

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 10 of the agenda

Appointment of the Board of Statutory Auditors for the financial years 2024/2025/2026

**- Determination of the fees for the standing members of the Board of Statutory
Auditors**

- Appointment of the members of the Board of Statutory Auditors

Shareholders' Meeting of 24 April 2024 - 26 April 2024

**Directors' Report
on item 10 of the agenda**

Appointment of the Board of Statutory Auditors for the financial years 2024/2025/2026

- **Determination of the fees for the standing members of the Board of Statutory Auditors**
- **Appointment of the members of the Board of Statutory Auditors**

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 Statutory Auditors 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 Statutory Auditors, in accordance with the terms and provisions of art. 27 of the Articles of Association.

The new Board of Statutory Auditors will hold office – in compliance with art. 2400 of the Italian Civil Code – for three financial years, that is, until the date of the Shareholders' Meeting called to approve the financial statements as at and for the year ended 31 December 2026.

Pursuant to art. 27 of the Articles of Association, the Board of Statutory Auditors is appointed by the Shareholders' Meeting on the basis of list voting. It is composed of three Standing Auditors and three Alternates. The Statutory Auditors must meet the requirements stipulated by current law and regulations and by the Articles of Association, and, specifically, they must be registered on the Register of Statutory Auditors and Audit Firms and have conducted statutory account auditing work for a period of not less than three years, pursuant to Ministerial Decree no. 162/2000.

Furthermore, pursuant to art. 2402 of the Italian Civil Code and art. 27 of the Articles of Association, the Shareholders' Meeting determines the fees of the Standing Auditors, and the reimbursement of expenses incurred in the performance of their duties.

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, no later than 25 days before the date set for the Shareholders' Meeting on first call. The 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 least the percentage of share capital published by Consob pursuant to art. 144-*septies*, paragraph 1, of Consob Regulation no. 11971/1999 ("**Issuers' Regulation**"). Consob executive determination no. 92 of 31 January 2024 establishes the percentage applicable to Arnoldo Mondadori Editore S.p.A. at 2.5% of the share capital subscribed at the list presentation date.

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

In the event that by the deadline indicated above only one list has been filed, or only lists presented by shareholders connected with one another as per art. 144-*quinquies* of the Issuers' Regulation have been filed, the deadline for the presentation of lists will be extended by three days and the percentage for the presentation of lists will be reduced to 1.25% the share capital.

CONTENT OF THE LISTS AND ACCOMPANYING DOCUMENTATION

Each list – comprising a section for candidates for the post of Standing Auditor and a section for candidates for the post of Alternate – must indicate at least one Standing Auditor and one Alternate and a number of candidates that is not higher than the number of standing auditors and alternates to be elected, listed with a progressive number. With reference to the current laws on gender balance in the audit bodies of listed issuers, as most recently amended by Law no. 160/2019, it should be noted that, pursuant to art. 148, paragraph 1-*bis*, of Legislative Decree no. 58/1998 (“**Consolidated Financ Act**” or “**TUF**”) and art. 144-*undecies.1*, paragraph 3, of the Issuers' Regulation, at least two-fifths of the members of the Board of Statutory Auditors must be of the least represented gender, rounded down to the nearest whole number. Therefore, each list with a total number of candidates equal to or greater than three must provide for the presence of candidates of both genders, so that at least one candidate for the post of Standing Auditor and one for the post of Alternate is of the less represented gender.

Candidates may not be elected as Statutory Auditors if they hold a number of directorships or statutory auditorships in excess of the limits established by applicable law and regulations.

Among other requirements, candidates to the post of Statutory Auditor must comply with the integrity and professionalism requirements indicated for the statutory auditors of companies with listed shares by Ministry of Justice Decree no. 162 of 30 March 2000, as supplemented (with regard to professionalism requirements only) by art. 27 of the Articles of Association.

It should also be noted that the Board of Statutory Auditors has drawn up a document (attached to this Report) setting out guidelines on the qualitative and quantitative composition of the Board of Statutory Auditors deemed to be optimal (hereinafter, “**Guidelines**”).

The guidance document is made available to the public on www.gruppomondadori.it, *Governance* section, as well as via the 1info authorised storage mechanism (www.1info.it).

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 list 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* of the Issuers' Regulation;

- full information on the personal and professional characteristics of each candidate (indicating directorships and statutory auditorships held in other companies, also in compliance with art. 2400 of the Italian Civil Code and art. 148-*bis* of the TUF) and declarations from the candidates themselves attesting compliance with the requirements of law and the Articles of Association and their acceptance of the candidacy.

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 by 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 APPOINTMENT OF STATUTORY AUDITORS

The election of the Statutory Auditors will be as described briefly below; reference may be made to the text of art. 27 of the Articles of Association for a full description of the voting system:

- two Standing Auditors and two Alternates will be drawn from the list that obtains the highest number of votes at the Shareholders' Meeting, in the order in which they are listed in the corresponding sections of the list;
- one Standing Auditor and one Alternate will be drawn from the second list that obtains the highest number of votes at the Shareholders' Meeting and was presented and voted by shareholders who are not connected, directly or indirectly, with the shareholders who submitted and voted the list that obtained the highest number of votes, in the order in which they are listed in the corresponding sections of the list;
- the candidate ranked first on the second most voted list for the post of Standing Auditor shall be appointed Chair of the Board of Statutory Auditors.

In the event that only one list is submitted, should that list obtain a relative majority (required by arts. 2368 *et seq.* of the Italian Civil Code), the three candidates listed in progressive order in the relevant section shall be elected as Standing Auditors and the three candidates listed in progressive order in the relevant section shall be elected as Alternates; the candidate ranked first in the section of candidates for the post of Standing Auditor shall be appointed Chair of the Board of Statutory Auditors.

In the absence of lists and in the event that the number of elected candidates is lower than the number established by the Articles of Association, the Board of Statutory Auditors will be appointed or supplemented by the Shareholders' Meeting on the basis of statutory majorities.

PUBLICATION OF THE APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

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

- the list from which each Statutory Auditor was elected, specifying whether the list was presented or voted by the majority or by the minority;
- the outcome of the assessments made, on the basis of the information provided by the parties concerned or available to the Company, on the compliance of the members of the Board of Statutory Auditors appointed by the Shareholders' Meeting with the requirements set out in art. 148, paragraph 3, of the TUF.

In view of the above, and taking into consideration:

- the contents of this Report,
- the indications of art. 27 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 determine the fees of the standing members of the Board of Statutory Auditors;
- to deliberate with regard to the appointment of the Board of Statutory Auditors 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



**GUIDELINES ON THE OPTIMAL QUALI-QUANTITATIVE COMPOSITION
OF THE BOARD OF STATUTORY AUDITORS OF
ARNOLDO MONDADORI EDITORE S.P.A. 2024**

The next Shareholders' Meeting, convened for 24 April 2024, will appoint a new Board of Statutory Auditors. Therefore, the current Board of Statutory Auditors, having reached the end of its term of office, hereby makes available to the Shareholders, drawing from its own experience and the results of the self-assessment, its guidance for the formulation of the best proposals to the Shareholders' Meeting for the quantitative and qualitative composition of the Board of Statutory Auditors.

Size, diversity and requirements

The Articles of Association of the Company provide that the Board of Statutory Auditors consist of 3 (three) Standing Auditors and 3 (three) Alternates.

The composition of the Board of Statutory Auditors must comply with the gender distribution criterion, according to which the less represented gender is entitled to at least two-fifths of the standing members of the Board of Statutory Auditors.

The Board of Statutory Auditors recognises the value of diversity in its composition, not only with regard to gender, in meeting the primary objective of ensuring adequate competence and professionalism among its members.

Professionalism requirements – All the Statutory Auditors must be enrolled in the Register of Auditors and must have exercised the activity of statutory auditor for a period of not less than three years.

As the body responsible for the internal auditing of an entity of public interest, the Board of Statutory Auditors must be composed of members, who, as a whole, are competent in the field in which the audited company operates. This implies that the individual auditor may not possess such skills at the time of appointment, provided that they acquire them during their term of office, by documenting themselves, obtaining information (including from the company) and benefiting from the experience of their colleagues with regard to the characteristics of the sector.

Integrity requirements – A person may not be appointed to the post of Statutory Auditor, and if elected, shall forfeit the post if they:

- have been the object of preventive measures ordered by the courts under anti-mafia legislation, without prejudice to the effects of rehabilitation;
- have been sentenced with a final judgement, without prejudice to the effects of rehabilitation:
 - ✓ to imprisonment for one of the crimes envisaged by the laws governing banking, financial

and insurance activities and by the laws governing financial markets and instruments, taxation and payment instruments;

- ✓ to imprisonment for one of the corporate offences provided for in the Civil Code (Title XI of Book V), Royal Decree no. 267 of 16 March 1942 and Lgs. Decree no. 14 of 12 January 2019;
- ✓ to imprisonment for a term of not less than six months for an offence against the state administration, public trust, property, public order and the public economy;
- ✓ to imprisonment for a term of not less than one year for any crime committed with criminal intent;
- have been sentenced at the request of the parties to imprisonment for one of the crimes envisaged by the laws governing banking, financial and insurance activities and the laws governing financial markets and instruments, taxation and payment instruments, except in the case of prescription of the crime;
- have been removed from the single national register of stockbrokers (art. 201, para. 15, T.U.F.), as well as stockbrokers who are excluded from trading on a regulated market. The aforementioned bans have a duration of three years from the adoption of the relevant rulings. The period is reduced to one year in cases where the ruling was issued at the request of the entrepreneur, the governing bodies of the undertaking or the stockbroker.

Objectivity and independence requirements – Without prejudice to additional provisions of the Articles of Association, the law positively identifies some of the risks for the objectivity and independence of the Statutory Auditor. Pursuant to art. 148 T.U.F., the following may not be appointed to the post of Statutory Auditor and, if elected, shall forfeit the post:

- a) debarred persons;
- b) unqualified persons;
- c) bankrupts;
- d) persons who have received a sentence entailing debarment, including temporary debarment, from public office or the inability to hold executive office;
- e) a director of the company;
- f) a director of the appointing company's subsidiaries, controlling companies and companies subject to joint control;
- g) the spouse, relatives and relatives by marriage up to the fourth degree of the company's directors;
- h) the spouse, relatives and relatives by marriage up to the fourth degree of the directors of

companies controlled by the company, controlling companies and companies subject to joint control;

i) persons bound by an employment contract or self-employment agreement:

✓ to the company, its subsidiaries, controlling companies and companies subject to joint control;

✓ to the directors, the spouse, relatives and relatives by marriage up to the fourth degree of the company's directors;

✓ to the directors, the spouse, relatives and relatives by marriage up to the fourth degree of the directors of companies controlled by the appointing company, controlling companies and companies subject to joint control;

j) persons bound by other relationships of a financial or professional nature that compromise their independence:

✓ to the company, its subsidiaries, controlling companies and companies subject to joint control;

✓ to the directors, the spouse, relatives and relatives by marriage up to the fourth degree of the company's directors;

✓ to the directors, the spouse, relatives and relatives by marriage up to the fourth degree of the directors of companies controlled by the appointing company, controlling companies and companies subject to joint control.

The situations indicated from (a) to (i) identify absolute presumptions (*juris et de jure*) of ineligibility and disqualification. Conversely, in the presence of "other" relationships of a financial or professional nature (i.e., relationships that are additional to or different from those of a self-employed agreement or employment contract), the existence of grounds for ineligibility and disqualification must be assessed case-by-case on the basis of an analysis of the risks to independence.

Since Arnoldo Mondadori Editore S.p.A. has declared that it complies with the Corporate Governance Code, the Statutory Auditor must meet the additional requirements of independence laid down therein.

Time availability

For an effective interpretation of their role, it is of paramount importance that candidates guarantee availability of the necessary time to prepare for and participate in the demanding activities of the post. In 2023, the Board of Statutory Auditors held 21 meetings, in addition to informal face-to-face

meetings, and participated, either in its entirety or through its Chair, in 8 meetings of the Board of Directors, 9 meetings of the Risk Control and Sustainability Committee, 4 meetings of the Appointments and Remuneration Committee and 2 meetings of the Related-Party Transactions Committee, and also in sessions before board meetings and other activities organised by the Company.

Experience and skills

On the basis of the experience gained and the activities and challenges that the new body will have to face, the Board of Statutory Auditors considers it essential that the selected professionals – as a body – express adequate experience in listed companies of a size and complexity similar to Arnoldo Mondadori Editore S.p.A., including companies operating in different industrial sectors, with an articulated and complex system of governance.

In relation to the continuity of the company's growth and the important organisational changes that have taken place during the current term of office, and in view of the continuous and significant strategic and governance evolution of the Company in the near future, it is suggested that, as far as possible, at least partial continuity of the current Board be maintained, so as to preserve the main skills and experience gained, keeping a consistent and homogeneous approach to the functions pertaining to the Board and ensuring the seamlessness of the necessary process upgrades. For its own efficient and effective functioning, the Board of Statutory Auditors has identified the ability to work as a team and to manage complexities in a constructive and balanced manner as an essential requirement. In this regard, a decisive role is played by the Chair, whose authority is essential both for the creation of a spirit of cohesion and cooperation among the members of the Board, and in interactions with the other governing bodies and with the corporate officers in general, in particular, those in charge of managing the internal control and risk management system.

Lastly, the Board of Statutory Auditors expresses the guideline that emerged in the self-assessment process concerning the adequacy of the current quantitative composition in relation to the size and complexity of the Company and defines the main “hard” and “soft” skills required of the Board of Statutory Auditors of Arnoldo Mondadori Editore S.p.A. which are useful to characterise its qualitative composition.

Hard skills - Determination of the main “hard” skills, knowledge and experience required of the

members of the future Board of Statutory Auditors indicates the need for a broad spread of administrative and accounting skills, followed by skills in the area of controls and risk management, which are considered essential. Competences related to business knowledge, industry regulations, technology skills, sustainability and remuneration are considered important, although with less emphasis on the breadth of dissemination.

The self-assessment process also brings to light certain skills that proved essential during the latest term of office, linked to the intrinsic nature of the Company and mainly related to corporate governance and corporate business (in connection with M&A strategies), risk management and sustainability. In particular, experience with ESG risks is considered useful in view of the entry into force of the new European regulations.

Soft skills - With regard to “soft skills”, independence and autonomy of judgement and the ability to stimulate, compare and collaborate, both within the Board of Statutory Auditors and in relations with other corporate bodies, are unanimously assessed as essential.

Remuneration

The Board of Statutory Auditors deems it appropriate to mention the Corporate Governance Code, where it is stated that, in order to attract persons of adequate "standing", the remuneration of the members of the audit body must be commensurate with the competence, professionalism and commitment required by the importance of the role held and by the company's size and sector characteristics, and must be established taking into account the remuneration practices widespread in the industry and among companies of similar size, also considering comparable international entities and practices.