

Arnoldo Mondadori Editore S.p.A.
Registered office: Via Gian Battista Vico 42, Milan
Share capital € 67,979,168.40 fully paid-up
Milan-Monza-Brianza-Lodi Company register and tax code 07012130584 VAT No. 08386600152

GRUPPO  MONDADORI



Shareholders' Meeting of 24 April 2024 (1st Call) and 26 April 2024 (2nd Call)

Directors' Report

Item 9 of the agenda

Appointment of the Board of Directors

- Determination of the number of members
- Determination of the term of office
- Determination of fees
- Appointment of the members of the Board of Directors

Shareholders' Meeting of 24 April 2024 - 26 April 2024

**Directors' Report
on item 9 of the agenda**

Appointment of the Board of Directors

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- Determination of the term of office.
- Determination of fees.
- Appointment of the members of the Board of Directors.

Shareholders,

the Shareholders' Meeting for the approval of the financial statements as at and for the year ended 31 December 2023 marks the end of the term of office of the Board of Directors appointed by the Shareholders' Meeting of 27 April 2021 for the three years 2021/2022/2023.

The Shareholders' Meeting is therefore called upon to appoint the Board of Directors, after determining the number of members and their term of office in compliance with the three-year limit set forth in art. 2383 of the Italian Civil Code, and also to determine their fees. All in accordance with the terms and provisions of art. 17 of the Articles of Association, available at www.gruppomondadori.it - *governance* section - to the full contents of which reference should be made.

In particular, pursuant to the aforementioned art. 17 of the Articles of Association, attention is drawn to the following:

- a) Arnoldo Mondadori Editore S.p.A. (hereinafter also the "**Company**") is governed by a Board of Directors composed of not fewer than 7 members and not more than 15 members, and determination of the number within these limits is assigned to the Shareholders' Meeting;
- b) the Directors are elected by list voting and must be in possession of the requirements indicated by the applicable primary and secondary legislation and may be re-elected. Specifically, pursuant to art. 147-ter, paragraph 4, of Lgs.Decree no. 58/1998 ("**Testo Unico della Finanza**" [consolidated finance act] or "**TUF**"), when the Board of Directors consists of more than seven members, at least two members must meet the independence requirements established for statutory auditors by art. 148, paragraph 3, of the TUF.

With regard to the aforementioned independence requirements, it should also be noted that Arnoldo Mondadori Editore S.p.A, as an issuer listed on the Euronext STAR Milan segment, must, in order to maintain the aforementioned STAR qualification, guarantee - in accordance with art. 2.2.3, paragraph 3, of the Borsa Italiana Regulations - an adequate number of non-executive and independent directors, all with professionalism and skills appropriate to the tasks assigned to them, in compliance with the principles and recommendations of the Corporate Governance Code and for the purpose of the appropriate formation of the board committees.

It should also be noted that, in line with the Recommendations of the aforesaid Corporate Governance Code on the composition and appointment of the governing body, the Board of Directors has approved

the guidelines on the qualitative and quantitative composition of the Board deemed to be optimal (hereinafter, the “**Guidelines**”), as well as the Policy on the criteria for assessing the independence requirements of the directors, including - in accordance with Recommendation 7 of the Corporate Governance Code - the indication of the quantitative and qualitative criteria that comprise the so-called "materiality" of the business, financial or professional relationships likely to compromise the independence of a director pursuant to heads c) and d) of the aforementioned Recommendation. The documentation is made available to the public on www.gruppomondadori.it, *Governance* section, as well as the Guidelines - as attachments to this Report - also via the 1info authorised storage mechanism (www.1info.it).

On the subject of gender balance in the composition of the Board of Directors, reference is made to the relevant provisions set forth in arts. 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of the TUF (as most recently amended by Law no. 160/2019, which increased from one-third to two-fifths the quota reserved for the less represented gender in the boards of directors and audit bodies of listed companies). It follows that, pursuant to art. 147-*ter*, paragraph 1-*ter*, of the TUF and art. 144-*undecies.1*, of Consob Regulation no. 1971/1999 (“**Issuers’ Regulation**”), lists that present a number of candidates equal to or greater than three must reserve a quota of two-fifths to the less represented gender, rounding up to the next whole number, so as to ensure the presence in the Board of Directors of a number of Directors belonging to the less represented gender of at least two-fifths.

Finally, the Shareholders' Meeting will be required to deliberate on the fees of the members of the Board of Directors, noting in this regard that, pursuant to art. 26 of the Articles of Association, the Shareholders' Meeting determines the total amount of remuneration of all the Directors, without prejudice, pursuant to art. 24 of the Articles of Association and art. 2389 of the Italian Civil Code, to the competence of the Board of Directors in determining, after consultation with the Board of Statutory Auditors, the fees for directors holding special offices.

PROCEDURES, TERMS AND REQUIREMENTS FOR THE PRESENTATION OF LISTS

The Shareholders' Meeting will be asked to deliberate on the lists filed in compliance with the terms and procedures set out in the Articles of Association, that is, by the 25th day before the date set for the Shareholders' Meeting on first call. Lists may be filed, also by the remote communication systems specified in the notice of call, by shareholders who, alone or together with other shareholders, represent, at the list filing date, at least the percentage of share capital published by Consob pursuant to art. 144-*septies*, paragraph 1, of the Issuers' Regulation. Consob executive determination no. 92 of 31/01/2024 establishes the percentage applicable to Arnoldo Mondadori Editore S.p.A. at 2.5% of the share capital.

No shareholder may submit or vote for more than one list, either directly or through nominees or trust companies.

Each list must contain no more than 15 candidates, each one associated with a progressive number. Each candidate may be present in one list only or otherwise be ineligible for election.

To ensure a gender balance, lists that present three or more candidates must reserve a two-fifths quota for the less represented gender, rounded up to the nearest whole number, so as to guarantee that at least two-fifths of the members of the Board of Directors are of the less represented gender pursuant to art. 147-*ter* of the TUF and art. 144-*undecies.1* of the Issuers' Regulation.

Each list where the number of candidates is not more than seven must envisage and identify at least one candidate who meets the independence requirements set out in art. 148, paragraph 3, of the TUF; each list where the number of candidates is more than seven must envisage and identify at least two candidates who meet said independence requirements.

Furthermore, filed lists must be accompanied by:

- information about the identity of the shareholders who submitted the lists, indicating the overall percentage of equity held;
- a declaration of the shareholders who presented the lists other than those who alone or jointly hold a controlling interest or a relative majority, attesting the absence or presence of links with the latter, pursuant to art. 144-*quinquies*, paragraph 1, of the Issuers' Regulation;
- full information on the personal and professional characteristics of each candidate and declarations from the candidates themselves attesting compliance with the requirements of law and eventually with the independence requirements pursuant to art. 148, paragraph 3, of the TUF, and their acceptance of the candidacy.

Submitted lists that do not comply with the provisions indicated above will not be presented for voting.

PUBLICATION OF THE PROPOSED NOMINATIONS

At least 21 days before the date of the Shareholders' Meeting called for 24 April 2024 (26 April on second call), the Company will make the lists of the candidates filed by the shareholders with the information and documents envisaged by art. 144-*octies* of the Issuers' Regulation and art. 17 of the Articles of Association available at the registered office, on the website www.gruppomondadori.it (*Governance* section) and on the "1info" authorised storage mechanism.

METHOD OF VOTING

As set out in art. 17 of the Articles of Association, the election of the Directors will be as described briefly below; reference may be made to the text of art. 17 of the Articles of Association for a full description of the voting system:

- the number of candidates elected to the post of Director from the list that obtains the majority of votes will correspond to the number: (i) of Directors to be elected with the exception of the last Director, in the progressive order of the list, or (ii) indicated in the list when their number is lower than the number of Directors to be elected;
- the remaining Director – or the larger number of Directors in the case indicated in point (ii) above – will be elected from the list that receives the second largest number of votes and is not connected, directly

or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes;

- if more than one Director is selected from the second list, the candidates will be elected in the progressive order in which they are listed;
- if 2 or more lists obtain an equal number of votes, the list presented by the largest share of capital will prevail, or, in the event of equal shares, the list presented by the largest number of shareholders;
- with regard to the breakdown of the directors to be appointed, lists that have not obtained a percentage of votes equal at least to half that required for the presentation of lists are not taken into account;
- the first ranking candidate in the list that obtains the highest number of votes will be appointed Chair of the Board of Directors;
- should the minimum number of Independent Directors required by law and regulations not be elected from the majority list pursuant to art. 148, paragraph 3, of the TUF, the elected candidate will not be the candidate in the first place of the second list in terms of the number of votes obtained, but the first candidate, in progressive order on the list, who meets the independence requirements;
- if, as a result of the above voting and operations, the composition of the Board of Directors does not comply with the *pro-tempore* regulations in force concerning gender balance, as many elected candidates as necessary shall be excluded. Specifically, the candidates elected from the majority list who appear last in the order of preference shall be replaced with the candidates with the necessary gender characteristics drawn from the same list in the order in which they are listed, provided that the minimum number of Independent Directors pursuant to art. 148, paragraph 3, of the TUF required by the *pro-tempore* regulations in force is respected;
- if the procedures set forth above do not provide the result required as regards Independent Directors pursuant to art. 148, paragraph 3, of the TUF and/or gender balance, the replacement will be made by resolution of the Shareholders' Meeting carried with a relative majority, following presentation of candidacies of individuals who possess the necessary independence requirements or who belong to the less represented gender;
- should only one list be presented, the Shareholders' Meeting will express its vote thereon; should the list obtain the majority required under arts. 2368 *et seq.* of the Italian Civil Code, the candidates will be elected to the post of Director, in progressive order, up to the number established by the Shareholders' Meeting. The candidate ranked first on the list will be appointed Chair of the Board of Directors. In the event that in appointing a Board of Directors the *pro-tempore* regulations in force with regard to independent directors and/or gender balance are not met, the procedure outlined above will be followed after the necessary adjustments have been made.

In the absence of lists and in cases where no list obtains the percentage of votes indicated or in cases where through the list voting procedure the number of elected candidates is lower than the number established by the Shareholders' Meeting, the Board of Directors shall be respectively appointed or supplemented by the Shareholders' Meeting on the basis of statutory majorities.

PUBLICATION OF THE ELECTION OF THE DIRECTORS

The Company shall inform the public promptly that the election of the Board of Directors has taken place, by releasing a statement pursuant to art. 144-*novies* of the Issuers' Regulation, indicating:

- the list from which each Director was elected, specifying whether the list was presented or voted by the majority or by the minority;
- the Directors who declared themselves to be in possession of the independence requirements;
- the outcome of the assessments made, on the basis of the information provided by the parties concerned or available to the Company, on the possession by one or more members of the Board of Directors of the independence requirements pursuant to art. 148, paragraph 3, of the TUF and of the independence requirements set out in the Corporate Governance Code.

In view of the above, and taking into consideration:

- the contents of this Report,
- the indications of art. 17 of the Articles of Association;
- the provisions of current law and regulations,

the Board of Directors invites the Shareholders' Meeting to carry the following resolutions:

- to establish the number of members of the Board of Directors, in compliance with the Articles of Association, between a minimum of 7 and a maximum of 15 Directors;
- to establish the term of office of the members of the Board of Directors in compliance with the limit of three financial years as per art. 2383 of the Italian Civil Code;
- to determine the total amount of the fees of the members of the Board of Directors;
- to deliberate with regard to the appointment of the members of the Board of Directors in the manner described above.

With respect to the above, and with specific reference to assessment of possible links between the lists, the shareholders are invited to take account of the recommendations set out in Consob Communication DEM/9017893 of 26 February 2009.

14 March 2024

Arnoldo Mondadori Editore S.p.A.
on behalf of the Board of Directors
The Chair
Marina Berlusconi



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GRUPPO  MONDADORI



**GUIDELINES ON THE OPTIMAL QUALI-QUANTITATIVE
COMPOSITION OF THE BOARD OF DIRECTORS
OF ARNOLDO MONDADORI EDITORE S.P.A.**

Approved by the Board of Directors on 14 March 2024

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1. Introduction

In line with Recommendation no. 23 of the *Corporate Governance Code - January 2020* edition (hereinafter, the Code), which Mondadori follows, the outgoing Board of Directors, in view of the expiry of its own term of office, sets out guidance on the qualitative and quantitative composition deemed to be optimal, also taking into account the results of the self-assessment process.

In particular, the Code recommends that, for the appointment of directors, procedures should be in place to ensure the transparency of the process and a balanced composition of the Board, and recommends that the Board of Directors, when its term expires, issue guidance to the Shareholders on the quantitative and qualitative composition deemed optimal for the new Board, taking into account the results of the self-assessment.

Mondadori's Board of Directors, whose term of office expires with the approval of the 2023 financial statements, has drawn up this guidance (or “**Opinion**”) on the qualitative/quantitative composition deemed appropriate for the performance of its activities in the interest of shareholders wishing to submit a list of candidates. This opinion was formulated taking into account:

- ✓ the results of the self-assessment process;
- ✓ the experience gained during the term of office;

- ✓ benchmarking with comparable Italian and international entities;
- ✓ analysis of the voting policies of major institutional investors and proxy advisors and the feedback obtained from engagement meetings;
- ✓ the company's strategy and planned activities for the next three years, focused on the execution of the business plan.

Among other things, the Opinion identifies the managerial and professional profiles and skills deemed necessary for future board members, also in light of the company's sector of business and dimensions and taking into account that the directors' authority and competence must be commensurate with the tasks they are called upon to perform, in line with the company's business objectives and strategy.

The guidelines are published via the authorised storage mechanism IInfo (www.1Info.com) as well as on the company's website, as is the *“Policy on criteria for assessing the independence requirements of directors”* to which reference is made for the specific content.

2. Quantitative composition of the Board of Directors

The Board of Directors of Arnoldo Mondadori Editore S.p.A. (hereinafter Mondadori) shall be composed, pursuant to art. 17 of the Articles of Association, of a minimum of seven (7) to a maximum of fifteen (15) directors.

Within this range, the appropriate size of the board is determined so as to ensure an adequate ratio of executive directors, non-executive directors and independent directors, an adequate degree of diversity, and the optimal composition of the board committees.

There are currently three board committees in operation: Control, Risk and Sustainability Committee, Remuneration and Appointments Committee and Related Parties Committee, each composed of three members.

Mondadori's current Board of Directors is composed of 12 members.

From the self-assessment process carried out at the end of the three-year term of office, the guideline that emerged was to confirm the current number of members of the Board, a number also deemed adequate to ensure the presence of managerial and technical skills and an adequate differentiation of profiles. The number is also deemed adequate to meet the need for the establishment of board committees and to ensure the efficient and effective operation of the Board of Directors.

The Shareholders' Meeting is formally requested to determine the number of members of the Board of Directors and their term of office in compliance with law.

With regard to the presence of Independent Directors, under the Articles of Association each list with fewer than seven (7) candidates shall envisage and identify at least one candidate who meets the independence requirements established by law; each list with seven (7) or more candidates shall envisage and identify at least two candidates who meet the independence requirements.

Under the Regulation for Markets organised and managed by Borsa Italiana and the related Instructions in force since 4 January 2021, Mondadori, as a company in the STAR Segment, is required to comply with article IA.2.10.6 of the Instructions on the Independence of directors, that is:

“... The number of independent directors as at subhead m), paragraph 3, article 2.2.3 of the Regulation (independent in accordance with the requirements of the Code) is considered adequate when there are:

- *at least 2 independent directors for Boards of Directors with up to 8 members;*
- *at least 3 independent directors for Boards of Directors with 9 to 14 members;*
- *at least 4 independent directors for Boards of Directors with more than 14 members.”.*

In order to ensure the gender balance in compliance with current laws and regulations, attention is drawn to article 147-ter, 1-ter, of Lgs.Decree no. 58/98, which states that *“... The less represented gender must account for at least two fifths of the elected directors. This criterion is applied for six consecutive terms of office...”*, and to article 144-undecies.1 of the Issuers' Regulation no. 11971/1999, which states that *“... Should application of the gender criterion not lead to a whole number of members of the boards of directors ... belonging to the less represented gender, the number shall be rounded up to the next whole number, ...”*.

Taking into account the above indications, the provisions concerning the formation and composition of board committees, and the size and typology of the ownership structure of Mondadori, it is believed that the number of members of the new Board of Directors may substantially remain unaltered, guaranteeing, in any case, the number of independent directors required for companies in the STAR Segment and complying with the qualitative composition criteria set out below, even if the number of members should be different to the current number.

3. Qualitative composition of the Board of Directors

3.1 General and personal characteristics

The Code recommends that the composition of the Board adequately represent, in relation to the activity carried out by the issuer and current and prospective needs, the different components (executive, non-executive, independent) and the professional and managerial skills and experience,

also of an international nature, also taking into account the benefits that may arise from the presence of gender, educational, cultural, age and seniority diversity in the governing body. It is also recommended that the number, competence, authority and time availability of non-executive directors be such as to ensure that their judgement can carry significant weight in board decision-making.

The Board's skill mix must be well balanced to allow it to adequately support the development of the Company's business strategy also in terms of digital transformation and sustainable development.

Therefore, taking into account the recommendations of the Code with regard to professional characteristics, experience, including managerial experience, and diversity and considering the competences deemed necessary in light of the nature of the sector in which Mondadori operates, in drawing up its guidance on the qualitative composition of the governing body, the Board of Directors highlights the importance of:

- a) ensuring and enhancing gender diversity, in compliance with the Code and the applicable laws and regulations;
- b) ensuring a balanced mix of profiles, skills and experiences on the Board of Directors, given the advisability of the presence of persons with competences in the sector in which Mondadori operates, in finance, law and corporate governance, digital technology, internal control system, sustainability and communication, in order to ensure effective complementarity and exchanges of experience and competences in the governing body;
- c) giving due consideration to the number of directorships and the availability of time that candidates for the post of director could guarantee in the performance of their duties, considering them key components for the effective performance of the role. Specifically, the Board recommends that particular attention be given to the availability of time of the candidates for the post of director, taking into account other posts held in other listed companies or large organisations;
- d) keeping the numerical ratio between executive and non-executive directors within the Board of Directors substantially unchanged, with reference to what has already been stated above in relation to the independent component, so as to ensure Board dialectics and an adequate composition of the committees, also in line with the parameters indicated by the Code;
- e) promoting differences in culture and background: an important element in ensuring the effectiveness of the board is the integration of different profiles in terms for example of gender, background, age and seniority;

3.2 Professionalism (Competence and Experience)

In the 2023 Self-Assessment, the need emerged to ensure the continuity necessary for implementation

of strategic lines and operational and organisational projects, in order to achieve and consolidate results and meet Mondadori's strategic and management objectives.

Therefore, on the basis of its experience of the work performed and the magnitude of the challenges that will have to be faced by the new board for the continuation of the strategic path initiated by the Company, the Board of Directors recommends a composition that ensures the contributions of solid and differentiated skills and experience that appropriately confirm and complement the qualitative composition of the Board.

With reference to the requirements of professionalism, in line with best practices and without prejudice to any provisions of the regulations in force from time to time, the Board of Directors expresses the opinion that the candidates for the post of director should include persons with most of the skills and experience listed below, in order to favour a correct dialectic and the proper functioning of the Board:

1. Knowledge of Mondadori's business, and of scenarios and strategies typical of the sector in which it operates;
2. Ability to analyse and interpret management data and financial statements of a complex industrial organisation;
3. Evaluation and strategic orientation skills;
4. Financial and M&A expertise;
5. Risk management skills through experience in senior roles in control functions (e.g., CFO, CRO, Internal Audit), preferably in companies in the industrial sector; alternatively, experience in a Control and Risk Committee or in an Audit Committee;
6. Knowledge of ICT issues, in particular digital & information technology and cyber security through experience in technology, research and development, innovation, digitisation;
7. Expertise in sustainability and ESG, particularly with regard to the integration of sustainability/ESG issues in the business;
8. Knowledge of remuneration and incentive systems and their implementation.

In particular, the self-assessment reveals a need for a broad spread of skills in strategy evaluation and orientation, financial and extraordinary transaction skills, ability to analyse the management data of a complex industrial company and knowledge of remuneration and incentive mechanisms.

3.3 Soft skills

Lastly, the Board suggests giving preference to candidates who, in addition to possessing the above-mentioned professional skills, also possess personal characteristics and soft skills such as:

- autonomy of judgement and the ability to put the interest of the company first;
- collaboration and ability to influence (stimulating and sharing experiences and opinions and resolving potential conflicts);
- the ability to expound and defend one's own ideas and manage dissent, in the context of

relations with the other governing and/or executive bodies;

- the ability to take on new challenges, innovating and fostering change.

3.4 Board Committees and Lead Independent Director

With reference to the board committees, the Board deems it advisable to confirm the current structure of the committees (Remuneration and Appointments Committee, Related Parties Committee, Control, Risk and Sustainability Committee) and their structure.

The current Board has appointed a Lead Independent Director (LID) from among its members, in line with international best practice and the Code's recommendations, whose role is to provide a point of reference and coordinate the independent directors' requests and contributions, and to coordinate their meetings.

It is recommended that the new Board also appoint the Lead Independent Director from among its members. The profile of the Lead Independent Director should express a high level of authority, significant experience in advanced governance models in listed companies with a broad shareholder base, and knowledge of the sector in which the company operates.

4. Time availability

For an effective interpretation of their role, it is of paramount importance that candidates give full evidence that they can guarantee the necessary time availability to prepare for and participate in the demanding activities of the post. In 2023, the total number of meetings in which the Board of Directors and its members engaged in collegial activities was as follows:

Bodies	No. of meetings	Average duration
Board of Directors	8	2 h
Control, Risks & Sustainability Committee	9	1 h 30 min
Appointments and Remuneration Committee	4	1 h
Related Parties Committee	2	1 h

To this commitment must also be added the time devoted to carrying out the role and the activities of preparing, organising and coordinating the interventions and meetings of the Board and the Board Committees, as well as the time devoted to training.

The self-assessment quantified the total time spent on activities related to the function as follows:

Role	dd/yy
Member	15 – 20
Chair of the Control, Risks & Sustainability Committee	25 – 30
Member of the Control, Risks & Sustainability Committee	20 – 25
Chair of the Appointments and Remuneration Committee	15 - 20
Member of the Appointments and Remuneration Committee	10 – 15
Chair of the Related Parties Committee	15 – 20
Member of the Related Parties Committee	10 – 15

However, the shareholders' right to express different assessments from those of the Board regarding the optimal composition of the Board itself remains unaffected, with an invitation to indicate and justify any differences in assessment.

This opinion is published well in advance of the date of the shareholders' meeting so that those who intend to submit a list that contains a number of candidates that is greater than half the members to be elected may take into account the assessments made by the Board and its recommendations.

The Shareholders are also invited, when drawing up lists that contain a number of candidates that is greater than half the members to be elected, to provide appropriate disclosure in the documents presented for the filing of the lists, with respect to the compliance of the list with this guidance.