

Arnoldo Mondadori Editore S.p.A.

Registered office: Milan, Via G.B.Vico, 42

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)**

2024

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Letter from the Chair:

Shareholders,

it gives me great pleasure to present the annual Remuneration Report of Arnoldo Mondadori Editore S.p.A.

The Committee presented the remuneration policy for 2024 to the Board of Directors, which approved it at its meeting of 14 March last. The principles that inform the Company and the Group's remuneration policy are reiterated, 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;
- the attention paid to the variable remuneration component, from a perspective tied to consolidated corporate performance;
- the growing focus on and contextual implementation of the sustainability principle, in accordance with the ESG factors.

Since the 2024 remuneration policy has been drawn up consistently with the approach taken in 2023, it confirms the standards reached in terms of transparency and clarity, guaranteeing fair and sustainable management of the remuneration system.

The Committee paid particular attention to action for the continuous improvement of the efficiency of the remuneration model, in order to align it with best practices and the indications of the proxy advisors.

This is the context of the new three-year Performance Share Plan for 2024-2026, in which important new elements have been incorporated on two levels:

- the robust enhancement of the components of the ESG index, including, among other things, the implementation of a "Gender Equality Certification" program and the introduction of a specific "environmental sustainability" indicator;
- the adoption of a new benchmark to make the Total Shareholder Return indicator better suited to the qualitative and quantitative characteristics of the Mondadori Group.

Furthermore, the policy introduces the deferment, on a voluntary basis, of part of the MBO – the share-based short-term incentive – and provides for an additional share bonus at the end of the deferment period, for the purpose of strengthening retention.

In the Report on the Remuneration Policy, the Executive Summary section has been expanded to include a summary of some specific topics that are deemed to be of interest for the valuations of the proxy advisors.

The Committee believes that the remuneration policy for 2024 responds to economic and social sustainability objectives, is consistent with the principles of D&I and environmental sustainability, and has been drawn up to guarantee full and transparent information for the reader.

I want to thank the Human Resources & Organisation Division for their constructive collaboration and robust technical assistance both at the level of routine work on the policy and the remuneration plan, and with regard to specific measures.

I trust that the choices we have made meet your expectations and thank you, personally and on behalf of the members of the Committee, for your attention and for the approval I hope you give to the remuneration policy for 2024.

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 2024 and the procedures used to adopt and implement the policy.

The **second section** illustrates the outcomes of the policy implemented in 2023. 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 executive compensation consultancy companies.

The Report was approved by the Board of Directors on 14 March 2024, 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 24 April 2024 to approve the financial statements as at and for the year ended 31 December 2023. 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) and on the website www.gruppomondadori.it.

In compliance with the provisions of Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments on transactions with related parties, as applied in the related procedures approved by the Board of Directors, the adoption and definition of the remuneration policy illustrated in this Report, as implemented with the involvement illustrated below of a Remuneration & Appointments Committee comprised exclusively of Non-Executive Directors the majority of 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

Below is a summary of the 2024 Remuneration Policy which was defined in line with the resolutions of the Board of Directors for the 2021-2023 term of office.

This is without prejudice to the prerogatives of the new Board of Directors, which will take office with the next Shareholders' Meeting called to approve the Financial Statements at 31 December 2023, to determine the remuneration of *Directors holding specific positions* and the remuneration of non-executive Directors for their participation in board committees in accordance with this Policy, should it be approved by the Shareholders' Meeting.

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 key characteristics of our policy

The structure of Remuneration

Remuneration Element	Purpose	Characteristics	Determination criteria
Fixed component	Remunerates the extent of the responsibility and strategic nature of the role in order to offer appropriate and competitive basic remuneration	Aims to ensure correct remuneration for the position held based on criteria of internal and external equity, and with no form of discrimination. Is determined with reference to market benchmarks for comparable positions and positions of similar value, on the basis of the Hay method of job evaluation. For Executive Directors, the fixed component may include remuneration for work as an employee and the fee for the position.	<i>The weighting of the fixed component may not exceed 70% of total compensation.</i> For the CEO (*) the fixed component amounts overall to 700,000 Euro, including the annual consideration for the non-competition agreement; for the CFO the fixed component amounts to 600,000 Euro, including the annual consideration for the non-competition agreement; for the KMP the fixed component is set on an individual basis in accordance

			with the criteria described.
Short-term variable component (MBO)	Remunerates the achievement of annual, group and individual targets, in accordance with the principle of transparency and proportionality	<p>For all beneficiaries, the payment of bonuses is conditional upon:</p> <ol style="list-style-type: none"> 1. passing an access gateway and related to the Group Performance Index measured in terms of EBITDA and Ordinary Cash Flow, 2. the degree to which specific Business Area/Function targets are achieved. <p>Targets are pre-defined and linked clearly and objectively to budget values or strategic objectives. The KPIs for the CEO for 2024 are:</p> <ul style="list-style-type: none"> • Net profit (40%), • Revenues (30%), • Strategic development project (30%) <p>For KMP who head Business areas or Central Functions, the KPIs relate to individual Area or Function objectives. There is a minimum level of attainment and a maximum disbursement cap.</p> <p>As from 2024, a portion of the accrued bonus (up to 30%) for executives who are beneficiaries of LTI plans is paid as part of share-based payments, with deferral to 24 months. Furthermore, at the end of the period, subject to the continuation of the relationship, they are allocated a matching share equal to 1 share for every deferred share.</p> <p>The annual variable component is subject to a clawback clause and bad leaving and good leaving clauses</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> <i>The maximum value of the MBO is 125% of the target bonus.</i></p> <p>The value of the short-term variable component (net of the deferral and matching mechanism) as a % of the fixed component corresponds:</p> <ul style="list-style-type: none"> ▪ for the CEO (*), to 57% for target results and 80% for maximum performance (cap 140%); ▪ for the CFO, to 33% for target results and 42% for maximum performance; ▪ for KMP, to 40% for target results and 50% for maximum performance (mean values).
Medium/long-term variable component (LTI)	To promote the sustainability of corporate operations in the long term, through the attainment of the objectives of the Company's long-term strategic plans and the creation of sustainable value for shareholders and stakeholders, while fostering management retention and engagement.	<p>Achieved through the assignment of shares (Performance Shares) on attainment of predetermined Group consolidated three-year objectives, which correspond to the targets of the Three-Year Plans approved by the Board of Directors and to ESG metrics.</p> <p>The value of the annual share assignments is determined in relation to the position held and to criteria of internal and external equity, which also refer to market benchmarks.</p> <p>There are five performance conditions:</p> <ol style="list-style-type: none"> 1) Cumulative Group Net Profit (25%), 2) relative TSR with respect to the FTSE Italia Mid Cap (15%), 3) Cumulative Group EBITDA (20%), 4) Cumulative Group Ordinary Cash Flow (25%), 	<p>The weighting of the LTI variable component by target may not be lower than 25% of total variable remuneration.</p> <p><i>The maximum value of the LTI is 120% of the target opportunity.</i></p> <p>The value of the LTI component as a % of the fixed component corresponds:</p> <ul style="list-style-type: none"> ▪ for the CEO (*), to 29% for target results and 34% for maximum

		<p>5) ESG Objective - improvement of the Group Impact Inclusion Index (15%) There is a minimum level of attainment and a maximum disbursement cap.</p> <p>The Plan also envisages:</p> <ul style="list-style-type: none"> • a clawback clause, • a 24-month share lock-up, • rules for good and bad leaving situations and extraordinary transactions. 	<p>performance (cap);</p> <ul style="list-style-type: none"> ▪ for the CFO, to 25% for target results and 30% for maximum performance; for KMP, to 28% for target results and 34% for maximum performance (mean values).
One-off/extraordinary bonuses	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 & Appointments Committee, compatibly with the Related-Party Transactions procedure.</p>	Cap equivalent to the amount of the short-term variable component.
Benefits	Ensure compliance with market best practices in order to guarantee adequate and loyalty-enhancing total reward treatment	The benefits package is determined in line with market practices.	The main benefits are: a car, a fuel card, supplementary life and medical insurance, health check-ups and, for residence abroad, housing and schooling.
Indemnities for termination of office and/or early termination of employment	To date, the Company does not envisage ex-ante agreements. In the event of termination of office or employment, the Policies set a cap on discretionary indemnities.	<p>There are no ex-ante agreements that regulate discretionary indemnities; in all cases, the Policies provide that the maximum indemnity is equivalent to 24 months pay in addition to the notice due by law, determined on the basis of current annual remuneration and the average variable remuneration attributed in the final three years.</p> <p>The Company reserves the right to draw up, in its own interest, non-competition agreements for a maximum period of 2 years and a consideration that does not exceed 24 months of current pay.</p>	Cap on discretionary indemnities equivalent to 24 months pay.

(*) The figures provided refer to the remuneration of the CEO approved for the 2021-2023 term of office. This is without prejudice to the prerogatives of the Board of Directors to determine new remuneration in compliance with the regulations and this Policy.

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.

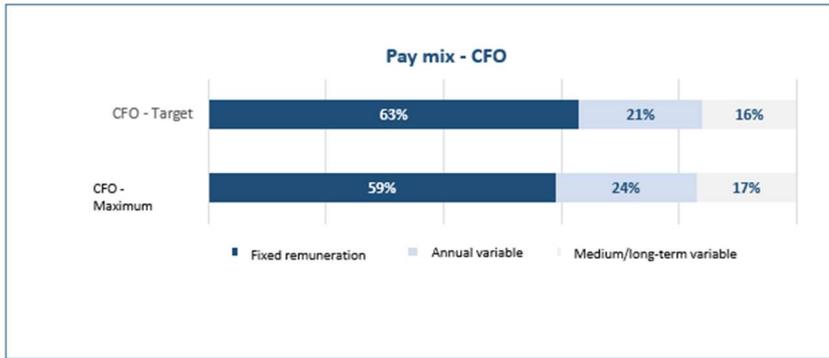
The pay mix for the attainment of target and maximum results for the CEO, the CFO and the KMP (net of the MBO deferral and matching mechanism) is set out below.

Long-term variable remuneration (LTI) is paid in shares and, in part, is subject to lock-up restrictions.

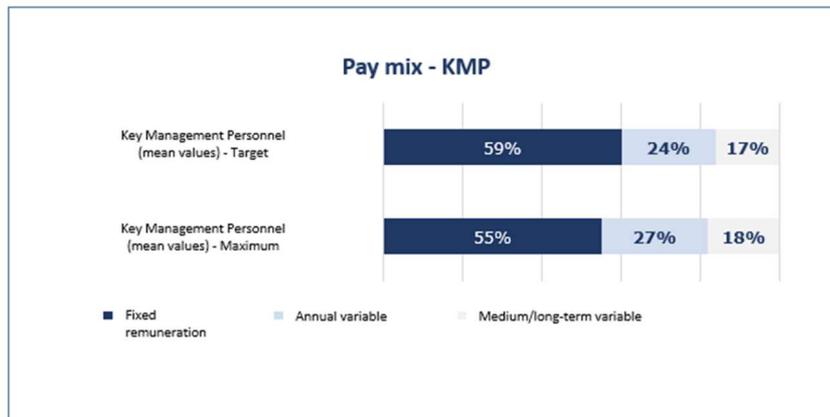
CHIEF EXECUTIVE OFFICER (*)



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%	69%	84%

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.

REFERENCE ELEMENTS IN THE DEFINITION OF THE REMUNERATION POLICY

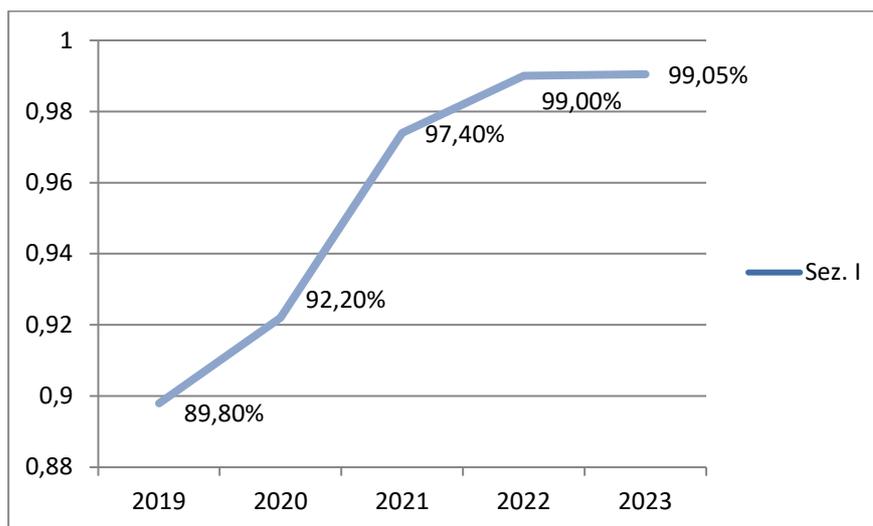
The aim of the Policy is to ensure, for both stakeholders and managers, a remuneration system that is adequate, fair, transparent and in line with market best practices. To this end, Mondadori places great emphasis on the following.

Analysis of vote

Mondadori places great importance on the analysis of the shareholder vote which reflects shareholders' evaluation.

Over the past five years, the percentage of votes in favour has steadily increased until it levelled off at **99.05%**, as per the most recent Shareholders' Meeting held in April 2023.

The more than ten points increase which has been recorded since 2019 confirms shareholders' appreciation of the Company's effort to improve its Policies and achieve the highest standards among listed companies.



Mondadori pursued the dialogue with the main institutional investors and proxy advisors, with the aim of analysing in detail the considerations expressed by them on the key points of the Report on Remuneration Policy and Fees Paid submitted to the 2022 Shareholders' Meeting.

This dialogue provided Mondadori's technical structures and the Remuneration Committee with useful feedback on the point of view of investors and, more generally, of the market with respect to the characteristics of Mondadori's Remuneration Policy.

Market benchmarks

When defining remuneration, Mondadori pays close attention to analysing market and current practices, in order to offer a remuneration system that is competitive, but in line with best practices.

The remuneration structures, the compensation level and pay-mix are defined on the basis of the Hay method of job evaluation, enabling constant monitoring with the remuneration surveys prepared annually by Korn-Ferry.

The remuneration of the CEO and the Directors is calculated with the support of Willis Tower Watson, an executive compensation consultancy firm, which drew on a

specifically identified panel of 14 national and international companies, comparable in size and activity.

The entire *Remuneration Policy* was defined with the support of Willis Tower Watson, in terms of design and benchmarking aspects, of Georgeson, with respect to the comparison with leading international proxies, and finally discussed with the *Remuneration Committee*.

Company's results

In defining the Group's top management remuneration systems, Mondadori considers the pay-for-performance principle of fundamental importance in order to align the remuneration of Key Management Personnel to the actual results achieved and to ensure that stakeholders' interests always match those of management.

The same principle is applied by Mondadori, not only to top managers but, by introducing the Group Performance Index as a KPI common to all short-term incentive systems, also to all management and middle management positions that, operationally, influence management of the company, in the various businesses and in the management of personnel services.

The table below summarises the evolution of Mondadori's financial results from the pre-pandemic period to date.

	2019	2020	2021	2022	2023
Net income	28.2	4.5	44.2	52.1	63.7
<i>index</i>	100	16	157	185	226
EBITDA	102.9	84.6	91.1	130.7	148.9
<i>index</i>	100	82	89	127	145
Ordinary Cash Flow	48.4	51.2	68.8	59.7	68.7
<i>index</i>	100	106	142	123	142

Social Responsibility

In parallel with the achievement of excellent financial results, Mondadori has always been focused on management aspects, first and foremost, those relating to its people. Gender equity, inclusion, welfare, work-life balance, valuing parenthood, engagement and upskilling of people have always underpinned the improvement action carried out by the Company, together with its employees and collaborators.

Many initiatives have been launched in recent years, confirming Mondadori's commitment in this area. These

- include: as of 2022, the introduction of **ESG objectives** among the indicators for the payment of the long-term variable remuneration of Key Management Personnel
- the launch of the process aimed at obtaining the **Gender Equality certification**, scheduled for 2024

- the inclusion of the objective of transitioning to **renewable energy sources** for all Group's offices among the LTI KPIs.

Mondadori is also focused on the economic aspects of the real life of its people. Therefore, in 2023, for the second year, in addition to distributing dividends to Shareholders, it disbursed an **extraordinary income support bonus** of 1,000 Euro to all group employees and temporary workers with a gross annual remuneration of less than 35,000 Euro.

Guiding Principles of Remuneration

In defining the Policy applicable to top management as well as the Group's management or middle management, Mondadori's prerequisite is the respect of those fundamental values that characterise a remuneration system, and a professional, correct, effective and satisfying relationship for all stakeholders.



INNOVATIONS IN THE REMUNERATION POLICY

Mondadori's commitment to the continuous improvement of its policies is confirmed by the major innovations approved over the past few years, which have enabled the remuneration system of Key Management Personnel to achieve excellence in terms of market practice, as acknowledged by the great satisfaction expressed by shareholders through their votes at the Shareholders' Meetings.

The main stages of this improvement process are summarised below:

- 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), constantly updated every year in line with diversity strategy plans
- 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, based on market benchmarks

SECTION I - REMUNERATION POLICY 2024

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, Legal and Corporate Affairs Division, for the remuneration of Key Management Personnel.

The Head of Central Group Human Resources, Organisation, Legal and Corporate Affairs Division reports to the Committee on the effective implementation of the Policy at least every six months.

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:

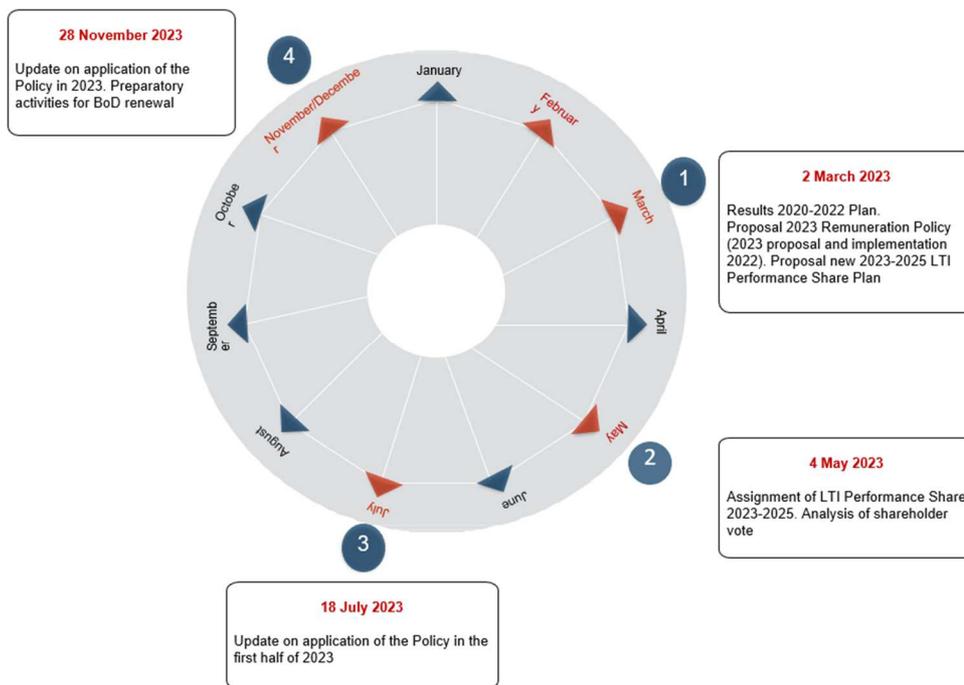
- the Committee deliberates with regard to the proposal functions assigned to it by the Board of Directors in the absence of those directly involved;
- the members of the Committee abstain during voting by the Board of Directors on draft resolutions relating to their own fees;
- the Committee members 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

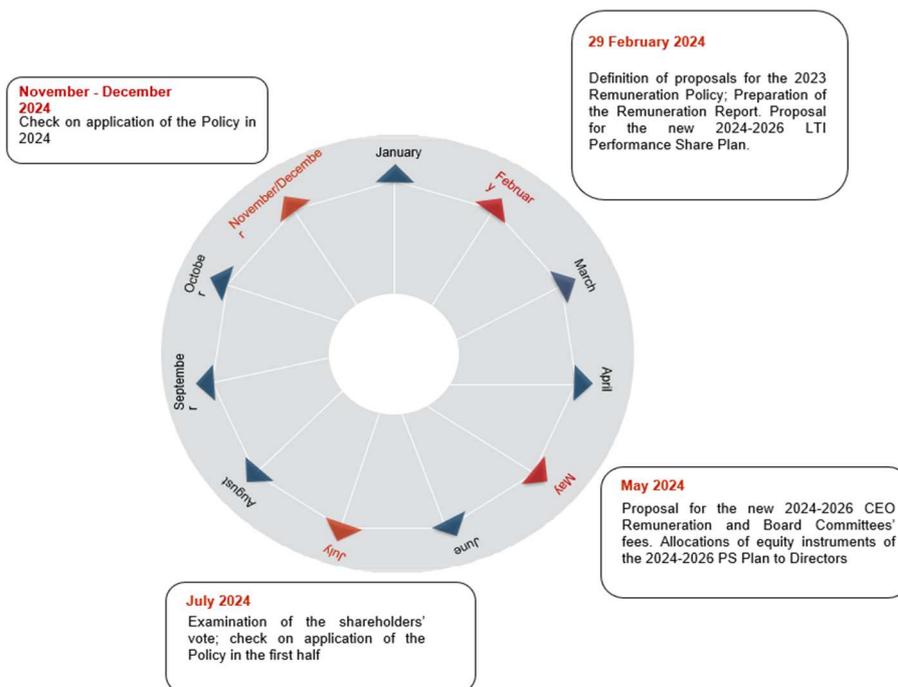
Activities carried out in financial year 2023

In financial year 2023, 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 2024

In 2024, the activities of the Committee will implement the annual program, whose details are shown in the infographic below.



2 – Beneficiaries and aim of the Policy

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 – Guiding principles of the Policy

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

ADEQUATE REMUNERATION	The definition of remuneration must reflect the level of professionalism and responsibility of the job positions. It must ensure an appropriate balance between fixed and variable remuneration in order to guarantee proper motivation and acknowledgement of the results achieved
EQUITY	Remuneration must be defined based on the respect for the values of non-discrimination, pay equity and consistency with internal levels of professionalism and responsibility
TRANSPARENCY and OBJECTIVITY	Remuneration mechanisms are designed with a view to ensuring clarity, reliability and transparency with respect to payouts. Targets are always measurable and predetermined and variable bonuses always have a disbursement threshold and a maximum cap
PAY FOR PERFORMANCE	Incentive systems based on variable remuneration primarily establish a strong correlation between the results achieved and the bonuses disbursed . Value creation and achieving short- and long-term objectives are the main KPIs when determining bonuses, not only for top management, but also for the Group's entire management and middle management
SUSTAINABILITY	Mondadori attaches great importance to business management focused on responsible and sustainable success over time . This means achieving economic and ESG objectives consistent with long-term strategies and such to ensure the steady growth of value for shareholders and all stakeholders. Long-term variable remuneration (LTI) must have a significant weight in the remuneration of top management
ONGOING MONITORING	The competitiveness of Mondadori's remuneration system is guaranteed by the continuous analysis of market best practices carried out with the support of leading executive compensation companies. Great importance is also attached to the analysis of the shareholder vote , which expresses shareholders' opinion and the constant dialogue with proxies

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.

Therefore, 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 2024.

5 – Approach used in drawing up the Policy

The Policy contents were formulated with the support of leading consultancy companies that specialise in 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 2024 Policy was drawn up with the support of WTW (Willis Tower Watson), a leading consultancy firm 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 for the positions held, for the 2021-2023 term of office, expiring with the approval of the 2023 Financial Statements, are as follows:

Body	Role	Annual fee
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 for the positions held, for the 2021-2023 term of office, expiring with the approval of the draft 2023 Financial Statements, are as follows:

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, the Board of Directors determines, upon the proposal of the Remuneration Committee, the overall remuneration package, consistent with the principles of the Policy and the structure established for Key Management Personnel.

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.

The remuneration set for the **CEO Antonio Porro** was approved by the Board of Directors on 13 May 2021 and is described in Section II of this Report. The current 2021-2023 term of office will end with the approval of the Financial Statements at 31 December 2023; the new remuneration will be determined, in compliance with the procedures and limits of this 2024 Remuneration Policy, by the Board of Directors in May 2024, after the renewal of the Corporate Bodies and the assignment of the new 2024-2026 term of office.

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 Central Group Human Resources, Organisation, Legal and Corporate Affairs 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, Legal and Corporate Affairs 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's 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’s Performance Index (Group Multiplier)”:** a mechanism that guarantees a direct correlation between Group's performance and individual performance; Group’s 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.

Deferral and matching mechanism

In order to establish a closer link between a component of the short-term variable remuneration of top management and the creation of value in the long term and to strengthen the retention lever, part of the annual bonuses based on the above mechanism is deferred over time and linked to the performance of Mondadori shares. Under this mechanism, a percentage share of 15% or 30% of the value of the MBO bonus accrued and calculated at the reporting date, is converted into Mondadori shares to be allocated to the manager only at the end of a deferral period of 24 months, subject to the continuity of their relationship with the Company.

In return, an additional remuneration component is awarded equal to the allocation of additional free shares in the ratio of 1 additional share for every 1 converted share (deferred share/matching).

This mechanism has been introduced in 2024 on a voluntary basis for the Chief Executive Officer, Key Management Personnel and other relevant executives who are LTI beneficiaries.

Given the nature of management's loyalty and responsibility for the creation of value, if the relationship is terminated for bad leaving reasons, the person concerned is no longer entitled to the shares already subject to conversion, the matching benefit and the application of a penalty to the monetary disbursement of the deferred MBO bonus percentage. On the other hand, in the case of good leaving reasons, they remain eligible to the allocation of the shares and the proportional bonus.

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 not less than 43% of fixed remuneration).

In practice, the weighting of the theoretical MBO component, in relation to fixed remuneration, for the 2021-2023 term of office, 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): 40% for target results and 50% 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%).

The above percentages refer to the amount accrued during the year of the annual variable bonus and do not consider the possible application of the partial deferral mechanism with bonus share payment.

iii) **the medium/long-term variable component (LTI)**. In order to link the variable remuneration of top management to the effective creation of value over time, 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.

Following the introduction, in 2024, of the deferral mechanism which envisages the deferred payment in shares of a portion of the accrued annual bonus (MBO deferral and matching), the link between top management remuneration and the creation of value for shareholders is further strengthened by increasing the use of the equity instrument as a remuneration method.

The 2024-2026 Performance Share Plan refers to the attainment of the targets set in the 2024-2026 Three-Year Plan approved by the Board of Directors.

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

The three-year **performance objectives** to which actual assignment of the 2024-2026 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 TSR index of the FTSE MID CAP)

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.
- *Environmental Sustainability Indicator*.

The Objectives related to **Shareholder Remuneration** have an overall weighting of **40%**

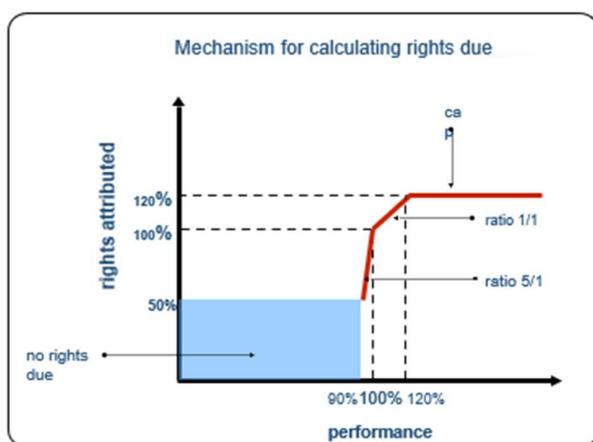
The **Profitability Indicators** have a weighting of **45%**.

The **ESG Indicators** have a weighting of **15%**, 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, Ordinary Cash Flow and TSR 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.

The ESG target, which comprises results in a number of areas (gender equality and environment), may have a result ranging between 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.



2024-2026 Performance Objectives				
Role	Group Consolidated Objectives		% attainment target	% calculation bonus
Objectives related to Shareholder remuneration	KPI	Net income 	90%-120%	50%-120%
		Total Shareholder Return (TSR) 	90%-120%	50%-120%
Management objectives relating to profitability and financial risk	KPI	Group EBITDA 	90%-120%	50%-120%
		Ordinary Cash Flow 	90%-120%	50%-120%
ESG objectives	KPI	Impact Inclusion Index 	0%-120%	0%-120%
		Environmental Sustainability		

 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.

TSR (Total Shareholder Return) target

The approval of the 2024-2026 Performance Share Plan amends the TSR evaluation mechanism aimed at establishing a closer and more realistic link between the Company's actual results and the measurement of the change in the share price on the stock exchange.

The experience gained over the past few years showed the unrepresentative nature of the reference adopted so far to the set of all listed companies (FTSE MIB All Share), as a framework for evaluating Mondadori Group's effective management compared to the general market.

Based on the series of excellent results in terms of profitability (EBITDA +45% compared to pre-pandemic values) and the return to dividend distribution as of 2022, the TSR target for the All Share market rewarded Mondadori share only once (2017-2019 Plan).

This is due not only to the small relative size of the Group's capitalisation and the small number of shares traded on the market - a factor that exposes the Company to the risk of significant depreciation in the event of divestments by a few shareholders - but also to Mondadori's large exposure in such a large sector, which is strongly affected by large players linked to the performance of external factors (e.g., oil&gas, finance and credit, etc.).

Consequently, the Board of Directors, at the proposal of the Remuneration Committee, opted to use the Mid Cap Index as a reference, which considers companies whose capitalisation is closer to that of Mondadori and which includes fewer companies that operate in the sectors most exposed to global political and economic trends.

Moreover, as the size of the Group remains very small (the Company's capitalisation is less than 1% of the total capitalisation of the Index), even when compared to companies listed in the Mid Cap segment, it was considered fair, similarly to the other KPIs, to introduce a disbursement cap, albeit reduced to 50%, also when the results are below the Index performance (90%).

ESG objectives

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.

As of this year, the Company has decided to increase its commitment to non-financial topics, by setting tangible objectives for management, not only in the *Social* area, but also in the *Environmental* one, including also the achievement of environmental objectives and more relevant to the ESG index also from an economic point of view (relative weight up 15%) as a condition for the payment of long-term bonuses.

Therefore, the ESG 2023 index comprises 2 macro indicators:

- the *Impact Inclusion Index* (80%)
- the *Environmental Sustainability Index* (20%)

With respect to the **Impact Inclusion Index**, as of 2022, the Group has introduced a systemic approach to D&I (Diversity & Inclusion) topics 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 the Impact Inclusion Index, an ESG parameter tied to the achievement of specific strategic D&I objectives.

For the *2024-2026 Plan*, in line with the current strategy, Mondadori defined a new set of objectives capable of leading the Group, after an initial three-year period of commitment to the implementation of tangible ESG initiatives, to the achievement of the following targets:

- 1 - Obtaining the Gender Equality Certification** from *Bureau Veritas*, a leading certifying body, confirming the work carried out and Mondadori's desire to formalise its commitment, also vis-à-vis its stakeholders, to consider D&I values as fundamental elements of its business
- 2 - Continuing the improvement process** in terms of *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 achieved in these areas, the “**Impact Inclusion Index**” (total weight 80%), as defined from 2022, measures in summary form, the level of achievement of the defined objectives.

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

- **40%** for the indicator measuring the achievement and maintenance of the Gender Equality Certification by passing the audits scheduled over the three-year period on an annual basis;
- **20%** for the Equal Opportunities indicator measuring whether the percentage of women in managerial positions remains at or is above 35%;
- **20%** for the Pay Equity indicator measuring, after introducing the improvements required by the previous Plans, the further reduction in the gender remuneration gap for managerial positions (3% of the results achieved at the end of 2025).

With respect to the Environment, represented by the **Environmental Sustainability Index** (relative weight 20%), the Group plans to complete the environmental transition of 90% of its more than 40 locations (including points of sale) in Italy to renewable energy sources in the three-year period 2024-2025, thereby contributing to the more general decarbonisation process.

Finally, the weight of the ESG Indicator, as per the previous years' Policies, after an initial phase, has increased and levelled off at 15% of the variable remuneration of top management.

Area	Objective	Metrics	Index	Target
Program completion	Gender Equality Certification	Certification	40	Main Audits passed and Annual Surveillance
Equal opportunities	Increase in women in managerial positions	% women executives	20	% equal to or above 35%
Pay equity	Reduction of pay gap for managerial positions	Pay gap on comparable positions for junior and senior managers	20	3% improvement compared to the targets set in the 2023-2025 Plan
Environmental Sustainability	Transition of Italian locations to sustainable forms of energy supply	% of locations transitioned	20	Transition of 90% of locations
			100	

With respect to the first indicator, the target performance is achieved by obtaining *Bureau Veritas' Certification* in 2024 and if the control levels (“*surveillance*”) set by the plan for 2025 and 2026 are exceeded. The result may exceed 100% of the target in the event of a positive response, over the three-year period, to at least 50% of the proposals for further improvement formally made by the Certifying Body.

With respect to the Gender Balance and Pay Equity indicators, the index measures the achievement or exceeding of the set target, with a linear progression.

Finally, the Environmental Sustainability Indicator is considered fully achieved when the 90% target of the transition is achieved for the locations and can achieve 120%, with a linear progression, if the target is exceeded.

Therefore, the ESG index reflects the results achieved overall in the four areas; the bonus linked to the performance of the index may therefore vary proportionately from 0% (failure to achieve three targets) to 120% (targets exceeded in all areas).

Target and maximum LTI opportunities

The beneficiaries of the 2024-2026 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 not less than 11% of fixed remuneration).

In practice the weighting of long-term remuneration, in relation to fixed remuneration, for the 2021-2023 term of office, 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): 28% for target results and 34% 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 Regulation¹.

With regard to the 2024-2026 Performance Share Plan approved by the Board of Directors on 14 March 2024 upon the recommendation of the Remuneration & Appointments Committee of 29 February 2024, and subject to the approval of the Shareholders' Meeting of 24 April 2024, reference should be made to the description in the information document drawn up pursuant to art. 84-*bis* of the Issuers Regulation and available on the website www.gruppomondadori.it (Governance section).

In the case of projects of importance for strategic development that impact only a specific business area and have a duration of at least two years – for example but not limited to, extraordinary transactions, business restructuring/recovery/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 a fuel card. Key

¹ 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.

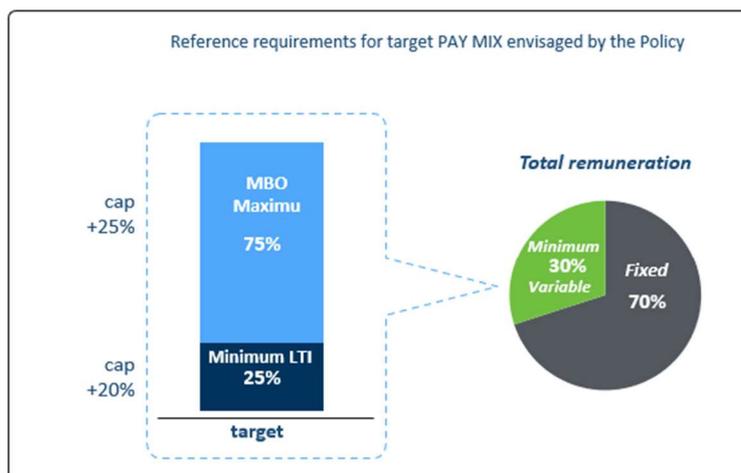
In the event of termination of the contract during the vesting period for good-leaver-related reasons, the Beneficiary retains the right to receive the bonus, for an amount determined on a *pro-rata temporis* basis at the date of cessation of the contract, without prejudice to attainment of the performance 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.

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.

A similar provision applies in relation to the MBO Deferral and Matching mechanism. In this respect, according to the Regulation, in the event of bad leaving, the loss of the right to the allocation of the shares already subject to conversion and of the matching benefit is confirmed, as well as the application of a penalty to the monetary disbursement of the deferred bonus percentage. On the other hand, in the event of good leaving, the rights to the allocation of the shares and the bonus share award are maintained on *pro-rata temporis basis*, without prejudice to any more favourable conditions approved, only with respect to good leaving, by the Board of Directors upon the proposal of the Remuneration & Appointments Committee.

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 2023

This section of the Report sets out key information on the application of the Policies described in Section I of the 2023 Report on the Remuneration Policy, approved by the Board of Directors, at the proposal of the Remuneration & Appointments Committee, on 16 March 2023 and approved by the Ordinary Shareholders' Meeting of 27 April 2023.

Part one includes:

- a focus on the degree to which objectives were achieved on the new 2023 short-term incentives Plan (MBO) and the 2021-2023 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 2023 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 2023 Remuneration Report reflected **90.2% of votes in favour**.

PART ONE - IMPLEMENTATION OF THE 2023 POLICY

During financial year 2023, 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 2023 MBO plan and the three-year incentive plan now under completion (2021-2023), 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:

- in the emerging comics market, acquisition of Grafiche Bovini, for the printing of comics, and control of Star Shop, a retail chain specialising in this sector

From the economic viewpoint, for the second year in a row, 2023 saw the return to a dividend payout and ended with:

- Net income of 63.7 million Euro, an improvement of 22% from 52.1 million Euro in 2022;
- EBITDA up by 14%, to 148.9 million Euro;
- Ordinary Cash Flow of 68.7 million Euro.

The table below summarises the trend of continuous improvement in the Company's results over the past five years.

	2019	2020	2021	2022	2023
Net income	28.2	4.5	44.2	52.1	63.7
<i>index</i>	100	16	157	185	226
EBITDA	102.9	84.6	91.1	130.7	148.9
<i>index</i>	100	82	89	127	145
Ordinary Cash Flow	48.4	51.2	68.8	59.7	68.7
<i>index</i>	100	106	142	123	142

1.a) SHORT-TERM INCENTIVE PLAN (2023 MBO)

In line with the 2023 Policy, also in 2023, the same *Group Performance Index*, which was introduced in 2022, was applied to all Group management, from Key Management Personnel to middle management. This is the first element in determining the amount of attributable bonuses and, therefore, is a strong link between *payout* and *company performance*. 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 2023, thanks to the excellent results achieved, the Group Performance Index was **120%**, higher than the expected targets, generating a proportionate increase in the overall payable bonus.

Group Performance Index			
Group indicator	Weight %	% Result	CEO Bonus impact
Group Consolidated EBITDA	75%	110%	120%
Group Ordinary Cash Flow	25%	113%	120%
Weighted co-efficient			120%

As per the approved mechanism, the index was **122%** for the CEO. Indeed, the over-performance cap was set at 140%.

Group Performance Index for CEO			
Group indicator	Weight %	% Result	CEO Bonus impact
Group Consolidated EBITDA	75%	110%	120%
Group Ordinary Cash Flow	25%	113%	126%
Weighted co-efficient			122% (cap 140%)

1.b) 2021-2023 PERFORMANCE SHARE PLAN

The following levels of attainment were achieved on the three-year objectives of the 2021-2023 Performance Share Plan:

Results achieved by the 2021-2023 Performance Share Plan			
Group Three-Year Objectives	Weight %	% Result	Bonus impact
Group cumulative Net Income	25%	134%	120%
Group cumulative EBITDA	25%	119%	119%
Group Ordinary Cash Flow	25%	117%	117%
TSR Mondadori share	25%	On (57.57% vs 16.65%)	100%
Weighted co-efficient			114%

The overall performance level achieved was **114% of the target** and reflects both the excellent performance of the economic-financial indicators and the TSR, which far exceeded the median of the FTSE MIB All Share, up 57.57% compared to the 16.65% target.

The overall number of attributable rights amounts to 729,331 shares, up 11% on the 659,000 shares originally assigned, but well within the threshold of the 1,023,731 shares allocated to the Plan and approved by the Shareholders' Meeting of April 2021.

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 2023 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 fixed annual fees* due to non-Executive Directors as members of the Board Committees (**Control & Risk Committee and Remuneration & Appointments Committee**), determined by the Board of Directors on 13 May 2021, on the proposal of the Remuneration & Appointments Committee and with the favourable opinion of the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code: the individual sums disbursed in 2023 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 2023, 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 2023 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: totalling 700,000 Euro, it includes the remuneration as an employee, the fees for the role and the annual consideration for the non-competition agreement;
- b) variable short-term component (MBO): the MBO for 2023 amounts to 544,608 Euro, equal to 136.2% of the target bonus. The planned objectives and attainment levels are set out below. As noted in point 1.a), the disbursed amount is the combined result of the trend of the Group performance index and the level of attainment of individual objectives.

2023 MBO system results - CEO				
Recalculation of target bonus on Group performance				
Target bonus				400,000
Bonus with Performance Index 122% (CEO cap 140%)				488,000
Individual performance indicators				
<i>Individual KPI</i>	<i>Weight %</i>	<i>% Target</i>	<i>Bonus result</i>	<i>Bonus</i>
Group net income	40%	112%	120%	234,240
Group revenues	30%	101%	102%	149,328
Strategic Project	30%		110%	161,040
Weighted individual co-efficient			115%	544,608

c) *variable long-term component (LTI)*: as described in point 1.b), the 2021-2023 Performance Share Plan produced an overall result equal to 114% of rights. The CEO Antonio Porro is one of the beneficiaries of the above plan with a theoretical assignment of 100% of the expected targets, equivalent to 131,234 rights. The number of rights that will actually be assigned based on the results achieved is 149,606, with a proportional increase of 18,372 rights with respect to the plan assignment (+14%).

C. Other Executive Directors

Chief Financial Officer, Alessandro Franzosi

The remuneration of the CFO Alessandro Franzosi for 2023 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)* In line with the Group's excellent results, summarised by the 120% level achieved by the Group performance index ("multiplier") and based on the level of achievement of individual targets, the CFO achieved an overall result of 125% of the target as a result of the cap application, accruing a bonus of 250,000 Euro compared to the 200,000 Euro theoretical variable remuneration target.

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

2023 MBO system results - CFO				
Recalculation of target bonus on Group performance				
Target bonus				200,000
Bonus with Performance Index 120% (cap 120%)				240,000
Individual performance indicators				
Individual KPI	Weight %	% Target	Bonus result	Bonus
Group net income	35%	112%	120%	100,800
Group revenues	15%	101%	102%	36,720
Strategic Project	30%		120%	86,400
Managed costs	20%	104%	104%	49,920
Weighted individual co-efficient			108%	273,840
				Cap 125% 250,000

c) *long-term variable component (LTI)*: As noted in point 1.b), the overall Plan result was 114% of the target, consequently the CFO is granted 112,205 shares compared with the 98,425 rights originally assigned.

The CFO is a beneficiary of the new 2024-2026 Performance Share Plan for 67,800 rights, subject to the adoption of the Plan by the Shareholders' Meeting which will be held on 24 April 2024.

D. Remuneration of Key Management Personnel

As a result of the organisational changes, at 31 December 2023, the Key Management Personnel was as follows:

Key Management Personnel (at 31/12/2023)	
Carlo MANDELLI	Managing Director of Mondadori Media Magazine Area and Group Strategic Development Manager
Carmine PERNA	Managing Director Retail Business Unit
Gian Luca PULVIRENTI	Managing Director Educational Books Business Unit
Daniele SACCO	Central Manager Human Resources, Organisation, Legal & Real Estate
Andrea SANTAGATA	Managing Director of Mondadori Media Digital and MarTech Area and Group Chief Innovation Officer
Enrico SELVA CODDE'	Managing Director 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 2023 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 2,196,032 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 an element regulating the bonuses to be disbursed, ensured a closer alignment of management's interests with those of the Shareholders. In 2023, Mondadori performed extremely well with a reference index of 120%.

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

2023 MBO system mean results - KMP			
<i>Individual performance indicators</i>			
<i>Individual KPI</i>	<i>Weight %</i>	<i>% Target</i>	<i>Bonus result</i>
BU EBITDA	32%	124%	119%
BU Ordinary Free Cash Flow	22%	184%	120%
BU Revenues	26%	101%	100%
Cost Management	15%	102%	103%
Labour Cost	40%	102%	104%

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 1,202,500 Euro, up slightly from 2022 (+17%), thanks to the better performance of the year.

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

Consistently with the performance result of 114% of the target, Key Management Personnel were granted a total of 322,900 shares, up 39,654 shares (+14%) than the overall number originally assigned.

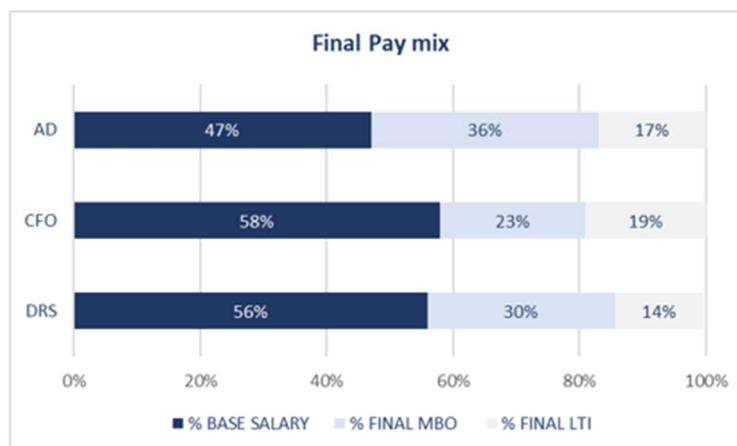
In 2023, the new 2023-2026 Performance Share Plan was launched. The plan provides for the total allocation of 281,796 rights to Key Management Personnel, subject to the adoption of the Plan by the Shareholders' Meeting which will be held on 24 April 2024.

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 2023 Policies, is illustrated below.

- The *overall variable component* with respect to total remuneration was 53% for the CEO, 42% for the CFO and 44% for the other Key Management Personnel.
- *Short-term variable remuneration* with respect to variable remuneration was 67% for the CEO, again due to the low LTI value for the reason described above, 56% for the CFO and 68% for the other Key Management Personnel.
- *Long-term variable remuneration (LTI)* with respect to variable remuneration was 33% for the CEO, as a beneficiary of Plans prior to his appointment, 44% for the CFO and 32% for the other Key Management Personnel, excluding, however, the Key Manager hired during the year.

The weighting and percentages of the fixed and variable components of theoretical remuneration for 2023 are amply aligned with the Policy parameters and individual remuneration complied with the minimum pay mix requirements indicated in the 2023 Remuneration Policy.



4 – Variation in remuneration and Company performance

The table below sets out, for the three years 2019-2023, the variation in:

- remuneration of the CEO, the Chair, the Directors, the members of the Board of Statutory Auditors;
- employee remuneration; company performance.

		2019	2020	2021	2022	2023
EMPLOYEES (Average Remuneration) %		48,173	48,486 0.6%	49,452 2.0%	49,913 0.9%	50,823- 1.8%
Marina Berlusconi, Chair %		515,000	515,000 0.0%	518,333 0.6%	520,000 0.3%	520,000 0%

Ernesto Mauri, Chief Executive Officer %	Until 27/04/2021	2,852,034	2,337,417 -18%	499,930 -78.6%		
ANTONIO PORRO, Chief Executive Officer %	From 27/4/2021			1,040,233	1,302,490 25.2%	1,531,258 -17.6%
ALESSANDRO FRANZOSI, Executive Director %	From 04/6/2020		426,411	859,759 101.6%	1,113,803 29.5%	1,068,703 -4.0%
PIERSILVIO BERLUSCONI, Director %		10,000	10,000	13,333 33.3%	15,000 15%	15,000 0%
ELENA BIFFI, Director %		32,000	32,000	60,333 88.5%	55,000 -8.3%	55,000 0%
VALENTINA CASELLA, Director %	From 27/4/2021			20,000	30,000 50%	30,000 0%
FRANCESCO CURRO', Director %		10,000	10,000	13,333 33.3%	15,000 15%	15,000 0%
ELISABETTA GALBIATI, Director %	From 27/4/2021			30,000	25,000 -16.7%	25,000 0%
DANILO PELLEGRINO, Director %		10,000	10,000	13,333 33.3%	15,000 15%	15,000 0%
ALCEO RAPAGNA, Director %	From 27/04/2021			23,333	35,000 52%	35,000 0%
ANGELO RENOLDI, Director %		78,000	78,000	104,000 33.3%	95,000 -8.6%	95,000 0%
CRISTINA ROSSELLO, Director %		57,000	57,000 0.0%	57,000 0.0%	55,000 -3.5%	55,000 0%

MONDADORI PERFORMANCE						
Net income (millions/€) %		33.1	4.7 -85.9%	44.2 843.0%	52.1 17.8%	63.7 22.3%
EBITDA (millions/€) %		87.0	49.1 -43.5%	91.1 85.6%	130.7 43.5%	148.9 13.9%

Key:

- the amounts shown refer to total remuneration (fixed component + 2023 annual variable component + fair value of the performance share plan vested in 2023). For "employees", the annual variable component disbursed in 2023 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 **CEO** Antonio Porro increased due to the weight of short-term variable remuneration (pay for performance), and the vesting of the first Performance Share Plan (2021-2023) attributed on the basis of the remuneration approved as CEO; in fact, until the previous year, the previous Plans, of much lower value, were still vested, as they were assigned in the previous role of BU manager.

On the other hand, the remuneration of the **CFO** decreased since, due to the good performance of the MBO, the first assigned Plan (2020-2022) was vested last year, which, because of its initial nature, had a value equal three times the ordinary value.

The remuneration of **non-Executive Directors** consists of fixed amounts approved by the Board of Directors.

Employee remuneration, which increased on average, was affected by the change to the consolidation scope following the consolidation of 4 new companies (Star Comics, Grafiche Bovini, Il Castello and Ali) whose employees had an average remuneration lower than Mondadori's and not yet integrated into the Group's policies.

Furthermore, in 2023, employee remuneration also includes the extraordinary disbursement of a **welfare bonus of 1,000 Euro**, which Mondadori decided to pay to all Group employees with dependent children and 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.

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) End 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	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	20,000.00 a) 500,000.00 b)						520,000.00		
Porro Antonio	Chief Executive Officer	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	115,000.00 a)b) 400,000.00 c)		544,608.00		6,547.27	200,000.00 i)	1,266,155.27	381,633.12	
Franzosi Alessandro	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a) 400,000.00 c)		250,000.00		4,875.83	200,000.00 i)	869,875.83	286,224.84	
Berlusconi Pier Silvio	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)						15,000.00		
Biffi Elena	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)	20,000.00 e) 20,000.00 f)					55,000.00		
Casella Valentina	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)					10,000.00 o)	25,000.00		
Curro Francesco	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)						15,000.00		
Galbiati Paola Elisabetta	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)	10,000.00 f)					25,000.00		
Pellegrino Danilo	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)						15,000.00		
Rapagna Alceo	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)	20,000.00 g)					35,000.00		
Renoldi Angelo	Director	01/01/2023 - 31/12/2023	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)	90,000.00		
Rossello Cristina	Director	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	15,000.00 a)	20,000.00 e) 20,000.00 g)					40,000.00		
Fornasiero Sara	Chair of the Board of Statutory Auditors	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	60,000.00 a)					25,000.00 i)	85,000.00		
Minutillo Flavia Daunia	Standing Statutory Auditor	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	40,000.00 a)						40,000.00		
Simonelli Ezio	Standing Statutory Auditor	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	40,000.00 a)						40,000.00		
Key Management Personnel	4 (m)	01/01/2023 - 31/12/2023		1,501,000.04 c)		762,500.00		15,250.13		2,278,750.17	583,208.05	
(I) Remuneration from the company that prepares the financial statements				3,226,000.04	170,000.00	1,557,108.00	0.00	26,673.23	455,000.00	5,414,781.27	1,251,066.01	0.00
Resca Mario	Chair of the Board of Directors of Mondadori Retail S.p.A.	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	120,000.00 a)						120,000.00		
Minutillo Flavia Daunia	Standing Auditor of Rizzoli Education S.p.A.	01/01/2023 - 31/12/2024	Approval of 2024 Financial Statements	9,000.00 a)						9,000.00		
Simonelli Ezio	Standing auditor of Mondadori Scienza S.p.A.	01/01/2023 - 31/12/2023	Approval of 2023 Financial Statements	10,000.00 a)						10,000.00		
Key Management Personnel	2 (m)	01/01/2023 - 31/12/2023		695,031.79 c)		440,000.00		7,396.55		1,142,428.34	379,822.81	
(II) Remuneration from subsidiaries and affiliates				834,031.79	0.00	440,000.00	0.00	7,396.55	0.00	1,281,428.34	379,822.81	0.00
(III) Total				4,060,031.83	170,000.00	1,997,108.00	0.00	34,069.78	455,000.00	6,696,209.61	1,630,888.82	0.00

DESCRIPTION OF COLUMNS

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

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

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

In the column "Profit sharing", the amount is indicated on an accrual basis, even though the financial statements and appropriation of profit have not yet been approved. The column "Non-monetary benefits" shows the value of fringe benefits (on a taxable basis) including any insurance policies and supplementary pension funds.

The column "Other remuneration" separately lists on an accrual basis any other remuneration arising from other services provided. A footnote provides information on any loans, advances or indemnities that have been granted by the company or its subsidiaries to the 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, subdividing 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 & Oversight Body; l) non-competition agreement for 2023; o) remuneration for Lead Independent Director

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

COLUMN (B): m) number of Key Managers in office at 31/12/2023

TABLE 3A 2023: 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 allocated in previous years that did not vest during the year	Financial instruments allocated during the year							Financial instruments vested during the year but not assigned	Financial instruments vested during the year and assignable		Financial instruments pertaining to the financial year
A	B	(1)	(2)	(3)	(4)	(5) (a)	(6)	(7)	(8)	(9)	(10)	(11)	(12) (b)
Name and Surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at assignment date	Vesting period	Assignment date	Market price on assignment	Number and type of financial instruments	Number and type of financial instruments	Value at the vesting date	Fair Value
ANTONIO PORRO	CHIEF EXEC. OFFICER												
(I) Remuneration from the company that prepares the financial statements		2021-2023 Performance Share Plan (shareholder resolution 18 April 2021)				-					149,606	320,906	265,102
		Performance Share Plan 2022 – 2024 (shareholder resolution 28 April 2022)	99,552	1 January 2022 / 31 December 2024									54,687
		Plan of Performance Shares 2023 – 2025 (shareholder resolution 27 April 2023)			107,181	185,530.55	1 January 2023 / 31 December 2025	01-June-23	1.87				61,844
(II) Remuneration from subsidiaries and affiliates		Plan (date of relevant resolution)											
(III) Total			99,552		107,181						149,606	320,906	381,633
ALESSANDRO FRANZOSI	DIRECTOR												
(I) Remuneration from the company that prepares the financial statements		2021-2023 Performance Share Plan (shareholder resolution 18 April 2021)									112,205	240,679	198,827
		Performance Share Plan 2022 – 2024 (shareholder resolution 28 April 2022)	74,664	1 January 2022 / 31 December 2024									41,015
		Plan of Performance Shares 2023 – 2025 (shareholder resolution 27 April 2023)			80,386	139,148	1 January 2023 / 31 December 2025	01-June-23	1.87				46,383
(II) Remuneration from subsidiaries and affiliates		Plan (date of relevant resolution)											
(III) Total			74,664			139,148						240,679	286,225

KEY MANAGEMENT PERSONNEL													
(I) Remuneration from the company that prepares the financial statements	2021-2023 Performance Share Plan (shareholder resolution 18 April 2021)										322,900	692,621	572,179
	2022-2024 Performance Share Plan (shareholder resolution 28 April 2022)	248,050	1 January 2022 / 31 December 2024										136,262
	2023-2025 Performance Share Plan (shareholder resolution 27 April 2023)			441,229	763,767	1 January 2023 / 31 December 2025	01-June-23	1.87					254,589
(II) Remuneration from subsidiaries and affiliates	Plan (date of relevant resolution)												
(III) Total		248,050			763,767							692,621	963,031

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 and not vested during the year, indicating the vesting period;
- the financial instruments assigned during the year, indicating the fair value at the assignment date (1), the vesting period, the assignment date and the market price at assignment;
- financial instruments vested during the year and not allocated;
- financial instruments vested during the year and allocatable, indicating the value on the vesting date;
- the fair value of financial instruments pertaining to the year.

The vesting period is the period 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 non-vested financial instruments held at the beginning of the financial year, indicating average maturity;
- the total number of financial instruments assigned at the beginning of the financial year, indicating the total fair value, average maturity and average market price at 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 allocatable, indicating the total market value;
- the total fair value of financial instruments pertaining to the year.

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

(b) the fair value of financial instruments pertaining to the financial year is calculated on the basis of the amount in column 5 and is related to the value attributable to the year based on the duration of the Plan (in this case, 1/3 of the total value) (*) = assignments reduced after the Covid-19 reviews

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.	198,715	49,724	-	248,439
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	192,680	-	212,680
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.	795,644*	182,320**	124,418	853,546

NOTES

* Number of shares held by Key Management Personnel in office at 31 December 2022.

** Number of shares assigned by the Company to Key Management Personnel with reference to the 2020-2022 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:

- held at the end of the previous financial year;
- bought back during the financial year under review;
- sold during the financial year under review;
- held at the end of the financial year under review.

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.