

**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)**

**2023**

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## **Letter from the Chair:**

*Dear Shareholders,*

*I am pleased to present the annual Remuneration Report of Arnoldo Mondadori Editore S.p.A.*

*The Committee presented the remuneration policy for 2023 to the Board of Directors, which approved it at its meeting on 16 March last. The principles that inform 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 link between pay and financial and sustainability performance;*
- attention to the variable remuneration component, also from a medium-long term perspective, to achieve consolidated corporate performance;*
- implementation of the sustainability principle, in accordance with the ESG factors.*

*The 2023 Remuneration Policy has been drawn up consistently with the approach approved in 2022, in order to maintain the standards reached in terms of transparency and clarity, and so guarantee fair and sustainable management of the remuneration system.*

*The Committee focused on introducing further efficiency improvements into the remuneration model to align it with best practices and the indications of the proxy advisors.*

*This is the context for the 2023-2025 Performance Share Plan, in which, after an initial three-year period raising awareness and launching ESG initiatives, strategic D&I objectives have been identified with action to be taken in two areas:*

- implementation of an initial program of initiatives (Mondadori Care) to help people achieve a work-life balance, an essential inclusivity factor for professional development;*
- consolidation and improvement of the progress achieved in Gender Balance and Pay Equity, with particular attention to the area where the greatest opportunity disparities have emerged, i.e., at managerial level.*

*The Committee believes that the 2023 Remuneration Policy described in Section I of the attached report responds to economic and social sustainability guidelines, is consistent with the D&I principles and with enhancement of individual competences, and, equally, has been drawn up to guarantee full, transparent and useful information for the reader.*

*I want to thank the Human Resources & Organisation Division for their constructive collaboration and technical assistance both at the level of routine policy action and on the occasion of 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 2023 Remuneration Policy.*

*The Chair*

***Angelo Renoldi***

## Introduction

In accordance with art. 123-*ter* of Lgs. Decree 58/1998 (hereinafter also "CFA") 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 2023 and the procedures used to adopt and implement the policy.

The **second section** illustrates the outcomes of the policy implemented in 2022. 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 Resolution 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 2023, 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 27 April 2023 to approve the financial statements as at and for the year ended 31 December 2022. The second section, pursuant to art. 123-*ter*.6, of the CFA, 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 is available to the public at the registered office, on the "1info" authorised storage mechanism ([www.1info.it](http://www.1info.it)) and on the website [www.gruppomondadori.it](http://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 whom are Independent, and its approval by 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

### Our remuneration policy in brief

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

### The key characteristics of our policy

Stakeholder value	Pay mix	People
The Policy supports attainment of strategic objectives and creation of long-term value. Remuneration is tied to a significant extent to the key indicators of the strategic and sustainability plan	The Policy balances the various components in relation to the position held. The variable remuneration components are subject to caps	Our Policies are designed to attract, motivate and retain resources with the professional qualities required for the development of the Group. We adopt an equitable non-discriminatory approach to remuneration management
Governance	Benchmarks	Transparency
The formulation and implementation of our Policies is a complex process involving the governing bodies and the Remuneration Committee	When drawing up the Policy, we consider market practices and take our lead from best practices	We represent our Policies and practices clearly and transparently. We engage with investors to improve our approach

### The relationship between Remuneration and Performance

Stakeholder value	Pay mix	People
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## The structure of Remuneration

Remuneration Element	Purpose	Characteristics	Determination criteria
<b>Fixed component</b>	To recognise the breadth of responsibility and strategic importance of the position held, consistently with market benchmarks	<p>Aims to ensure correct remuneration for the position held based on criteria of internal and external equity, and with no form of discrimination.</p> <p>Determined with reference to market benchmarks for comparable positions and positions 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.</p>	<p><i>The weighting of the fixed component may not exceed 70% of total compensation.</i></p> <p>For the <b>CEO</b> the fixed component amounts overall to 700,000 Euro, including the annual consideration for the non-competition agreement; for the <b>CFO</b> the fixed component amounts to 600,000 Euro, including the annual consideration for the non-competition agreement; for the <b>KMP</b> the fixed component is set on an individual basis in accordance with the criteria described.</p>
<b>Short-term variable component (MBO)</b>	To promote and make transparent the link between economic reward and degree of attainment of annual objectives	<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 <b>CEO</b> for 2023 are:</p> <ul style="list-style-type: none"> <li>• Net profit (40%),</li> <li>• Revenues (30%),</li> <li>• Strategic development project (30%)</li> </ul> <p>For <b>KMP</b> 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 variable component 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"> <li>▪ for the <b>CEO</b>, to 57% for target results and 80% for maximum performance (cap 140%).</li> <li>▪ for the <b>CFO</b>, to 33% for target results and 42% for maximum</li> </ul>

			<p>performance;</p> <ul style="list-style-type: none"> <li>for <b>KMP</b>, to 39% for target results and 49% for maximum performance (mean values).</li> </ul>
<b>Medium/long-term variable component (LTI)</b>	To promote the sustainability of corporate operations through attainment of the objectives of the Company's long-term strategic plans and the creation of sustainable value for shareholders and stakeholders	<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"> <li>Cumulative Group Net Profit (25%),</li> <li>relative TSR with respect to the FTSE MIB All Share index (20%),</li> <li>Cumulative Group EBITDA (20%),</li> <li>Cumulative Group Ordinary Cash Flow (25%),</li> <li>ESG Objective - improvement of the Group Impact Inclusion Index (10%)</li> </ol> <p>The Plan also envisages:</p> <ul style="list-style-type: none"> <li>a clawback clause,</li> <li>a 24-month share lock-up,</li> <li>rules for good and bad leaving situations and extraordinary transactions.</li> </ul>	<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"> <li>for the <b>CEO</b>, to 29% for target results and 34% for maximum performance (cap).</li> <li>for the <b>CFO</b>, to 25% for target results and 30% for maximum performance; for <b>KMP</b>, to 27% for target results and 32% for maximum performance (mean values).</li> </ul>
<b>One-off/extraordinary bonuses</b>	To 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 on amounts.	<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 &amp; Appointments Committee, compatibly with the Related-Party Transactions procedure.</p>	Cap equivalent to the amount of the short-term variable component.
<b>Benefits</b>	To 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.
<b>Indemnities for termination of office and/or early termination of employment</b>	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.	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 variable remuneration attributed in the final three years.  The Company reserves the right to draw up, in its own interest, non-competition agreements for a maximum period of 2 years and a consideration that does not exceed 24 months of current pay.	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 consists of 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



## Key Management Personnel (mean values)



% Total Variable Remuneration vs. Fixed Remuneration			
	General Policy Reference	Target	Maximum
CEO	> 43%	86%	114%
CFO	> 43%	58%	72%
KMP (mean)	> 43%	66%	81%

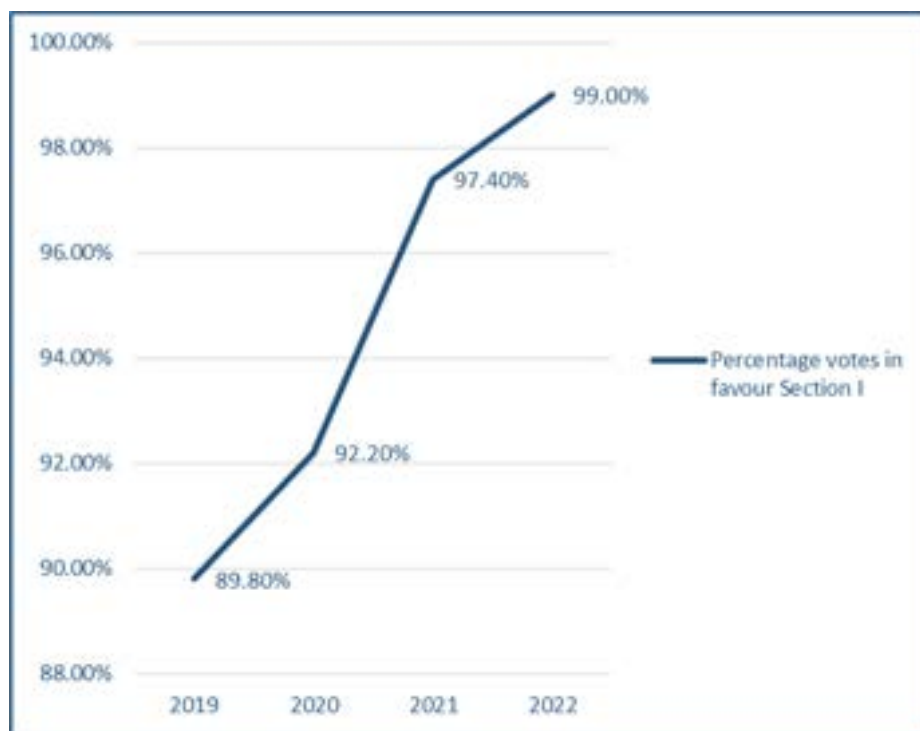
With regard to the Key Management Personnel, all the individual cases comply with the pay-mix limits set out in the Policy.

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 guidelines for the 2023 Policy

The outcome of the vote for the approval of Section I of the 2022 Remuneration Report reflected **99% of votes in favour, an increase of 1.6 percentage points** from 2021.

The trend in the voting results, which has improved constantly – by almost 10 points – over the last 3 years, is recognition by the shareholders of Mondadori's commitment to establishing policies consistent with best market practices and investor expectations.



In the preceding years, Mondadori introduced significant improvements to align its Remuneration Policy with the expectations of investors, stakeholders and proxy advisors, with whom it has established a positive relationship.

- Modification of the short-term pay-for-performance mechanism (MBO), with the introduction of a direct correlation between the value of the incentives and the Company's performance
- Introduction of ESG indices among the long-term strategic indicators (LTI)
- Extension of the lock-up on the performance share plan to 24 months
- Establishment of caps for discretionary bonuses and severance amounts in the event of termination of office
- Improvement of the disclosure on the remuneration of the CEO and the directors, set with reference to market benchmarks

The *2023 Remuneration Policy* was drawn up consistently with the structure approved in 2022, with the objective of maintaining the standards reached also as regards transparency and clarity, in the interest of and to guarantee fair and sustainable management of compensation. A change was made in the measurement of the Group Impact Inclusion Index, the ESG objective included in the long-term incentive plan: the Index metrics were to match the evolution of Mondadori Diversity Equity & Inclusion, as described in the relevant section.

## **SECTION I - REMUNERATION POLICY 2023**

### **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 holding special positions 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 Head of Central Group Human Resources & Organisation reports to the Committee on the effective implementation of the Policy at least once a year.

After receiving this 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 Board committee, known as the Remuneration & Appointments Committee.

The composition, appointment, powers and operation 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 a resolution of the Board of Directors of 27 April 2021, and will remain in office until the end of the Board's mandate, that is, 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 the 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 matters.

Remuneration Committee	
Angelo Renoldi	Chair Non-executive and independent director
Elena Biffi	Non-executive and independent director
Cristina Rossello	Non-executive director

- **Committee duties and functions**

In compliance with the recommendations of the Corporate Governance Code, the Board of Directors has tasked the Committee with the preparatory, advisory and recommendatory duties and functions summarised below.

- a. to assist the Board of Directors, in an advisory and recommendatory capacity, in the formulation of the remuneration policy for the Directors and Key Management Personnel as per art. 123-ter CFA;
- b. to present proposals or express opinions on the remuneration of the executive directors, the other directors with special responsibilities and the directors who are members of board committees, and on the setting of performance targets linked to variable remuneration;
- c. to monitor the actual application of the remuneration policy and, specifically, to verify that performance targets are met;

- d. to perform a regular assessment of the overall adequacy and consistency of the remuneration policy for directors and Key Management Personnel;
- e. to draw up proposals for the Board of Directors with regard to the criteria, categories of beneficiaries, quantities, terms, conditions and procedures of the share-based remuneration plans and to support the Board of Directors in the execution of such plans;
- f. to assist the Board of Directors in the self-assessment of the Board of Directors and its Committees and in the formulation of guidelines for the qualitative and quantitative composition of the Board of Directors deemed to be optimal, taking into consideration the outcome of the self-assessment;
- g. subject to legal requirements, to identify and propose candidates for the post of director in the event of co-optation;
- h. to support the Board of Directors with regard to the eventual presentation of a list by the outgoing Board of Directors, through use of procedures that ensure its composition and transparent presentation;
- i. to propose to the Board of Directors the possible adoption of a succession plan for the chief executive officer and the other executive directors.

- **Operating procedures of the Committee**

The activities of the Committee are governed by the operating rules set out in a specific Regulation approved by the Board of Directors. In brief, 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 set out in minutes signed by the Chair and the Secretary for approval by the Committee at the start of the following meeting.



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

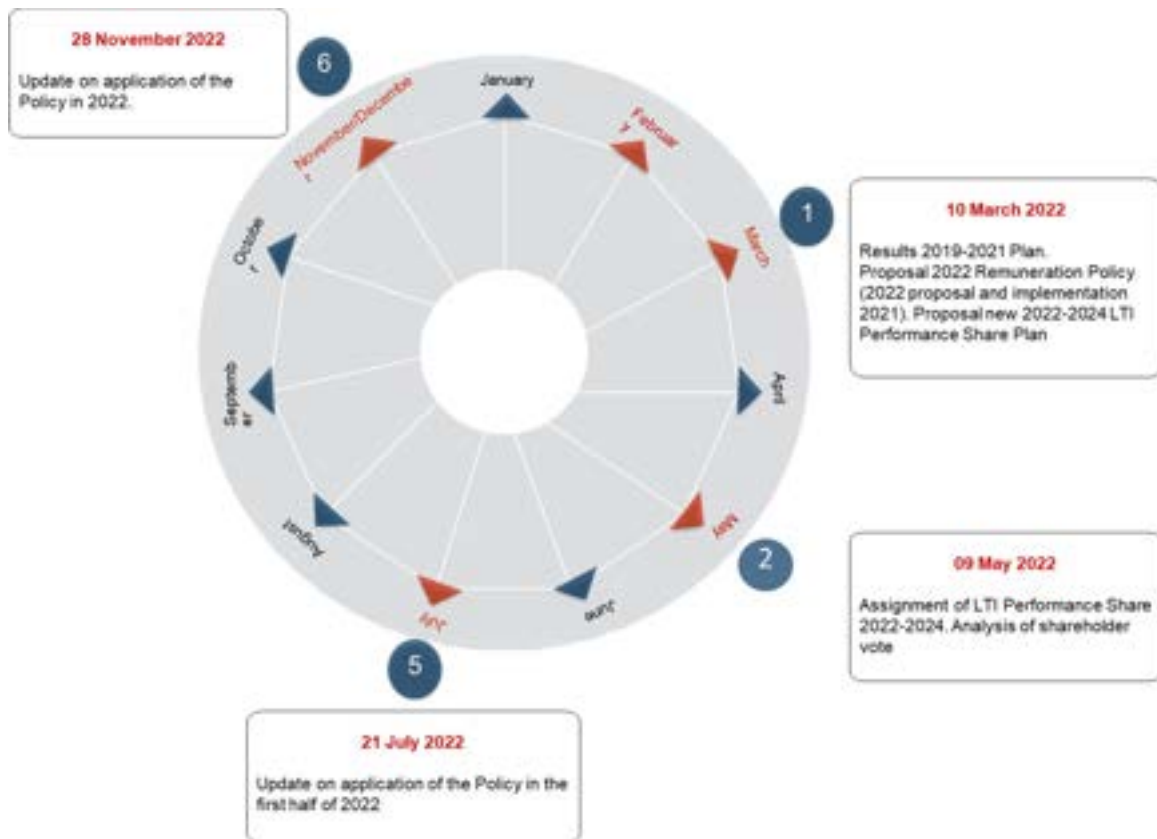
- the Committee deliberates with regard to the proposal functions assigned to it by the Board of Directors in the absence of those directly involved;
- the members of the Committee abstain during voting by the Board of Directors on draft resolutions relating to their own fees;
- the Committee members 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, Company managers, or other individuals, may participate in the meetings to provide information or assessments on the individual items on the agenda.

- **Committee cycle of activities**

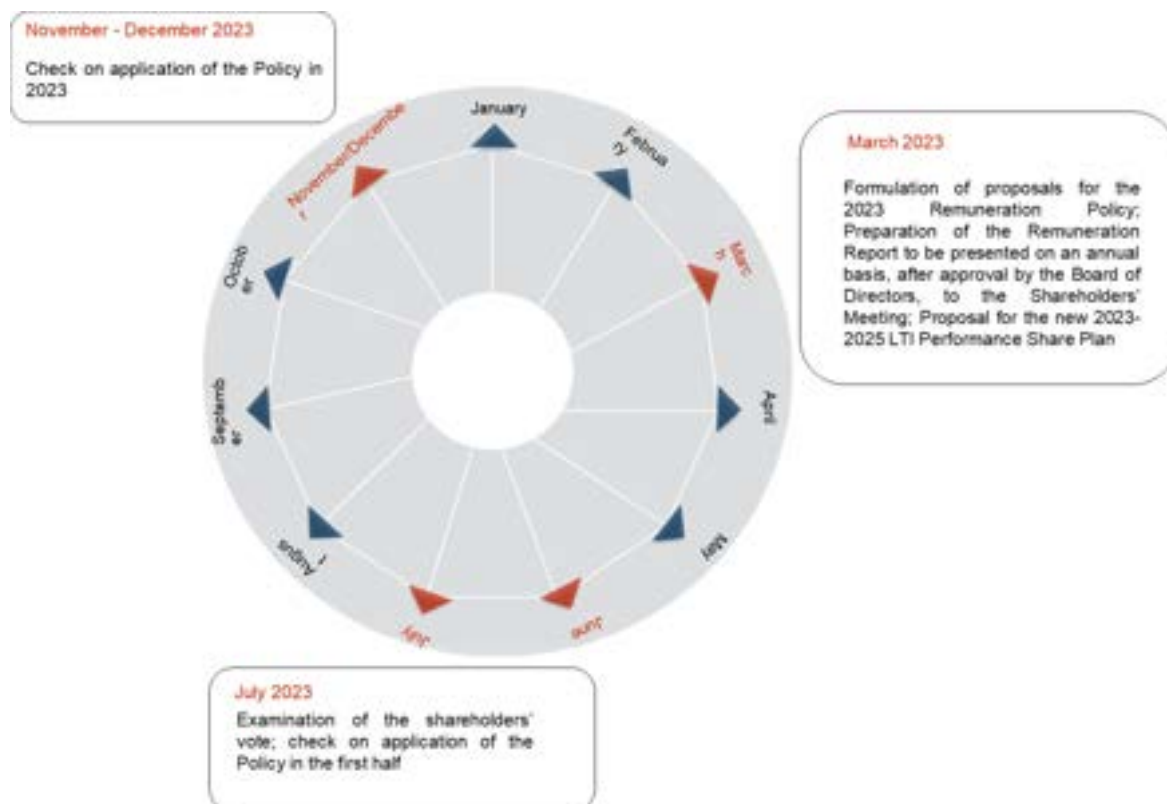
**Activities carried out in financial year 2022**

In financial year 2022, the Committee met four times, with 100% of the Committee members in attendance. The meetings were duly minuted. The infographic below contains a summary of the dates and content of the meetings.



## **Activities scheduled for 2023**

In 2023, the activities of the Committee will implement the annual program, whose details are 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; it is also linked 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:

1. an appropriate balance between the fixed component and the variable component in connection with the Company's economic and social sustainability objectives, taking into account the sector of activity and the characteristics of business operations;
2. equity, non-discrimination and internal consistency as guiding principles in determining remuneration levels;
3. a close link between the bonuses assigned to managers and the consolidated results of the Mondadori Group;
4. clarity, pre-determination and measurability of performance objectives related to the computation of the short- and long-term variable components;
5. focus on defining objectives consistent with the Sustainability Plan that also promote attainment of non-financial objectives and, specifically, gender equality;
6. pre-determined limits on the variable remuneration components;
7. a significant portion of variable remuneration linked to achievement of long-term objectives and Total Shareholder Return, and disbursed as shares subject to multi-year retention periods;
8. continuous monitoring of the market to guarantee compensation packages that are aligned overall with best practices, satisfy stakeholder recommendations and are updated with respect to the applicable laws.

The Policy is consistent for the generality of Company employees: the remuneration system that Mondadori applies to all employees is based on the same principles and criteria of equity 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 and sustainable growth of the Company.

The structure of employee remuneration is substantially the same as that envisaged for the Remuneration Policy beneficiaries, and also includes forms of variable remuneration with application of the same criteria and mechanisms governed by the Policy as well as company welfare tools. It is formulated in compliance with the applicable laws and contracts and with reference to remuneration benchmarking carried out on a regular basis.

#### **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 current Policy will therefore be valid until the approval of the financial statements for 2023.

#### **5 – Approach used in drawing up the Policy**

The Policy contents were 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 2023 Policy was drawn up with the support of *WTW*, a leading consultancy with specific competences and experience on the Italian and international market.

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 listed peers, identified in terms of dimensions, business sector and additional specific characteristics. European companies in the media/publishing industry were also considered.

## **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 differently, 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.

Specifically, the fees envisaged in relation to the positions held are:

<b>Body</b>	<b>Role</b>	<b>Annual fee</b>
Board of Directors	Chair	20,000
	Member	15,000
Board Committees	Chair	25,000
	Member	20,000
Related-Party Transactions Committee	Chair	10,000 per participation with cap at 25,000
	Member	5,000 per participation with cap at 20,000

### **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.

Specifically, the fees envisaged are:

Body	Role	Annual fee
Board of Statutory Auditors	Chair	60,000
	Member	40,000

### 6.3 Executive Directors

#### 6.3.1 Directors holding specific positions in the Issuer under the Articles of Association (Chair/CEO)

The directors who hold specific positions in the Issuer 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 with 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:

Remuneration	Amount	% vs. Tot.
Employee pay	400,000	
Fee Director	100,000	
<b>Fixed Remuneration</b>	<b>500,000</b>	<b>38%</b>
Non-Competition Agreement	200,000	
<b>Recurring remuneration</b>	<b>700,000</b>	<b>54%</b>
Short-term variable remuneration (MBO)	400,000	31%
Long-term variable remuneration (LTI)/year	200,000	15%
<b>Total Variable Remuneration</b>	<b>600,000</b>	<b>46%</b>
<b>Total Remuneration</b>	<b>1,300,000</b>	

The Non-Competition Agreement, disbursed 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 Remuneration 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 holding specific positions in a strategic subsidiary of the Issuer (Chair/CEO of the subsidiary)

The remuneration of Executive Directors holding specific positions in a subsidiary of the Issuer that has strategic significance (i.e., the CEOs and chairs 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 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 (i.e., 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 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 (WTW 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.

In order to highlight the link between short-term variable remuneration and creation of stakeholder value, as from 2022 the MBO system has been modified to strengthen the relationship between bonuses disbursed and Group performance, through 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% of Group EBITDA and Ordinary Cash Flow, no incentive is disbursed;
- **Group Multiplier (“Group Performance Index”):** a mechanism that guarantees a direct correlation between Group performance and individual performance; Group performance, measured with an index (multiplier) linked to consolidated EBITDA and Ordinary Cash Flow, determines the amount of the basic individual bonus, which may be reduced proportionately, in a 1:4 ratio, down to 40% in the event of minimum performance (85% of the target) or increased up to 120% in the event of over-performance (110% of the target). For the CEO, the overall maximum performance may reach 120% of the targets and the corresponding bonus is 140% of the basic bonus.

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

Group indicator	Performance scenario		Group multiplier
EBITDA (75%) Free Cash Flow (25%)	Below the minimum (GATE)	<85% vs budget	No disbursement
	Minimum	85% vs budget	40%
	Target	In line with the budget	100%
	Maximum	110% vs budget	120%

The annual variable component is therefore determined, only when the access gateway is reached, on the basis of the Group multiplier and in relation to the degree of attainment of the **individual performance objectives**, linked to specific business or Function targets. The Key Performance Indicators, which are usually derived from budget data, put priority on quantitative data to facilitate objectivity, transparency and measurability. The qualitative objectives are linked to priorities of strategic importance for the Group or the Business, identified through specific projects, and are usually measured with reference to objective assessment elements (e.g., content or completion time), in order to manage assessment discretionality.

The chart below sets out the assignment of MBO targets for the Executive Directors and Key Management Personnel.

Individual objectives		
Role	Objectives	Weight
CEO	Net income	40%
	Revenues	30%
	Strategic Project	30%
CFO	Net income	35%
	Revenues	15%
	Managed costs	20%
	Strategic Project	30%
HRO	Labour cost	40%
	Managed costs	10%
	Various projects	25%
	Strategic Project	25%
BU (mean data)	BU EBITDA	30%
	BU Free Cash Flow	20%
	BU Revenues	20%
	BU Objectives	15%
	Strategic Project	15%

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

Indicator	Performance scenario	Disbursement
Individual objectives	<90%	No disbursement
	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 of the Board of Directors, are certified by Group Management Control, both in the allocation and final computation stages, and the process guarantees the traceability and transparency of each 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 42% for maximum performance;
- for the KMP (mean values): 39% for target results and 49% for maximum performance.

There are no cases of non-compliance among the individual Key Managers.

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, with an additional 2-year lock-up applied to a portion of the assigned rights.

The 2023-2025 Performance Share Plan refers to the attainment of the targets set in the 2023-2025 Three-Year Plan approved by the Board of Directors.

The Performance Share, a tool adopted by the majority of peer companies, has 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 2023-2025 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%**.

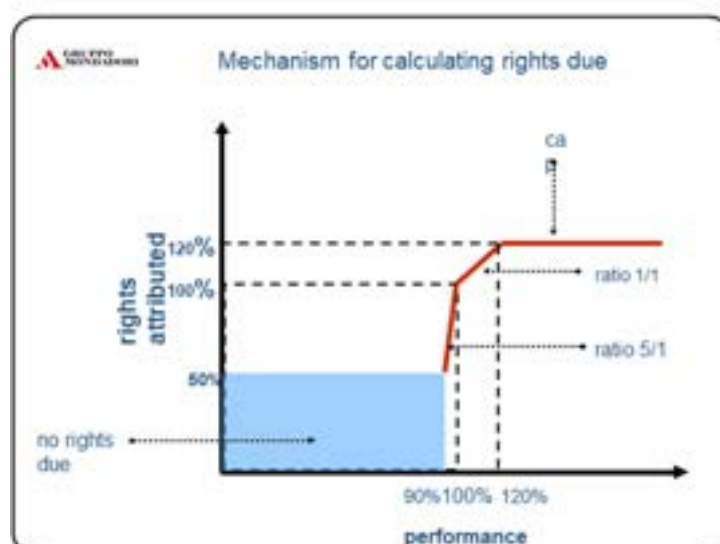
The **ESG Indicators** have a weighting of **10%**, which may be raised in the future as strategic corporate social responsibility activities are consolidated.

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 index is recognised up to a maximum of 120%; no bonus is recognised if performance is below the mean (100%-120% mechanism).

The ESG target, which comprises results in a number of 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.



Performance Objectives 2023-2025					
Role	Group Consolidated Objectives		% attainment target	% calculation bonus	
Objectives relating to remuneration of shareholders	KPI	Net income	20%	90%-120%	50%-120%
		Total Shareholder Return (TSR)	20%	100%-120%	100%-120%
Management objectives relating to profitability and financial risk	KPI	Group EBITDA	20%	90-120%	50%-120%
		Ordinary Cash Flow	20%		
ESG objectives	KPI	Impact Inclusion Index	20%	0%-120%	0%-120%

● weight

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 agent in Italy, for years the Mondadori Group has also paid attention to ESG issues, as detailed in the NFD.

Moreover, as from 2022, the Group has introduced a systemic approach to D&I (Diversity & Inclusion) and, more specifically, to Gender Equity, which is particularly important given the central role of the human factor in the realisation of its mission, as reflected in the Sustainability Plan approved in 2022.

For this reason, besides equipping itself with a set of indicators for constant monitoring of inequalities, the Group has drawn up an action strategy in a variety of areas and a progressive approach for the definition every year of continuous improvement undertakings and targets. Starting in 2022, the Group decided to give its vision a more substantial form with the introduction, in the LTI plan, of an Impact Inclusion Index, an ESG parameter tied to the achievement of specific strategic D&I objectives.

For the *2023-2025 Plan*, after an initial three-year period raising awareness and launching ESG initiatives, the strategic D&I objectives were identified for the specific purpose of:

1. ***Implementing an initial program of concrete initiatives*** (*Mondadori Care*) to help people achieve a work-life balance, a key inclusivity factor for professional development;

2. **Consolidating and improving the levels achieved** with regard to *Gender Balance* and *Pay Equity* in areas where, historically, the greatest differences in opportunity have emerged, i.e., in managerial levels.

In order to assess the results obtained in these areas, the Mondadori Group’s “**Impact Inclusion Index**” sets a series of objectives and measures the degree to which they are achieved.

The weighting of the three areas with respect to the index is as follows:

- **40%** for the indicator that measures achievement in the timescale envisaged by the *Mondadori Care* Project;
- **30%** for Equal Opportunities, with the indicator measuring whether the percentage of women in managerial positions remains at or is above 33%;
- **30%** in the area of Pay Equity, with the indicator measuring a further reduction in the gender remuneration gap for managerial positions of 3% of the results achieved at the end of 2024.

Area	Objective	Metrics	Index	Target
Program completion	Completion of <i>Mondadori Care</i> project	Launch of 5 structural initiatives by 2025	40	On-time completion
Equal opportunities	Increase in women in managerial positions	% women executives	30	% equal to or above 33%
Pay equity	Reduction of pay gap for managerial positions	Pay gap on comparable positions for junior and senior managers	30	3% improvement in results achieved at end of 2024
			100	

For the first indicator, the performance target is reached when the 5 planned projects are completed within the three years; obviously, the result is considered not achieved if the plan is not implemented, and may exceed the target if additional projects that are not planned today are implemented or if the program is completed by the end of 2024.

For the Gender Balance and Pay Equity indicators, the index measures the attainment or exceedance of the target, with a linear progression.

In this way, the index recognises the results achieved overall in the three areas; the bonus linked to the performance of the index may therefore vary proportionately from 0% (no target achieved in any area) to 120% (targets exceeded in all areas).

## Target and maximum LTI opportunities

The beneficiaries of the 2023-2025 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 32% for maximum performance.

There are no cases of non-compliance among the individual Key Managers.

At the end of the three-year vesting period, 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 shareholders consider important over the short and long term, as 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 the LTI Plan is also intended to strengthen retention among the roles of greatest strategic importance for the governance of the Company over the medium 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 Regulation<sup>1</sup>.

With regard to the 2023-2025 Performance Share Plan approved by the Board of Directors on 16 March 2023 upon the recommendation of the Remuneration & Appointments Committee of 2 March 2023, and subject to the approval of the Shareholders' Meeting of 27 April 2023, 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](http://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/re-organisation/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

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<sup>1</sup> The term good leaver refers to cases where employment is terminated due to:

- (a) retirement of the Beneficiary;
- (b) termination of the contract on the initiative of the Beneficiary for just cause;
- (c) non-renewal of the mandate for Beneficiaries who are exclusively directors;
- (d) total and permanent invalidity of the Beneficiary;
- (e) death of the Beneficiary.

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.

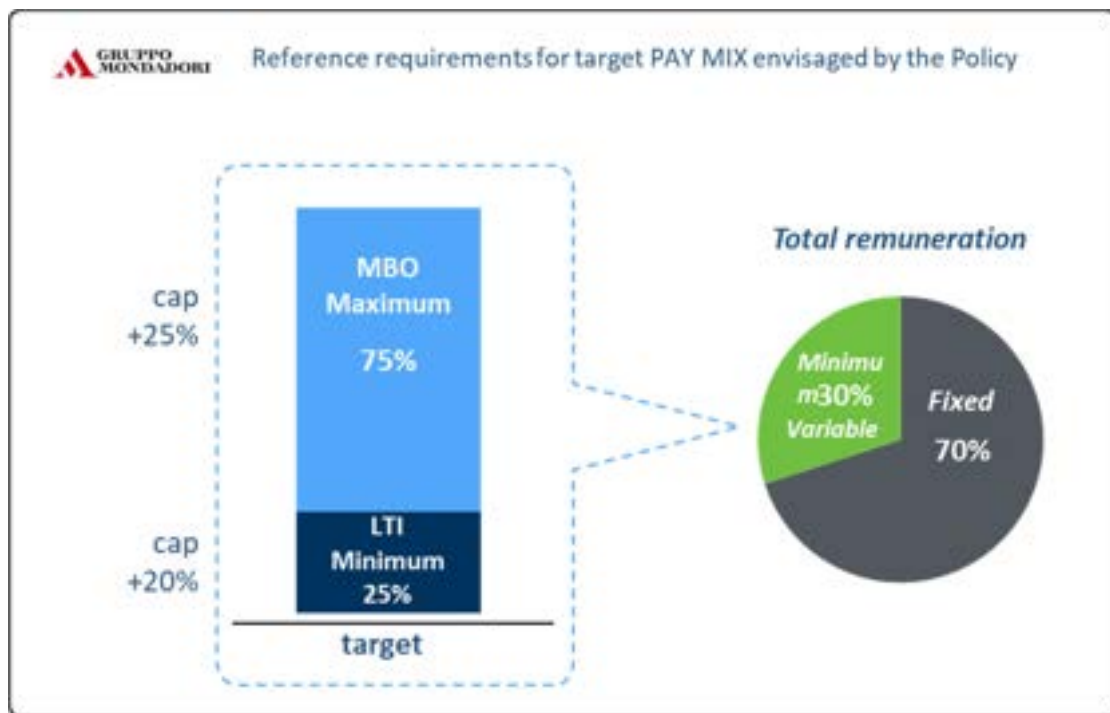
The Board of Directors has the power to consider more favourable conditions. The Board of Directors may give the CEO a mandate to exercise this power, except where the beneficiary is the CEO him/herself or the CFO-Executive Director.



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.

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 incorrect, or through which repayment may be claimed of all incentives relative to a financial year (or financial years) regarding which the data used for computation of the results and establishing the bonus are found to have been maliciously altered. 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 made available to the parties concerned.

## **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 activates the Related-Party Transactions procedure and recommends to the Board of Directors, that, subject to the favourable opinion of the Related-Party Transactions Committee, it may, if and when it deems necessary, make 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 target levels of the objectives envisaged by the MBO system 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 the responsibility of 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 period of notice established by current law or regulations and subject to a resolution of the Board of Directors after receiving the opinion of the Remuneration Committee, 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, 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 2022**

This section of the Report sets out key information on the application of the Policies described in Section I of the 2022 Report on the Remuneration Policy, approved by the Board of Directors, at the proposal of the Remuneration & Appointments Committee, on 16 March 2022 and approved by the Ordinary Shareholders' Meeting of 28 April 2022.

Part one includes:

- a focus on the degree to which objectives were achieved on the new 2022 short-term incentives Plan (MBO) and the 2020-2022 LTI Plan;
- a description of each of the items that make up the remuneration of the Directors, the Statutory Auditors and the Key Management Personnel of the Group, indicating consistency with the description in the first section of the Policies;
- the 2022 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.

Part two includes the tables detailing the remuneration paid to the Directors and the Statutory Auditors – 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 2022 Remuneration Report reflected **99% of votes in favour**.

### **PART ONE - IMPLEMENTATION OF THE 2022 POLICY**

During financial year 2022, the Remuneration Policy was implemented in compliance with the general purposes, the reference principles and the procedures envisaged by the approved Policies.

#### **1) FINAL GROUP PERFORMANCE INDICATORS**

The Mondadori Group variable remuneration system is solidly linked to the trend of the main consolidated economic and financial indicators, in order to tie the bonuses

recognised for Executive Directors and Key Management Personnel to the actual results achieved by Mondadori.

The following points provide an overview of the results of the 2022 MBO plan and the three-year incentive plan now under completion (2020-2022), while the variable remuneration of the Executive Directors and Key Management Personnel are illustrated in detail in the following sections.

### **General performance for the year**

In general, 2022 saw continued progress in the strategic repositioning of the assets portfolio, with a view to establishing a strong position in book and digital publishing.

The main extraordinary transactions completed in the year are listed below:

- acquisition of De Agostini Libri and Libromania
- consolidation of the ALI – Agenzia Libreria International company among the controlled legal entities
- additional investment in the comics sector with the acquisition of control of Edizioni Star Comics
- shake-out in the traditional periodicals sector, with the sale of Grazia, Icon and the related international network, and the sale of the controlling share in Press-Di, a company active in the national distribution of magazines and daily newspapers

From the economic viewpoint, 2022 saw the return after many years to a dividend payout and closed with

- Net income of 52.1 million Euro, an improvement of 18% from 2021
- EBITDA up by 43%, to 130.7 million Euro
- Ordinary Cash Flow 70 million Euro

#### **1.a) SHORT-TERM INCENTIVE PLAN (2022 MBO)**

As planned in the 2022 Policy, in 2022 the new Group MBO system was applied for the first time, with the application of a Group multiplier, a direct correlation between the amount of the individual bonuses and the trend in the "*Group performance index*". The Index arises 75% from Group *consolidated EBITDA* and 25% from Group *Ordinary Cash Flow*. The overall amount of the bonuses therefore rises or decreases according to Group performance and the value of the individual bonus is calculated in relation to the degree of attainment of the individual targets.

In 2022, the Group Performance Index was **108%**, higher than expected, generating a proportionate increase in the overall payable bonus.

Group Performance Index		
<i>Group indicator</i>	<i>Weight %</i>	<i>Bonus impact</i>
Group Consolidated EBITDA	75%	104%
Group Ordinary Cash Flow	25%	120%
<b>Weighted co-efficient</b>		<b>108%</b>

As envisaged by the approved mechanism, for the CEO the index was **113%**, since the over-performance cap has been set at 140%.

Group Performance Index for CEO		
<i>Group indicator</i>	<i>Weight %</i>	<i>Bonus impact</i>
Group Consolidated EBITDA	75%	104%
Group Ordinary Cash Flow	25%	138%
<b>Weighted co-efficient</b>		<b>113%</b>

### 1.b) 2020-2022 PERFORMANCE SHARE PLAN

The following levels of attainment were achieved on the three-year objectives of the 2020-2022 Performance Share Plan:

Results achieved by the 2020-2022 Performance Share Plan		
Group Three-Year Objectives		Result vs. target
<b>KPIs:</b>	Group net income	120%
	Group EBITDA	120%
	Ordinary Cash Flow	120%
	TSR	Off

The overall performance level was **90% of the target**, reflecting an excellent result for the economic and financial indicators, but a TSR trend that, despite being easily the best among listed publishing companies, thanks to the success of the Group's important strategic repositioning operations and good business results, was below the

mean TSR trend of the *FTSE MIB ALL SHARE*, which includes performance in sectors like *Financial* or *Utilities*.

The overall number of attributable rights corresponds to 461,189 shares, more than 51,000 shares below the target. Partly as a result of the early termination of the contracts of some of the plan beneficiaries in the three-year vesting period, the number of attributable rights was approximately 82,000 fewer (-15%) than the maximum number of shares servicing the Plan, as indicated in the Plan Information Document approved by the 2020 AGM.

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

## **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 specific 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 2022 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, these fees correspond 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, Risks & Sustainability 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 2022 were:
  - 25,000 Euro for the Chair,

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

Additional remuneration was determined for Directors who sit on the **Related-Party Transactions 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 to 10,000 Euro for the Chair. A cap was set on the individual remuneration of the members of the Related-Party Transactions 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 2022, the new Related-Party Transactions Committee held two 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 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.

##### **Chief Executive Officer, Antonio Porro**

The remuneration of the CEO Antonio Porro for 2022 is 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*: this amounts overall to 700,000 Euro, and includes the CEO's salary as an employee, the remuneration for the position and the annual consideration relating to the non-competition agreement; the increase with respect to the amount shown in the 2021 report arose due to a different monthly division of the new amount, since 2022 consisted entirely of CEO remuneration, whereas in



2021, until April, Mr Porro received a lower remuneration in his role as General Manager of the Books BU;

- b) *variable short-term component (MBO)*: the MBO for 2022 is an amount of 517,992 Euro, equivalent to 129% of the target bonus. The planned objectives and attainment levels are set out below. As noted above in point 1.a), the disbursed amount is the combined result of the trend of the Group performance index (or “multiplier”) and the level of attainment of individual objectives.

#### Results 2022 MBO system CEO

Results 2022 MBO system		
<i>Recalculation of target bonus on Group performance</i>		
Target bonus		400,000
Bonus with Performance Index 113%		452,000
<i>Individual performance indicators</i>		
<i>Individual KPI</i>	<i>weight %</i>	<i>Bonus result</i>
Group net income	40%	114%
Group revenues	30%	110%
Strategic Project	30%	120%

- c) *variable long-term component (LTI)*: as illustrated in point 1.b), the 2020-2022 Performance Share Plan produced an overall result equal to 90% of rights. The 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 100% of the targets, equivalent to 55,249 rights. The number of rights that will actually be assigned based on the results achieved is 49,724, with a reduction of 5,525 rights with respect to the original Plan assignment.

Under the compensation approved by the Board of Directors, the CEO Antonio Porro is one of the beneficiaries of the 2022-2024 Performance Share Plan for 99,552 rights.

### **C. Other Executive Directors**

#### **Chief Financial Officer, Alessandro Franzosi**

The remuneration of the CFO Alessandro Franzosi for 2022 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, reflected in the level of 108% reached by the Group performance index ("multiplier") and based on the level of attainment of the individual targets, the CFO had a final overall result equivalent to 124% of the target, thus accruing a bonus of 247,104 Euro with respect to the theoretical target variable remuneration of 200,000 Euro.

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

Results 2022 MBO system		
<i>Recalculation of target bonus on Group performance</i>		
Target bonus		200,000
Bonus with Performance Index 108%		<b>216,000</b>
<i>Individual performance indicators</i>		
<i>Individual KPI</i>	<i>weight %</i>	<i>Bonus result</i>
Group net income	30%	114%
Group revenues	10%	110%
Strategic Project	30%	120%
Costs Managed	20%	106%
Division Project	10%	120%

c) variable long-term component (LTI): since the CFO joined the company in June 2020, he is attributed a share bonus for the first year, in accordance with the 2020-2022 Performance Share Plan. As noted in point 1.b), the overall Plan result was 90% of the target, consequently the CFO is granted 192,680 shares compared with the 214,088 rights originally assigned. The initial assignment was formulated in this way to guarantee the long-term equivalence of the LTI Plans with the overall compensation for the role.

The CFO is a beneficiary of the new 2022-2023 Performance Share Plan for 74,664 rights.

## **D. Remuneration of Key Management Personnel**

As a result of the organisational changes, as of 31 December 2022, the Key Management team was as follows:

<b>Key Management Personnel (at 31/12/2022)</b>	
Carlo MANDELLI	General Manager Media Business Unit
Carmine PERNA	General Manager Retail Business Unit
Gian Luca PULVIRENTI	General Manager Education Books Business Unit
Daniele SACCO	Central Manager Human Resources, Organisation, Legal & Real Estate
Andrea SANTAGATA	Chief Technology and Innovation Officer
Enrico SELVA CODDÈ	General Manager Trade Books Business Unit

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

The aggregate remuneration in 2022 of Key Management Personnel who are not directors is detailed below:

- a) *fixed component*, consisting of basic salary and other non-variable monetary components, for an amount of 2,182,699 Euro, an increase from 2021. The reasons for the higher cost arose entirely from the change in the number of Key Managers and from pro-rata accounting in 2021.
- b) *annual variable component (MBO)*, which is paid out based on the level of achievement of the annual targets, defined in line with the budget.

As noted in point 1.a), the annual bonus computation mechanism was changed to achieve closer alignment with pay-for-performance principles. The introduction of the

“Group performance index” as a regulating element of the bonuses to be disbursed has ensured a closer alignment of management’s interests with those of the Shareholders. In 2022, the first year of application, Mondadori's better than expected performance generated a reference index of 108%.

The level of attainment of the individual objectives is set out below.

Results 2022 MBO system	
<i>Individual performance indicators</i>	
<i>Individual KPI</i>	<i>Bonus result</i>
BU EBITDA	109%
BU Ordinary Free Cash Flow	96%
BU Revenues	110%
Strategic Project	120%
Labour Cost	104%
Other indicators/Area projects	115%

The level achieved was generally above target in almost all the business areas and the Central Divisions, leading to the disbursement of MBO bonuses totalling 1,025,436 Euro, up from 2021, largely as a result of the change in the number Key Managers.

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

Consistently with the performance result of 90% of the target, Key Management Personnel were granted a total of 182,320 shares, more than 11,000 fewer than the overall number originally assigned.

In 2022 the new 2022-2024 Performance Share Plan commenced, envisaging the overall assignment of 248,050 rights to Key Management Personnel.

### **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 2022 Policies, is illustrated below.

- The overall variable component with respect to total remuneration was 45% for the CEO who was still a beneficiary of the previous LTI Plans as a Business Unit head, 44% for the CFO and 36% for the other Key Management Personnel.
- Short-term variable remuneration with respect to variable remuneration was 89% for the CEO, again due to the low LTI value for the reason described above, 50% for the CFO and 81% for the other Key Management Personnel, due to the entry in 2022 of a Key Manager from the market who therefore had not accumulated any LTI.
- Long-term variable remuneration (LTI) with respect to variable remuneration was 11% for the CEO, as a beneficiary of Plans predating his appointment, 50% for the CFO and 19% for the other Key Management Personnel, who do not include the Key Manager recruited during the year.

The weighting and percentages of the fixed and variable components of theoretical remuneration for 2022 are amply aligned with the Policy parameters and individual remuneration complied with the minimum pay mix requirements indicated in the 2022 Remuneration Policy.



#### **4 – Variation in remuneration and Company performance**

The table below sets out, for the three years 2020-2022, 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	2022
DIPENDENTI (Remunerazione Media) %		48.173	48.486 0,6%	49.452 2,0%	49.913 0,9%
MARINA BERLUSCONI, Presidente %		515.000	515.000 0,0%	518.333 0,6%	520.000 0,3%
ERNESTO MAURI, Amministratore Delegato %	Fino al 27 aprile 2021	2.852.034	2.337.417 -18%	499.930 -78,6%	
ANTONIO PORRO, Amministratore Delegato %	Dal 27 aprile 2021			1.040.233	1.302.490 25,2%
ALESSANDRO FRANZOSI, Amministratore Esecutivo %	Dal 4 giugno 2020		426.411	859.759 101,6%	1.113.803 29,5%
PIERSILVIO BERLUSCONI, Amministratore %		10.000	10.000	13.333 33,3%	15.000 15%
ELENA BIFFI, Amministratore %		32.000	32.000	60.333 88,5%	55.000 -8,3%
VALENTINA CASELLA, Amministratore %	Dal 27 aprile 2021			20.000	30.000 50%
FRANCESCO CURRO', Amministratore %		10.000	10.000	13.333 33,3%	15.000 15%
ELISABETTA GALBIATI, Amministratore %	Dal 27 aprile 2021			30.000	25.000 -16,7%
DANILO PELLEGRINO, Amministratore %		10.000	10.000	13.333 33,3%	15.000 15%
ALCEO RAPAGNA, Amministratore %	Dal 27 aprile 2021			23.333	35.000 52%
ANGELO RENOLDI, Amministratore %		78.000	78.000	104.000 33,3%	95.000 -8,6%
CRISTINA ROSSELLO, Amministratore %		57.000	57.000 0,0%	57.000 0,0%	55.000 -3,5%
<b>PERFORMANCE MONDADORI</b>					
Utile Netto (mio/€) %		33,1	4,7 -85,9%	44,2 843,0%	52,1 17,8%
Ebitda (mio/€) %		87,0	49,1 -43,5%	91,1 85,6%	130,7 43,5%

Key:

- the amounts shown refer to total remuneration (fixed component + 2022 annual variable component + fair value of the performance share plan). For "employees", the annual variable component disbursed in 2022 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.

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 did not undergo any variation in the period under review. *Table 1* attached to this Report provides a summary of the amounts paid.

The remuneration of the **Chief Executive Officer** Antonio Porro increased, due to the weighting of variable remuneration (pay for performance) and also as a result of

the full effect of his remuneration for his new post, which in 2021 took effect only from April.

The remuneration of the **CFO** also increased, due to the positive impact of variable remuneration, and to the assignment, for the first year, of the 2022-2024 Performance Share Plan share bonus.

The remuneration of the **non-Executive Directors** is a fixed amount approved by the Board of Directors and changed with respect to 2021 purely as a result of the different monthly division of the new amounts, approved in April 2021, or due to the different number of meetings of the Related-Party Transactions Committee.

With reference to 2022, the remuneration shown for employees also includes the extraordinary disbursement of a **welfare bonus of 1,000 Euro**, which Mondadori decided to pay to all Group employees with an overall annual remuneration of not more than 35,000 Euro, to provide financial support given the difficulties caused by the highly inflationary international context.

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

**Schedule 7-bis: Remuneration Report**

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

*Table 2: Stock options assigned to the members of the Board of Directors, the General Managers and 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 other Key Management Personnel.*

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

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

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



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

Pursuant to art. 123-ter, paragraphs 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 – pursuant to art. 123-ter paragraph 3 of Lgs.Decree 58/1998 – of the "Report on Remuneration Policy and Fees Paid", which concerns 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 the second Section – pursuant to art. 123-ter paragraph 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

The Chair  
Marina Berlusconi

2022

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	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	20.000,00 a) 500.000,00 b)						520.000,00			
Porro Antonio	Chief Executive Officer	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	115.000,00 a)b) 400.000,00 c)		517.992,00		5.802,33	200.000,00 l)	1.238.794,33	195.898,68		
Franzosi Alessandro	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a) 400.000,00 c)		247.104,00		4.876,04	200.000,00 l)	866.980,04	345.974,43		
Berlusconi Pier Silvio	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)						15.000,00			
Biffi Elena	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)	20.000,00 e) 20.000,00 f)					55.000,00			
Casella Valentina	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial	15.000,00 a)					15.000,00 o)	30.000,00			
Curro Francesco	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)						15.000,00			
Galbiati Paola Elisabetta	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)	10.000,00 f)					25.000,00			
Pellegrino Danilo	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)						15.000,00			
Rapagna Alceo	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)	20.000,00 g)					35.000,00			
Renoldi Angelo	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)	25.000,00 e) 10.000,00 f) 25.000,00 g)				20.000,00 i)	95.000,00			
Rossello Cristina	Director	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	15.000,00 a)	20.000,00 e) 20.000,00 g)					55.000,00			
Fornasiero Sara	Chair of the Board of Statutory Auditors	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	60.000,00 a)					25.000,00 l)	85.000,00			
Minutillo Flavia Daunia	Standing Statutory Auditor	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	40.000,00 a)						40.000,00			
Simonelli Ezio	Standing Statutory Auditor	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	40.000,00 a)						40.000,00			
Key Management Personnel	4 (m)	01/01/2022 - 31/12/2022		1.501.000,04 c)		610.936,80		17.620,58		2.129.557,42	312.677,12		
(l) Remuneration from the company that prepares the financial statements				3.226.000,04		170.000,00	1.376.032,80	0,00	28.298,95	460.000,00	5.260.331,79	854.550,23	0,00

Resca Mario	Chair of the Board of Directors of Mondadori Retail S.p.A.	01/01/2022 - 31/12/2022	Approval of 2022 Financial Statements	120.000,00	a)							120.000,00		
Simonelli Ezio	Standing auditor of Mondadori Scienza S.p.A.	01/01/2022 - 31/12/2022	Approval of 2023 Financial Statements	10.000,00	a)							10.000,00		
Key Management Personnel	2 (m)	01/01/2022 - 31/12/2022		681.698,46	c)		414.500,00		8.015,78			1.104.214,24	224.441,71	
<b>(II) Remuneration from subsidiaries and affiliates</b>				<b>811.698,46</b>		<b>0,00</b>	<b>414.500,00</b>		<b>8.015,78</b>		<b>0,00</b>	<b>1.234.214,24</b>	<b>224.441,71</b>	<b>0,00</b>
<b>(III) Total</b>				<b>4.037.698,50</b>		<b>170.000,00</b>	<b>1.790.532,80</b>		<b>0,00</b>	<b>36.314,73</b>	<b>460.000,00</b>	<b>6.494.546,03</b>	<b>1.078.991,94</b>	<b>0,00</b>

#### 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 2022; o) remuneration for Lead Independent Director

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

**COLUMN (B):** m) number of Key Managers in office at 31/12/2022

**TABLE 3A 2022: 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	
<b>ANTONIO PORRO</b>	CHIEF EXEC. OFFICER													
(I) Remuneration from the company that prepares the financial statements		Performance Share Plan 2020 - 2022 (shareholder resolution 17 April 2020)				-					49.724	90.994	63.696	
		Performance Share Plan 2021 - 2023 (shareholder resolution 18 April 2021)	131.234	01 January 2021 / 31 December 2023									77.515	
		Performance Share Plan 2022 - 2024 (shareholder resolution 28 April 2022)			99.552	164.061,72	01 January 2022 / 31 December 2024	01-giu-22	2,01				54.687	
(II) Remuneration from subsidiaries and affiliates		Plan (date of relative resolution)												
<b>(III) Total</b>			<b>131.234</b>		<b>99.552</b>						<b>49.724</b>	<b>90.994</b>	<b>195.899</b>	
<b>ALESSANDRO FRANZOSI</b>	DIRECTOR													
(I) Remuneration from the company that prepares the financial statements		Performance Share Plan 2020 - 2022 (shareholder resolution 17 April 2020)									192.680	352.604	246.823	
		Performance Share Plan 2021 - 2023 (shareholder resolution 18 April 2021)	98.425	01 January 2021 / 31 December 2023									58.136	
		Performance Share Plan 2022 - 2024 (shareholder resolution 28 April 2022)			74.664	123.046	01 January 2022 / 31 December 2024	01-giu-22	2,01				41.015	
(II) Remuneration from subsidiaries and affiliates		Plan (date of relative resolution)												
<b>(III) Total</b>			<b>98.425</b>			<b>123.046</b>						<b>352.604</b>	<b>345.974</b>	

KEY MANAGEMENT PERSONNEL													
(I) Remuneration from the company that prepares the financial statements	Performance Share Plan 2020 - 2022 (shareholder resolution 17 April 2020)					-					182.320	333.646	233.552
	Performance Share Plan 2021 - 2023 (shareholder resolution 18 April 2021)	283.246	01 January 2021 / 31 December 2023			-							167.304
	Performance Share Plan 2022 - 2024 (shareholder resolution 28 April 2022)			248.050	408.787	01 January 2022 / 31 December 2024	01-giu-22	2,01					136.262
(II) Remuneration from subsidiaries and affiliates	Plan (date of relative resolution)												
<b>(III) Total</b>		<b>283.246</b>			<b>408.787</b>						<b>333.646</b>		<b>537.119</b>

#### 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 2022 - val. € 1.83).

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

**2022**

**TABLE 3B: Cash incentive plans for the members of the Board of Directors, the General Managers and the other Key Management Personnel<sup>1</sup>**

<sup>1</sup> 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 payable	Disbursable/Disbursed	Still Deferred	
<b>PORRO ANTONIO</b>	CHIEF EXECUTIVE OFFICER								
(I) Remuneration from the company that prepares the financial statements									517.992
(II) Remuneration from subsidiaries and affiliates									
<b>FRANZOSI ALESSANDRO</b>	DIRECTOR								
(I) Remuneration from the company that prepares the financial statements									247.104
(II) Remuneration from subsidiaries and affiliates									
<b>(III) Total</b>			<b>0</b>				<b>0</b>		<b>765.096</b>
<b>KEY MANAGEMENT PERSONNEL</b>									
(I) Remuneration from the company that prepares the financial statements									610.937
(II) Remuneration from subsidiaries and affiliates									414.500
<b>(III) Total</b>			<b>0</b>	<b>0</b>		<b>0</b>			<b>1.025.437</b>
<b>(IV) Total</b>			<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1.790.533</b>

\* 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.	-	-	-	-
Porro Antonio Stefano	Chief Executive Officer	Arnoldo Mondadori Editore S.p.A.	149.989	48.726	-	198.715
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.	-	-	-	-
Currò Francesco	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Franzosi Alessandro Edoardo	Director	Arnoldo Mondadori Editore S.p.A.	20.000	-	-	20.000
Galbiati Paola Elisabetta	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Pellegrino Danilo	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.	-	-	-	-
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
6	Arnoldo Mondadori Editore S.p.A.	623,727*	227,388**	55,471	795,644

**NOTE**

\* Number of shares held by Key Management Personnel in office at 31 December 2021.

\*\* Number of shares assigned by the Company to Key Management Personnel with reference to the 2019-2021 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.