis any other remuneration arising from other services provided. A footnote provides information on any loans, advances or indemnities that have been granted by the company or its subsidiaries to executive directors or the chair of the Board of Directors, which might represent a form of indirect remuneration under certain conditions (which differ from market conditions or standard conditions that can be applied to specific categories of entities).

The "Fair value of equity remuneration" column shows the fair value of remuneration for the year at the date of assignment with respect to share-based incentive plans, estimated in accordance with international accounting standards*. This value corresponds to the sum of the figures shown in column 16, row III, of Table 2 and in column 12, row III, of Table 3A.

* This item does not refer to the entire equity remuneration assigned during the year, but only to the portion recognised in the financial statements, in accordance with the accounting principles that require the vesting period of the rights to be taken into account, sub-dividing the relative cost in the vesting period.

COLUMN (1): a) emoluments approved by the competent bodies; b) remuneration for the performance of key roles; c) fixed remuneration for employees

COLUMN (2): e) Remuneration & Appointments Committee; f) Related Parties Committee; g) Control, Risks & Sustainability Committee

COLUMN (5): i) remuneration as member of the Supervisory and Control Body; l) non-competition agreement for 2021; o) remuneration for Lead Independent Director

COLUMN (6): the "Total" represents the sum of the items from (1) to (5);

COLUMN (8): m) number of Key Managers in office at 31/12/2021.

COLUMN (8): n) in relation to the two-year Non-Competition Agreements, as described in the Report, Section II head 2b

TABLE 3A 2021: Incentive plans based on financial instruments other than stock options, for the members of the Board of Directors, the General Managers and the other Key Management Personnel

			Financial instruments assigned in previous years that did not vest during the year		Financial instruments assigned during the year					Financial instruments vested during the year but not allocated	Financial instruments vested during the year and able to be allocated		Financial instruments accrued during the year		
A	B	(1)	(2)	(3)	(4)	(5)	(a)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(b)
Name and Surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at assignment date	Vesting period	Assignment date	Market price on assignment	Number and type of financial instruments	Number and type of financial instruments	Value at the vesting date	Fair Value		
ANTONIO PORRO	CHIEF EXEC. OFFICER														
(I) Remuneration from the company that prepares the financial statements		Performance Share Plan 2019 - 2021 (shareholder resolution 17 April 2019) (*)				-						48.726	99.402	66.706	
		Performance Share Plan 2020 - 2022 (shareholder resolution 17 April 2020)	55.249	1 January 2020 / 31 December 2022										23.591	
		Performance Share Plan 2021 - 2023 (shareholder resolution 18 April 2021)			131.234	232.545,93	1 January 2021 / 31 December 2023	29-lug-21	1,52					77.515	
(II) Remuneration from subsidiaries and affiliates		Plan (date of relative resolution)													
(III) Total			55.249		131.234						48.726	99.402	167.813		
ALESSANDRO FRANZOSI	DIRECTOR														
(I) Remuneration from the company that prepares the financial statements		Performance Share Plan 2020 - 2022 (shareholder resolution 17 April 2020)	214.088	1 January 2020 / 31 December 2022										91.416	
		Performance Share Plan 2021 - 2023 (shareholder resolution 18 April 2021)			98.425	174.409	1 January 2021 / 31 December 2023	29-lug-21	1,52					58.136	
(II) Remuneration from subsidiaries and affiliates		Plan (date of relative resolution)													
(III) Total			214.088			174.409							-	149.552	

KEY MANAGEMENT PERSONNEL												
(I) Remuneration from the company that prepares the financial statements	Performance Share Plan 2019 - 2021 (shareholder resolution 17 April 2019) (*)				-					154.300	314.772	211.237
	Performance Share Plan 2020 - 2022 (shareholder resolution 17 April 2020)	230.203	1 January 2020 / 31 December 2022		-							98.297
	Performance Share Plan 2021 - 2023 (shareholder resolution 18 April 2021)			220.910	391.453	1 January 2021 / 31 December 2023	29-lug-21	1,52				130.484
(II) Remuneration from subsidiaries and affiliates	Plan (date of relative resolution)											
(III) Total		230.203			391.453						314.772	440.017

Notes

The total (III) is shown in reference to columns (5), (11) and (12).

For each person concerned and each incentive plan of which s/he is a recipient, the table shows:

- the financial instruments assigned in previous years which did not vest during the year, with indication of the vesting period;
- the financial instruments assigned during the year, with indication of their fair value at the assignment date (1), the vesting period, the assignment date and the market price on assignment;
- the financial instruments vested during the year but not allocated;
- the financial instruments vested during the year and able to be allocated, with an indication of their value at the vesting date;
- the fair value of the financial instruments accrued during the year.

The vesting period is the period falling between the date the right to participate in the incentive system is assigned and the date on which the right vests.

Financial instruments vested during the year and not allocated are financial instruments for which the vesting period ended during the year, which are not allocated to the recipient due to failure to fulfil the conditions to which the assignment of the instrument was subject (such as failure to meet performance targets).

The value at the vesting date is the value of the vested financial instrument, even if not yet allocated (e.g., due to lock-up clauses) at the end of the vesting period (30 December 2020 - val. € 1.51).

Should the data be represented in aggregate form, the following information is shown in the Table:

- the total number of financial instruments not vested held at the start of the year, with indication of their average expiration;
- the total number of financial instruments assigned at the start of the year, with indication of their total fair value, average expiration and the average market price on assignment;
- the total number of financial instruments vested during the year but not allocated;
- the total number of financial instruments vested during the year and able to be allocated, with an indication of their total market value;
- the total fair value of the financial instruments accrued during the year.

(a) the fair value at allocation date is indicated with reference to the financial instruments assigned during the year in relation to the market price at the allocation date

(b) the fair value of financial instruments for the financial year is calculated on the basis of the amount in column 5 and is related to the competence attributable to the same year based on the duration of the Plan (in this case, 1/3 of the total value)

(*) = assignments reduced after the Covid-19 review

2021

TABLE 3B: Cash incentive plans for the members of the Board of Directors, the General Managers and the other Key Management Personnel

1 The Table covers all types of cash incentive plan, both short and medium-long term.

A	B	(1)	(2)			(3)			(4)
Surname and Name	Office	Plan	Bonuses for this year			Bonuses from previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Disbursable/Disbursed	Deferred	Deferral Period	No longer disbursable	Disbursable/Disbursed	Still Deferred	
PORRO ANTONIO	CHIEF EXECUTIVE OFFICER								
(I) Remuneration from the company that prepares the financial statements									357.300
(II) Remuneration from subsidiaries and affiliates									
FRANZOSI ALESSANDRO	DIRECTOR								
(I) Remuneration from the company that prepares the financial statements									240.000
(II) Remuneration from subsidiaries and affiliates									
(III) Total			0				0		597.300
KEY MANAGEMENT PERSONNEL									
(I) Remuneration from the company that prepares the financial statements			Plan 2019-2021 173.333						699.630
(II) Remuneration from subsidiaries and affiliates									
(III) Total			173.333	0		0			699.630
(IV) Total			173.333	0		0	0	0	1.296.930

* In column (4) Other Bonuses indicates the bonuses for the year included in the total amount in Tab. 1, column 3.

The total (III) shows the sum of all columns except column (2C).

"Column 2A" shows the bonus for the year accrued for objectives achieved in the year, which has been disbursed or is disbursable as it is not subject to further conditions (upfront remuneration).

"Column 2B" shows the bonus linked to objectives to be achieved during the year or subsequent years, which is not disbursable as it is subject to further conditions (deferred bonus).

"Column 3A" shows the sum of deferred bonuses from previous years still to be disbursed at the beginning of the year, which are no longer disbursable due to the failure to meet the relative conditions.

"Column 3B" shows the sum of deferred bonuses from previous years still to be disbursed at the beginning of the year, which were disbursed during the year or are disbursable.

"Column 3C" shows the sum of deferred bonuses from previous years still to be disbursed at the beginning of the year, which have been further deferred.

The column "Other Bonuses" shows bonuses for the year that are not explicitly included in specific plans drawn up ex ante.

Should the data be represented in aggregate form, the following information is shown in the Table:

- total bonuses for the year, divided into disbursed bonuses and deferred bonuses, indicating the average deferral period;

- total bonuses from previous years, divided into bonuses that are no longer disbursable, disbursed bonuses, and bonuses that are still deferred;

- other total bonuses.

Schedule no. 7-ter: Schedule setting out information on the equity interests held by the members of the Board of Directors, the members of the Board of Statutory Auditors, the General Managers and the other Key Management Personnel

The following tables set out information on the equity investments in Arnoldo Mondadori Editore S.p.A. of the Directors and the Statutory Auditors, and, in aggregate form, of Key Management Personnel. Unless otherwise specified, the equity investments are owned directly.

TABLE 1: Equity investments of the members of the Board of Directors and the Board of Statutory Auditors and the General Managers

Surname and Name	Office	Investee Company	Number of shares held at the end of the previous financial year	Number of shares bought	Number of shares sold	Number of shares held at the end of the financial year in question
Berlusconi Marina Elvira	Chair	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Mauri Ernesto*	Chief Executive Officer	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Porro Antonio Stefano**	Chief Executive Officer	Arnoldo Mondadori Editore S.p.A.	120.610	50.232	20.853	149.989
Ainio Paolo Guglielmo Luigi*	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Berlusconi Pier Silvio	Director	Arnoldo Mondadori Editore S.p.A.	172.000	-	-	172.000
Biffi Elena	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Casella Valentina Maria Carla**	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Curro Francesco	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Forneron Mondadori Martina*	Director	Arnoldo Mondadori Editore S.p.A.	137.127	-	-	137.127
Franzosi Alessandro Edoardo	Director	Arnoldo Mondadori Editore S.p.A.	20.000	-	-	20.000
Galbiati Paola Elisabetta**	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Gianguialano Patrizia Michela*	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Pellegrino Danilo	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Poli Roberto*	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Rapagna Alceo**	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Renoldi Angelo	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Resca Mario*	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Rossello Cristina	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Fornasiero Sara	Chair of the Board of Statutory Auditors	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Minutillo Flavia Daunia	Standing Statutory Auditor	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Simonelli Ezio	Standing Statutory Auditor	Arnoldo Mondadori Editore S.p.A.	-	-	-	-

TABLE 2: Equity investments of other Key Management Personnel

Number of Key Management Personnel	Investee Company	Number of shares held at the end of the previous financial year	Number of shares bought	Number of shares sold	Number of shares held at the end of the financial year in question
5***	Arnoldo Mondadori Editore S.p.A.	556,166****	150,696*****	83,135	623,727

NOTES

* In office until 27 April 2021.

** In office as from 27 April 2021.

*** 1 Key Manager terminated in 2020.

**** Number of shares held by Key Management Personnel in office at 31 December 2020.

***** Number of shares assigned by the Company to Key Management Personnel with reference to the 2018-2020 Performance Share Plan.

The disclosure on equity investments in the Company with listed shares and in its subsidiaries held by the members of the Board of Directors and the Board of Statutory Auditors, the General Managers and Key Management Personnel is provided in the form of a table. The table shows, by name for the members of the Board of Directors and the Board of Statutory Auditors and the General Managers, and in aggregate form for the other Key Managers, in relation to each investee company, the number of shares, subdivided as follows:

- shares held at the end of the previous financial year;
- shares bought during the financial year in question;
- shares sold during the financial year in question;
- shares held at the end of the financial year in question.

In addition, the table shows the ownership rights and terms.

The table includes all individuals who, for all or part of the financial year in question, held office as a member of the Board of Directors and the Board of Statutory Auditors, as a General Manager or as a member of Key Management Personnel.