

MONDADORI

Arnoldo Mondadori Editore SpA

Via Bianca di Savoia 12 - Milan

Share capital €64,079,168.40 (fully paid up)

Registered as a company in Milan 07012130584

www.mondadori.com

REMUNERATION REPORT

(prepared pursuant to artt. 123 *ter* of Legislative Decree. n. 58/1998 and 84 *quater* of Consob Regulations 11971/1999)

CONTENTS

| | |
|--|-----------|
| Introduction | 1 |
| SECTION I..... | 3 |
| a) <i>The bodies or persons involved in the preparation and approval of the remuneration policy, their respective roles, and the bodies or persons responsible for the proper implementation of the policy.....</i> | <i>3</i> |
| b) <i>Composition, powers and mode of operation of the Remuneration Committee</i> | <i>3</i> |
| c) <i>Independent experts involved in the preparation of the remuneration policy</i> | <i>5</i> |
| d) <i>The aims of the remuneration policy and its underlying principles.....</i> | <i>5</i> |
| e) <i>A description of policies regarding fixed and variable components of remuneration, with particular attention to the relative weighting of the total remuneration package and distinguishing between short-and medium-long term variable components</i> | <i>6</i> |
| f) <i>The policy with regard to non-monetary benefits.....</i> | <i>9</i> |
| g) <i>A description of the performance objectives under which variable components are assigned, distinguishing between short and medium term variable components, and information regarding the link between variations in results and the variation of remuneration</i> | <i>9</i> |
| h) <i>The criteria used for the evaluation of performance targets underlying the allocation of shares, options, other financial instruments or other variable components</i> | <i>10</i> |
| i) <i>Information designed to highlight the consistency of the remuneration policy with the pursuit of the long-term interests of the company and the risk management policy, where relevant.....</i> | <i>10</i> |
| j) <i>The terms of vesting (vesting period), any system of deferred payment and periods of deferment, and the criteria used for the determination of such periods and, if relevant, ex post correction mechanisms</i> | <i>10</i> |
| k) <i>Information on the possibility of introducing provisions for the maintenance of financial instruments in the portfolio after acquisition, the periods of maintenance and the criteria used for the determination of such periods.....</i> | <i>11</i> |
| l) <i>The policy to be adopted in the event of resignation or termination of employment, specifying the circumstances under which rights accrue and the possible link between such and the performance of the company.....</i> | <i>11</i> |
| m) <i>The remuneration policy with regard to: (i) independent directors, (ii) participation in committees, and (iii) the performance of particular roles (chairman, deputy chairman, etc.)</i> | <i>12</i> |
| n) <i>The remuneration policy with regard to: (i) independent directors, (ii) participation in committees, and (iii) the performance of particular roles (chairman, deputy chairman, etc.)</i> | <i>12</i> |
| o) <i>If the remuneration policy is defined using the compensation policies of other companies as a reference, and, if so, the criteria used selecting such companies.....</i> | <i>12</i> |
| SECTION II | 13 |
| PART I - ITEMS THAT MAKE UP REMUNERATION | 13 |
| Remuneration of Directors..... | 13 |
| Remuneration of executives with strategic responsibilities..... | 14 |
| Compensation for early termination | 17 |
| Effects of termination on rights granted under incentive plans based on financial instruments or to be paid in cash | 17 |
| Information on Stock Option Plans..... | 19 |
| PART II - ANALYTICAL REPRESENTATION OF COMPENSATION PAID DURING THE PERIOD ... | 21 |

| | |
|--|-----------|
| TABLES | 21 |
| <i>Outline 7-a: Report on remuneration</i> | |
| TABLE 1: Compensation paid to members of corporate management and control boards and other executive personnel | 22 |
| TABLE 2: Stock options granted to members of the board of directors and other executives.. | 24 |
| TABLE 3B: Monetary incentive plans for members of the board of directors and executives with strategic responsibilities..... | 27 |
| <i>Outline 7-b: An outline of the information on holdings of members of corporate management and control boards and other key executive personnel.</i> | |
| Table 1: Holdings of members of corporate management and control boards..... | 29 |
| Table 2: Holdings of other executives..... | 29 |
| Proposed resolution (Art. 123-ter, para. 6, of Legislative Decree 58/1998) | 30 |

Introduction

This "Remuneration Report" (hereinafter also the "Report"), in accordance with Art. 123 *ter* of Legislative Decree no. 58/1998 and art. 84 *quater* of Consob Regulation 11971/1999, and subsequent modifications (hereinafter the "Issuers' Regulations"), provides information on the remuneration policies relating to members of the board of directors and executives with strategic responsibilities adopted by Arnoldo Mondadori Editore SpA.

Pursuant to regulatory provisions, the report consists of two sections, prepared in accordance with Annex 3A, Schedule 7 *bis* of the Issuers' Regulations.

The first section details:

- a) the principles and aims of the Company's policy on the remuneration of directors and executives, with reference at least to 2013. Such principles are essential unchanged from those adopted by the board in March 2012 for the year 2012.
- b) the procedures for the adoption and implementation of this policy.

The second section, concerning the compensation for directors and statutory auditors and, in aggregate, the compensation of executives with strategic responsibilities, provides, also in tabular form, a representation of each of the items that make up remuneration packages and analytically outlines the compensation paid during in 2012, for any reason and in any form, by the company and its subsidiaries or affiliates, indicating the possible components of such any related to activities undertaken in previous years and highlighting any compensation to be paid in one or more subsequent years relating to activities carried out during the period of reference.

As proposed by the Remuneration Committee, the report was approved by the board of directors on 20 March 2013.

The first section of the report is subject to a non-binding resolution of the Annual General Meeting called for 23 April 2013 (24 April on second call) to

approve the Annual Report for the year to 31 December 2012.

Pursuant to Art. 123 *ter* of Legislative Decree no. 58/1998 the Report was made available to the public at the company's registered office, Borsa Italiana SpA and on the web site www.mondadori.it from 28 March 2013.

In accordance with the provisions of Consob Regulation n. 17221 of 12 March 2010 with regard to transactions with related parties, as included in the relevant procedures approved by the board of directors, the adoption and definition of the company's remuneration policy was completed with the involvement, as outlined below, of the Remuneration Committee, comprising a majority of independent directors and the presentation of the Report to the shareholders for an advisory vote, exempting the deliberations regarding the remuneration of directors and executives from the application of procedures foreseen by the abovementioned Consob provisions regarding related parties.

SECTION I

a) The bodies or persons involved in the preparation and approval of the remuneration policy, their respective roles, and the bodies or persons responsible for the proper implementation of the policy.

The remuneration policy is approved and defined by the board of directors on the basis of proposals by the Remuneration Committee, established by the board, with powers and operational guidelines that are outlined in b) below.

The definition and implementation of remuneration policy, concerning the compensation of executives directors and executives with strategic responsibilities, in accordance with the principles and guidelines established by the board of directors, is the responsibility of the board of directors itself, with the support of the Department of Human Resources, Organisation and Operations.

The Director of the Department of Human Resources, Organisation and Operations reports to the Remuneration Committee, at least annually, or at least within the term of the reporting period, on the effective implementation of the remuneration policy.

The Remuneration Committee, in response to the abovementioned report, monitors and verifies the consistency of implementation procedures with respect to the principles defined, and reports to the board of directors.

b) Composition, powers and mode of operation of the Remuneration Committee.

The board of directors has established an internal "Remuneration Committee", with investigative and advisory functions.

The Remuneration Committee currently consists of 3 non-executive directors - who do not hold individual powers or executive positions in the company or companies of the group - the majority is independent, as identified by the board of directors in line with the provisions of Art. 148 of

the Single Finance Act and the Code of Conduct published by Borsa Italiana SpA

The committee is made up as follows:

- Marco Spadacini - Chairman, non-executive and independent director,
- Bruno Ermolli - Non-executive director,
- Carlo Sangalli - Non-executive and independent director.

Unless otherwise resolved, members of the Remuneration Committee will remain in office until the end of the mandate of directors, in other words until the AGM called to approve the Annual Report for the year to 31 December 2014.

The powers of the Remuneration Committee are:

- To provide advice and suggestions to the board of directors regarding the remuneration policy for directors and executives with strategic responsibilities and periodic checks, in conjunction with the Human Resources Department, on the consistency of implementation with respect to the principles defined by the policy framework, and duly reporting its findings to the board of directors;
- To make proposals to the board of directors regarding the remuneration of directors holding particular positions (e.g. chairman, CEO, directors and board members with powers and directors who are members of committees);
- Presentation to the board of directors of the initiatives undertaken by the committee for the identification and definition of corporate guidelines in terms of loyalty and management incentives;
- To make proposals on the implementation of stock option plans established by the shareholders pursuant to art. 114 *bis* of Legislative Decree 58/1998 and outlined in Section II of this Report.

In carrying out its duties, the Remuneration Committee has access to all the information and functions necessary.

In terms of the operational approach, subject to specific regulations, the members of the committee shall meet and act jointly whenever the

chairman deems it necessary or on the request of either of the other two members.

The committee votes on the basis of a simple majority and its deliberations are presented in the minutes signed by all members attending the meeting and the chairman of the board of statutory auditors who attends meetings without voting rights.

c) Independent experts involved in the preparation of the remuneration policy.

The remuneration policy has been defined, as specified above, with the support and advice of the Remuneration Committee, consisting of a majority of independent non-executive directors, with consolidated professional experience in the sector.

No independent experts were involved, other than the members of the committee, in the preparation of the remuneration policy.

d) The aims of the remuneration policy and its underlying principles.

In general terms the remuneration policy is defined in order to attract, motivate and retain individuals with the professional skills necessary to ensure the achievement of the main objective of creating sustainable value for the company and the group in the medium-long term.

To this end, it identifies the maintenance of a strong correlation between pay and performance, as the focus for the alignment of the interests of shareholders and those of management.

It follows that a significant part of the total remuneration of directors and executives is linked to the achievement of specific objectives, defined with particular attention to performance at the consolidated level and in specific business areas or business functions, both in the short and medium to long term.

Consistent with the general aims outlined above, the remuneration policy is based on the following principles:

- an appropriate balance between the fixed and variable components on the basis of the company's strategic objectives and risk management policy, also taking into account the business sector and the characteristics of the activity actually performed;
- establishing limits for the variable components;
- the definition and metrics of performance objectives related to the variable components;
- the deferred payment of a significant portion of the variable component based on long-term plans for adequate period of time after maturation.

e) A description of policies regarding fixed and variable components of remuneration, with particular attention to the relative weighting of the total remuneration package and distinguishing between short-and medium-long term variable components.

The remuneration policy is structured according to different principles and procedures relating to the fixed and variable components for both the short and medium-long term in relation to different types of recipients.

In particular:

A) Non-executive directors

Non-executive directors are identified as not holding individual powers or management positions in the company, group companies or at the parent company if the office also relates to the company.

Non-executive directors are entitled to a fixed compensation determined by the shareholders on appointment.

The board of directors may determine, on the basis of a proposal by the Remuneration Committee and with the approval of the board of statutory auditors, additional fixed compensation in connection with activities related to participation in committees established by the board of directors.

The underlying principle behind this choice is the attribution of a fixed fee for non-executive members of the board of directors.

The remuneration of non-executive directors is not linked to the results achieved by the company or the consolidated results or any other performance objectives.

B) Directors holding particular offices in compliance with the Articles of Association: Chairman/Chief executive

The remuneration of directors with special powers is determined by the board of directors in accordance with the specific proposals of the Remuneration Committee with the approval of the Board of Statutory Auditors.

C) Executives with strategic responsibilities

In accordance also with the notes referred to in the Rules relating to transactions with related parties n. 17221 of 12 March 2010, based on the international accounting standard IAS 24, executives with strategic responsibilities are identified as those with the power and responsibility, directly or indirectly, for planning, directing and controlling activities of the company, including directors of the company.

Consequently, executives with strategic responsibilities are identified with the executive directors, as directors with individual powers of management or executive positions in the company, the directors of the business areas in which the Mondadori Group operates, and the heads of corporate functions.

The compensation package for executives with strategic responsibilities, in line with the associated responsibilities deriving from the exercise of operational powers in the management of the company, is generally made up of the following elements:

i) a fixed annual component;

ii) a variable annual component (MBO);

iii) a variable component for the medium to long term (LTI).

i) the *fixed component* can consist of the basic salary and other forms of non-variable remuneration, and has a weighting that may not exceed 70% of total compensation. The scale of the fixed component is related to the

size of the business managed and capacity to contribute to the group's consolidated results;

ii) the *annual variable component* (MBO) is payable on the achievement of predetermined objectives related to annual quantitative performance indicators at both the consolidated and individual business or central function level;

iii) the *variable medium to long term* (LTI) component is made up of a special cash-based bonus payable only at the end of a multi-year reference period and on the achievement of financial objectives, related to both consolidated and individual business areas and functions in the medium and long term.

The combination of annual and medium term variable components is a variable sum, generally not less than 30% of total annual remuneration.

Compared to the 100% of variable remuneration, the weight of the medium and long-term performance-related component will have an impact on an annual basis of not less than 25%.

Compensation plans based on financial instruments

In connection with any future compensation plans based on the allocation of financial instruments, to be approved by shareholders pursuant to art. 114 *bis* of the Legislative Decree 58/1998 and subject, when adopted to specific information being given to the market in accordance with current provisions, the details and the application procedures are defined by the Board of Directors with the support, advice and suggestions of the Remuneration Committee, in line with the risk profile of the company and with reference to general principles of:

(I) the consolidation of the process of creating sustainable value for the company and the group in the medium-long term, and the provision of incentives and loyalty of management by defining the duration and multi-year vesting, (ii) the allocation or exercisability of financial instruments conditional on the achievement of predefined and measurable corporate and/or market performance objectives, (iii) restrictions on the recipients remaining with the company.

With respect to stock option plans previously established by the Shareholders, for which residual exercise periods are still underway, please refer to the description and the relevant table in Section II of the Remuneration Report, hereinafter referred to, and the documents published under Article. 84 *bis* of Consob Regulation 11971/1999 and available on the site www.mondadori.it - Governance section.

f) The policy with regard to non-monetary benefits

Members of the board of directors and executives with strategic responsibilities, are not entitled to “fringe benefits” paid by the company, with the exception of with supplementary medical insurance, with respect to compulsory insurance under collective agreements, for executives with strategic responsibilities.

g) A description of the performance objectives under which variable components are assigned, distinguishing between short and medium term variable components, and information regarding the link between variations in results and the variation of remuneration

As indicated above, the annual variable component (MBO) is attainable only on the achievement of predetermined objectives related to both the annual performance of the group and individual goals linked to the performance of specific business areas or central functions.

The remuneration linked to the annual MBO provides for a minimum attainment threshold of 95% of the target and a maximum of 110% when the target is overtaken.

The *medium to long term (LTI) variable component* is made up of a special bonus commensurate with: a) the continuity of business/function performance in the multi-year period of reference; b) the creation of value for the company at the end of the period of reference. Failure to meet one of the two targets will result in the loss, with an on-off mechanism, of 50% of the bonus. Given that such remuneration elements are aimed at the retention of the most strategic roles in the interest of the good governance of the company over the medium term, a final evaluation of the results is only possible at the end of the entire period of reference and the

termination of employment during the allocation period will result in the automatic loss of rights to such bonuses.

h) The criteria used for the evaluation of performance targets underlying the allocation of shares, options, other financial instruments or other variable components

The definition of the underlying target levels for *annual objectives (MBO)* and, consequently, the continuity of business/function performance in the LTI, is generally related to the achievement of business and financial performance objectives established in the budget by the board of directors. The comparison of final results with the objectives assigned determines how much of the variable component of remuneration is payable.

In the case of verification of the value created for the company over the medium to long term, the basis for 50% of *Long-Term Incentives (LTI)*, the achievement of the performance objectives is determined by the attainment, at the end of the period of reference, of a predefined threshold of improvement on the figures recorded at the end of the year preceding the first year of the period of reference.

Plans for the allocation of financial instruments foresee that the exercise of options granted be subject to the achievement of predetermined business and financial performance targets outlined in the budget and determined by the board of directors on the basis of proposals by the Remuneration Committee. Evaluation of the attainment of such objectives, and the consequent right to exercise options, is made by the board of directors.

i) Information designed to highlight the consistency of the remuneration policy with the pursuit of the long-term interests of the company and the risk management policy, where relevant

Please refer to the measures outlined above.

j) The terms of vesting (vesting period), any system of deferred payment and periods of deferment, and the criteria used for the determination of such periods and, if relevant, ex post correction mechanisms

The payment of variable remuneration components of the monetary type linked to medium-to long-term (LTI) performance targets foresees the verification of entitlement to payment only at the end of the final year of the period of reference. Consistent with the principles referred to in point d), relating to the portion related to the maintenance of continuity in business/function performance, the attainment of objectives in a single year will not, in itself, result in any to any payment as any sums due are deferred to the end of the period of reference and conditional on the achievement of objectives for all the years in the period of reference.

With regard to any compensation plans based on the allocation of financial instruments, a multi-year vesting period is foreseen, subject to the attainment of predetermined performance indicators, and a possibility to exercise rights limited to a specific period after the expiry of the vesting period.

k) Information on the possibility of introducing provisions for the maintenance of financial instruments in the portfolio after acquisition, the periods of maintenance and the criteria used for the determination of such periods

The principles applied to stock option plans previously established by the Shareholders, currently in place in terms of periods of exercise, do not contain provisions for keeping in the portfolio financial instruments after vesting upon the exercise of options granted, having been considered suitable for the purpose of providing incentives, building loyalty and creating value, the establishment of a three-year vesting period following the allocation of such options.

l) The policy to be adopted in the event of resignation or termination of employment, specifying the circumstances under which rights accrue and the possible link between such and the performance of the company

The policy to be adopted in the event of resignation or termination of employment relationship does not differ from the collective bargaining

provisions of reference, and does not foresee the payment of indemnities in the cases outlined above.

m) Information on non-mandatory insurance or social security or pension provisions

Please refer to paragraph f) above.

n) The remuneration policy with regard to: (i) independent directors, (ii) participation in committees, and (iii) the performance of particular roles (chairman, deputy chairman, etc.)

There are no specific principles in terms of remuneration for independent directors taken individually.

With regard to the principles applicable in relation to the participation in the committees of the board of directors and the performance of specific duties within the board of directors, please refer to paragraph e) above.

o) If the remuneration policy is defined using the compensation policies of other companies as a reference, and, if so, the criteria used selecting such companies

In the definition of these policies, no specific reference has been made to the remuneration policies of other companies.

In general terms, the total remuneration of executives with strategic responsibilities is defined with regard to a series of factors including, in addition to the scale of the business and the capacity to contribute to results, job performance and comparability with internal pay levels, as well as the relationship to benchmark compensation levels in the market at companies of similar size.

SECTION II

PART I - ITEMS THAT MAKE UP REMUNERATION

Compensation paid during 2012 to members of corporate boards and control bodies and executives with strategic responsibilities is outlined in accordance with the principles and objectives set out in Section 1 relating to the policy on remuneration, distinguishing between fixed and variable components over the short and medium-long term and in relation to different types of recipients.

For more detailed information, please refer to figures in tables 1 and 3B.

Remuneration of Directors

Non-executive directors

In 2012, in line with the procedures outlined in the policies:

- the ordinary shareholders' meeting of 19 April 2012, with the appointment of the Board of Directors for the three years 2012/2013/2014, determined the fixed annual remuneration of directors, including non-executive directors.

In particular, the Shareholders determined a fixed annual fixed sum, in equal measure, to all Directors, with an additional 50% for the chairman.

The individual amounts approved are in line with those paid for the previous three-year period of office of the Board of Directors.

- the Board of Directors resolved, on the proposal of the Remuneration Committee and with the approval of the Board of Statutory Auditors pursuant to art. 2389 of the Civil Code, additional annual fixed sums for activities related to the participation of non-executive directors on committees set up by the Board of Directors.

The remuneration of non-executive directors is not linked to the business performance achieved by the company, or to consolidated results or any performance objectives in general.

- Directors with special positions in accordance with the Articles of Association: Chairman / Deputy Chairman and Chief Executive

During 2012:

- the Board of Directors has determined, in accordance with a specific proposal by the Remuneration Committee and with the approval of the

Board of Statutory Auditors, the remuneration of directors with particular positions such as the Chairman and Deputy Chairman and Chief Executive, in addition to the other fixed and variable components regarding the Chief Executive as proposed by the Remuneration Committee.

Such compensation did not increase compared to previous years.

Remuneration of executives with strategic responsibilities

Executives with strategic responsibilities are identified, as indicated in Section I, as the heads of the business areas in which the Mondadori Group operates and the heads of corporate functions.

As of 31 December 2012, executives with strategic responsibilities were:

| | |
|-----------------------|---|
| Riccardo Cavallero | - General Manager, Trade Books, |
| Rossella Citterio | - Director of Communications and External Relations, |
| Stefano De Alessandri | - Managing Director, Monradio Srl, Chairman and Managing Director, Mondadori International Business Srl |
| Carlo Mandelli | - Head of the Magazine Area, Italy |
| Ernesto Mauri | - General Manager of the Magazine Area. Chairman, Mondadori France SAS, |
| Antonio Porro | - General Manager, Educational Books, |
| Renato Rodenghi | - General Manager, Direct, |
| Angelo Sajeva | - Chairman and Chief Executive, Mondadori Pubblicità SpA, |
| Enrico Selva Coddé | - Director of Human Resources, Information Systems and Operations, |

It should be noted that Vittorio Veltroni - General Manager, Digital, left the company on 31 March 2012.

Also included among the executives with strategic responsibilities are the executive directors:

Maurizio Costa - Deputy Chairman and Chief Executive,
Roberto Briglia - Chief Content Officer (until 31 December 2012),
Carlo Maria Vismara - Chief Financial Officer.

The compensation package for executives with strategic responsibilities, consists of the following elements:

- (i) *a fixed component* consisting of basic salary and other non-variable monetary components, during 2012 no changes were made to the sums paid in this category;
- (ii) *an annual variable component* (MBO) to be paid on the basis of attainment of annual budget targets. In line with company policy, the component related to annual MBO in 2012 had an applicable range of a minimum 95% of the target and a maximum of 110% when the target is overtaken. In 2012, in accordance with normal praxis, the objectives were based on both consolidated results (40%) and the performance of the specific business area or function (60%). Annual MBO bonuses for the attainment of 100% of the targets remained unchanged from the previous year.

Following the publication of the final results for 2012, and in line with business performance and market trends, there was a reduction in the sums payable for MBO bonuses of 53% compared with 2011.

- (iii) *a medium to long-term (LTI) variable component* is represented by a Long Term Incentive Plan, to be paid in cash, defined in 2010 and covering the three-year period 2010-2012. For 2 executives, the Incentive Plan was defined in 2010 and refers to the three-year period 2011-2013.

The payment of bonuses for both plans is dependent on the results obtained with regard to the following specific objectives: a) individual performance targets, accruing annually but payable only if reached in each of the three years; b) the achievement, as of 31 December 2012, of a predetermined percentage increase in the group's consolidated EBITDA, compared with that as of 31 December 2009; a corresponding target, obviously, also applies to the 2011-2013 plan.

On the basis of an "on-off" mechanism, each of the two targets accounts for 50% of the bonus. Resignation or termination of

employment during the period will result in the automatic loss of rights to any payment.

At the end of the period of reference, the Long Term Incentive Plan is payable only up to 50% of the total.

In particular, for the Plan for 2010-12, the payable component, as Indicated above a), is subject to the achievement of individual performance, accrued annually and payable only if met in each year of the three-year period; meanwhile, sums are not payable as a result of: non-achievement of the increase in Consolidated EBITDA of the Group at 31 December 2012 compared with 31 December 2009, as indicated above in b).

The sums of the Plan that qualify as payable or non-payable, as outlined above, are shown in detail in Table 3B, named for directors and in aggregate form for other key executive beneficiaries.

The fixed and variable components of the remuneration described above are in line, especially in terms of "impact" with respect to total compensation, compared with the parameters specified in the policy, also making a distinction between short and medium-long term variable components.

Specifically, the fixed component, comprising a basic salary and other forms of non-variable remuneration, represents on average about 56% of total remuneration (compared to a percentage of the fixed component that is never more than 70% of the total remuneration as defined by the policy). As a result, the combination of variable annual and medium-term components outlined above represents 44% of the total annual compensation (compared with a percentage weighting of the variable components of not less than 30% of the total annual remuneration as defined by the policy).

Compared with 100% of the variable remuneration, the weighting linked to medium-long performance term has an annual impact of not less than 36% (compared with a proportion, on an annual basis, of the medium-long term component that is not less than 25% of the total variable remuneration as defined by the policy).

On 1 January 2013, conditions matured for the payment to the deputy chairman and chief executive, Maurizio Costa of a previous long-term

incentive, related to performance goals for each year in the three-year period 2007-2008-2009, with payment, being subject to additional conditions, deferred to 2013 and subject to the continuation of his contract to 1 January 2013.

Compensation for early termination

There are no agreements that provide for compensation for early termination, nor agreements involving the granting or the maintenance of non-monetary benefits for directors or executives who have resigned their strategic position, nor for any consultancy contracts for a period following termination.

The accrued severance pay shall be determined solely in accordance with applicable legal provisions or relevant collective agreements.

The severance indemnity, to 31 December 2012, awarded to the executive director Roberto Briglia, shown in Table 1, was defined in accordance with the provisions of the Collective Labour Agreement for Journalists - position of editor, applicable to cases of early termination on the basis of seniority and role.

The total amount is also lower than the maximum payable under the abovementioned criteria, also taking account of the amount shown in the table as a non-competition commitment for a period of one year.

Similarly, the indemnity paid to the executive Vittorio Veltroni, following in front the termination of his contract, on 31 March 2012, was calculated in accordance with the provisions of the Italian national Collective Bargaining Agreement for Managers.

Effects of termination on rights granted under incentive plans based on financial instruments or to be paid in cash

With regard to the incentive plans to be paid in cash, termination, for whatever reason, involves, in line with the objectives of loyalty and value creation, the loss of the right to payment, even partial, of such sums.

Regarding options granted under the Stock Option Plan established by the shareholders and outlined below, the effects of termination, with regard to the exercise of options for which the conditions ("Options exercisable") have been verified, as per regulation of the plans approved by the board of

directors, is organised as follows:

- the effects of termination of employment of participants of the Stock Option Plan are as follows:

- in case of retirement or the expiry of the fixed-term employment contract during the period of validity of the Plan, the participant shall retain the right to exercise, in the exercise period, with the added possibility of anticipating the exercisable options to the retirement date;
- in the case of the death of the participant, the above provisions will apply to the legal heirs;
- in the event of termination of employment by voluntary resignation or dismissal for just cause or justified subjective reason, the participant will lose all rights, with the result that all un-exercised "exercisable options" awarded under the Plan will be immediately and automatically extinguished, without any right of indemnity or compensation of any kind;
- in the event of termination of employment for reasons other than those referred to in the preceding paragraphs, the board of directors may determine applicable solutions regarding exercisable options on a case-by-case basis.

- the effects of termination of office, if the participant is a director of the company or a subsidiary, pursuant to art. 2359 of the Civil Code, of Arnoldo Mondadori Editore SpA, are as follows:

- (i) if a director ceases to hold office as a result of resignation or revocation for just cause, under Articles. 2383 and 2385 of the Civil Code, the participant will lose all rights, with the result that all exercisable options attributed under the Plan and not yet exercised shall be immediately and automatically extinguished, without any right of indemnity or compensation of any kind;
- (ii) in case of expiry of the term of office as director, pursuant to art. 2382 of the Civil Code, the board of directors may determine applicable solutions regarding exercisable options on a case-by-case basis;
- (iii) in the case of the resignation of the chief executive for reasons other than those referred to in paragraphs (i) and (ii) or expiry of the term

of office, the participant shall retain the right to exercise any "exercisable options".

Information on Stock Option Plans

Exercise periods are in place related to stock option plans based on company shares, established by the Shareholders for the three-year periods 2006-2007-2008 and 2009-2010-2011 and intended for; executives of the company and its subsidiaries who perform functions relevant to the achievement of the group's strategic results, directors of the company and its subsidiaries; contracted journalists of the company and its subsidiaries with the position of editor and co-editor of a title; managers of the holding company, operating as directors that perform their function in the interest of the company.

The plans are articulated for each year of duration, allocating to the participants, selected by the board of directors on the basis of proposals by the Remuneration Committee from the categories indicated above, of exercisable options to purchase ordinary shares, held by Mondadori as treasury stock, in the ratio of one share, cum dividend, for each option exercised, at a price not less than the arithmetic average of the reference prices of Mondadori shares in the period from the date of allocation to the same day of the previous month.

The exercise of options is subject to the attainment of the conditions outlined in the annual performance indicators of a consolidated economic and/or financial nature, as defined by the board of directors and only for periods subsequent to the commencement of the vesting periods of 36 months from the date of the allocation of options.

Table 2 provides details of the options allocated under the Plans, specifying that options allocated for 2008 lapsed and are not exercisable as a result of failure to meet the conditions and that for 2011, on the basis of a proposal by the Remuneration Committee, the board of directors decided not to proceed with award of options, believing that the Three-year Incentive Plan, described above, with regard to medium to long-term value creation,

constitutes a more significant incentive for performance and loyalty.

For more detailed information on stock option plans, please see the information provided pursuant to Art. 84 bis of Consob Regulation 11971/1999.

**PART II - ANALYTICAL REPRESENTATION OF COMPENSATION PAID
DURING THE PERIOD**

TABLES

Outline 7-a: Report on remuneration

TABLE 1: Compensation paid to members of corporate management and control boards and other executive personnel

TABLE 2: Stock options granted to members of the board of directors and other executives

TABLE 3B: Monetary incentive plans for members of the board of directors and executives with strategic responsibilities

Outline 7-b: An outline of the information on holdings of members of corporate management and control boards and other key executive personnel.

Table 1: Holdings of members of corporate management and control boards.

Table 2: Holdings of other executives.

TABLE 1: Compensation paid to members of corporate management and control boards and other executive personnel.

| (A) | (B) | (C) | (D) | (1) | (2) | (3) | | (4) | (5) | (6) | (7) | (8) |
|---|---|-----------------------------------|-----------------------------|---|--|----------------------------------|---------------|------------------------|--------------------|-------------------|-----------------------------------|---------------------|
| Name & surname | Position | Period in office | Expiry of office | Fixed remuneration | Remuneration for participation in corporate committees | Non-equity variable compensation | | Non-mandatory benefits | Other compensation | Total | Fair Value of equity compensation | Severance indemnity |
| | | | | | | Bonus and other incentives * | Pflichterhalt | | | | | |
| BERLUSCONI MARINA ELVIRA | CHAIRMAN | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 15,000 a) 500,000 b) | | | | | | 515,000 | 49,560 | |
| COSTA MAURIZIO | DEPUTY CHAIRMAN & CHIEF EXECUTIVE | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) 1,000,000 b) 1,207,384 c) | | 2,860,000 | | 24,895 | | 5,102,279 | 61,950 | |
| VISMARA CARLO MARIA | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) 563,655 c) | | 429,500 | | 13,610 | 100,000 | 1,126,765 | 9,636.67 | |
| BERLUSCONI PIERSILVIO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | | | | | | 10,000 | | |
| BRIGLIA ROBERTO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) 667,488 c) | | | | 16,355 | | 693,843 | -19,273.33 | 3,037,431 q) |
| CANNATELLI PASQUALE | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | | | | | | 10,000 | | |
| ERMOLLI BRUNO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | 13,333 e) | | | | | 23,333 | | |
| FORMERON MONDADORI MARTINA | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | | | | | | 10,000 | | |
| POLI ROBERTO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | | | | | | 10,000 | | |
| REHOLDI ANGELO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | 21,667 d) | | | | 13,333 f) | 45,000 | | |
| RESCA MARIO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | 18,333 d) | | | | | 28,333 | | |
| ROSSELLO CRISTINA | DIRECTOR | 19 APRIL 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 6,667 a) | | | | | | 6,667 | | |
| SANGALLI CARLO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | 13,333 e) | | | | | 23,333 | | |
| SPADACINI MARCO | DIRECTOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 10,000 a) | | 18,333 d) 16,667 e) | | | | 45,000 | | |
| VERONESI UMBERTO | DIRECTOR | 1 JANUARY 2012 - 19 APRIL 2012 | APPROVAL 2014 ANNUAL REPORT | 3,333 a) | | | | | | 3,333 | | |
| SUPERTI FURGA FERDINANDO | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 60,000 a) | | | | | 16,667 f) | 76,667 | | |
| GIAMPAOLO FRANCESCO ANTONIO | STANDING STATUTORY AUDITOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 40,000 a) | | | | | | 40,000 | | |
| PAPA FRANCO CARLO | STANDING STATUTORY AUDITOR | 1 JANUARY 2012 - 31 DECEMBER 2012 | APPROVAL 2014 ANNUAL REPORT | 40,000 a) | | | | | | 40,000 | | |
| EXECUTIVES WITH STRATEGIC RESPONSIBILITIES | 10 | | | 3,597,035 c) | | 1,840,500 | | 60,895 | | 5,498,430 | 45,430.00 | 533,947 |
| (II) Compensation from subsidiaries and affiliates | | | | 7,820,562 | 101,667 | 5,140,000 | | 115,755 | 130,000 | 13,307,984 | 147,303.34 | 3,571,378 |
| EXECUTIVES WITH STRATEGIC RESPONSIBILITIES | | | | 650,014 b) | | 100,000 | | | | 750,014 | | |
| (II) Compensation from subsidiaries and affiliates | | | | 650,014 | 0 | 100,000 | | 0 | 0 | 750,014 | 0 | 0 |
| (III) Total | | | | 8,470,576 | 101,667 | 5,240,000 | | 115,755 | 130,000 | 14,057,998 | 147,303.34 | 3,571,378 |

KEY
COLUMN (1): a) emoluments received by shareholders b) compensation for the discharge of specific duties c) fixed salary
COLUMN (2): d) Central & Risk Management Committee e) Remuneration & Appointment Committee
COLUMN (5): f) compensation for members of the Supervisory & Control Body
COLUMN (8): g) inclusive of 1350.000 compensation for a non-competition commitment

* Total sum equal to bonus payable, also due from previous years, as indicated in Table 3B, columns 2A, 3B & 4.

“Fixed remuneration” is shown separately, possibly in a footnote, according to competence: (i) remuneration of competence approved by the Shareholders, even if not paid, (ii) attendance fees, (iii) standard expenses; (iv) compensation received for performing specific duties, under Article 2389, paragraph 3, Civil Code (eg, Chairman, Deputy Chairman), (v) the fixed salary of employees before employee tax and social security obligations, excluding mandatory collective social security contributions due from the company and provisions for severance. The other components of any employee remuneration (bonuses, other compensation, fringe benefits, etc.) are noted in specific columns, specifying in the notes any such payments made to employees.

“Compensation for participation in committees” is indicated on the basis of competence and reported at aggregate level. A footnote is provided to indicate the committees of which the Director is part and, in case of participation in more than one committee, the remuneration due for each.

The column **“Bonuses and other incentives”** includes the portion of accrued remuneration (vested), even if not yet paid, during the year for the objectives set for the year itself, for cash-based incentive plans. In no case is the value of granted or exercised stock options, or other remuneration in financial instruments, included. The value relates to the sum of the totals shown in Table 3B, columns 2A, 3B and 4, row (III).

With regard to the column **“Profit sharing”**, the amount is shown on an accrual basis even if the financial statements and profit distribution have not yet been approved.

The column **“Non-monetary benefits”** shows the value of fringe benefits (on the basis of taxability) including any insurance and supplementary pension funds.

The column **“Other compensation”** lists separately, and on the basis of competence, any additional earnings for other services provided. A footnote provides information on any loans, advance payments and guarantees granted by the company or its subsidiaries to executive directors or the chairman of the board, taking account of particular conditions (other than those of the market or applicable in a standardised form to specific categories of persons), that may represent a form of indirect compensation.

Column (6) **“Total”** provides a sum of the items to (1) to (5).

The column **“Fair value of equity compensation”** shows the fair value at grant date of the remuneration for the year compared to incentive plans based on financial instruments, estimated on the basis of international accounting principle 8. This corresponds to the sum of the amounts shown in column 16, row III, Table 2 and column 12, row III, Table 3A.

¹ This item does not refer to the entire allocation of compensation paid in equity during the year, but only the part, in application of accounting principles that require consideration of the vesting period of such rights, by distributing the latter over the period of vesting.

The column **“Severance Indemnity”** shows the benefits accrued, even if not yet paid, by directors at the end of the financial year concerned, with reference to the actual termination of office during the period. It also indicates the estimated value of any payment of non-monetary benefits, the value of any consultancy contracts and payments related to non-competition commitments. The amount of compensation for non-competition commitments is shown only once, at the time of termination of office, specifying in the first part of the second section of the report, the duration of the non-competition pact and the date of actual payment.

Line (III) is a sum, for each column, of fees received by the company preparing the financial statements and those received for positions held in subsidiaries and affiliates.

TABLE 2: Stock options granted to members of the board of directors and other executives with strategic responsibilities

| A | B | Options held at the beginning of the period (*) | | | | Options allocated during the period | | | | | | Options exercised during the period | | | Options expired during the period | Options held at the end of the period | Options for the period |
|--|--|---|-------------------|----------------|--------------------------------------|-------------------------------------|----------------|--------------------------------------|--------------------------------------|--------------------|---|-------------------------------------|----------------|---|-----------------------------------|---------------------------------------|------------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15)-(2)+(5)-(11)-(14) | (16) |
| Name & surname | Position | Plan | Number of options | Exercise price | Possible exercise period (from - to) | Number of options | Exercise price | Possible exercise period (from - to) | Fair value on the date of allocation | Date of allocation | Market price of underlying shares at date of exercise | Number of options | Exercise price | Market price of underlying shares at date of exercise | Number of options | Number of options | Fair value |
| Marina Berlusconi | Chairman | | | | | | | | | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2006 CdA 17.07.2006 Cpr 12.07.2006 | 300,000 | 7.507 | from 18.07.2009 to 17.07.2012 | | | | | | | | | | 300,000 | | |
| | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2007 CdA 25.06.2007 Cpr 21.06.2007 | 360,000 | 7.458 | from 26.06.2010 to 25.06.2013 | | | | | | | | | | | 360,000 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2009 CdA 15.10.2009 Cpr 8.10.2009 | 360,000 | 3.4198 | from 16.10.2012 to 15.10.2015 | | | | | | | | | | | 360,000 | |
| | Piano Stock Option 2009/2010/2011 allocated 29.04.2009 | 2010 CdA 21.07.2010 Cpr 19.07.2010 | 360,000 | 2.4693 | from 22.07.2013 to 21.07.2016 | | | | | | | | | | | 360,000 | |
| (II) Compensations from subsidiaries & affiliates | Plan A (date of relative resolution) | | | | | | | | | | | | | | | | |
| | Plan B (date of relative resolution) | | | | | | | | | | | | | | | | |
| (III) Total | | | 1,380,000 | | | | | | | | | | | | 300,000 | 1,080,000 | 49,560.00 |
| Maurizio Costa | Deputy chairman & chief executive | | | | | | | | | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2006 CdA 17.07.2006 Cpr 12.07.2006 | 330,000 | 7.507 | from 18.07.2009 to 17.07.2012 | | | | | | | | | | 330,000 | | |
| | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2007 CdA 25.06.2007 Cpr 21.06.2007 | 450,000 | 7.458 | from 26.06.2010 to 25.06.2013 | | | | | | | | | | | 450,000 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2009 CdA 15.10.2009 Cpr 8.10.2009 | 450,000 | 3.4198 | from 16.10.2012 to 15.10.2015 | | | | | | | | | | | 450,000 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2010 CdA 21.07.2010 Cpr 19.07.2010 | 450,000 | 2.4693 | from 22.07.2013 to 21.07.2016 | | | | | | | | | | | 450,000 | |
| (II) Compensations from subsidiaries & affiliates | Plan A (date of relative resolution) | | | | | | | | | | | | | | | | |
| | Plan B (date of relative resolution) | | | | | | | | | | | | | | | | |
| (III) Total | | | 1,680,000 | | | | | | | | | | | | 330,000 | 1,350,000 | 61,950.00 |

TABLE 2: Stock options granted to members of the board of directors and other executives with strategic responsibilities

2/3

| A | B | Options held at the beginning of the period (*) | | | | Options allocated during the period | | | | | | Options exercised during the period | | | Options expired during the period | Options held at the end of the period | Options for the period |
|--|---|---|-------------------|----------------|--------------------------------------|-------------------------------------|----------------|--------------------------------------|--------------------------------------|--------------------|---|-------------------------------------|----------------|---|-----------------------------------|---------------------------------------|------------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15)-(2)+(5)-(11)-(14) | (16) |
| Name & surname | Position | Plan | Number of options | Exercise price | Possible exercise period (from - to) | Number of options | Exercise price | Possible exercise period (from - to) | Fair value on the date of allocation | Date of allocation | Market price of underlying shares at date of exercise | Number of options | Exercise price | Market price of underlying shares at date of exercise | Number of options | Number of options | Fair value |
| Carlo Maria Vismara | Executive director | | | | | | | | | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2006 CdA 17.07.2006 Cpr 12.07.2006 | 70,000 | 7.507 | from 18.07.2009 to 17.07.2012 | | | | | | | | | | 70,000 | | |
| | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2007 CdA 25.06.2007 Cpr 21.06.2007 | 70,000 | 7.458 | from 26.06.2010 to 25.06.2013 | | | | | | | | | | | 70,000 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2009 CdA 15.10.2009 Cpr 8.10.2009 | 70,000 | 3.4198 | from 16.10.2012 to 15.10.2015 | | | | | | | | | | | 70,000 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2010 CdA 21.07.2010 Cpr 19.07.2010 | 70,000 | 2.4693 | from 22.07.2013 to 21.07.2016 | | | | | | | | | | | 70,000 | |
| (II) Compensations from subsidiaries & affiliates | Piano A (date of relative delibera) | | | | | | | | | | | | | | | | |
| | Piano B (date of relative delibera) | | | | | | | | | | | | | | | | |
| (III) Total | | | 280,000 | | | | | | | | | | | | 70,000 | 210,000 | 9,636.67 |
| Roberto Briglia | Executive director | | | | | | | | | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2006 CdA 17.07.2006 Cpr 12.07.2006 | 70,000 | 7.507 | from 18.07.2009 to 17.07.2012 | | | | | | | | | | 70,000 | | |
| | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2007 CdA 25.06.2007 Cpr 21.06.2007 | 70,000 | 7.458 | from 26.06.2010 to 25.06.2013 | | | | | | | | | | 70,000 | 1 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2009 CdA 15.10.2009 Cpr 8.10.2009 | 70,000 | 3.4198 | from 16.10.2012 to 15.10.2015 | | | | | | | | | | 70,000 | 1 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2010 CdA 21.07.2010 Cpr 19.07.2010 | 70,000 | 2.4693 | from 22.07.2013 to 21.07.2016 | | | | | | | | | | 70,000 | 1 | |
| (II) Compensations from subsidiaries & affiliates | Piano A (data relativa delibera) | | | | | | | | | | | | | | | | |
| | Piano B (data relativa delibera) | | | | | | | | | | | | | | | | |
| (III) Total | | | 280,000 | | | | | | | | | | | | 280,000 | 0 | -19,273.33 |

TABLE 2: Stock options granted to members of the board of directors and other executives with strategic responsibilities

| A | B | (1) | Options held at the beginning of the period (*) | | | Options allocated during the period | | | | | | Options exercised during the period | | | Options expired during the period | Options held at the end of the period | Options for the period |
|--|---|--|---|----------------|--------------------------------------|-------------------------------------|----------------|--------------------------------------|--------------------------------------|--------------------|---|-------------------------------------|----------------|---|-----------------------------------|---------------------------------------|------------------------|
| | | | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15)-(2)+(5)-(11)-(14) | (16) |
| Name & surname | Position | Plan | Number of options | Exercise price | Possible exercise period (from - to) | Number of options | Exercise price | Possible exercise period (from - to) | Fair value on the date of allocation | Date of allocation | Market price of underlying shares at date of exercise | Number of options | Exercise price | Market price of underlying shares at date of exercise | Number of options | Number of options | Fair value |
| Dirigenti con responsabilità strategiche | | | | | | | | | | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2006 CdA 17.07.2006 Cpr 12.07.2006 | 180,000 | 7.507 | from 16.07.2009 to 17.07.2012 | | | | | | | | | | 180,000 | | |
| | Stock Option Plan 2006/2007/2008 allocated 26.04.2006 | 2007 CdA 25.06.2007 Cpr 21.06.2007 | 180,000 | 7.458 | from 26.06.2010 to 25.06.2013 | | | | | | | | | | | 180,000 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2009 CdA 15.10.2009 Cpr 8.10.2009 | 305,000 | 3.4198 | from 16.10.2012 to 15.10.2015 | | | | | | | | | | | 305,000 | |
| | Stock Option Plan 2009/2010/2011 allocated 29.04.2009 | 2010 CdA 21.07.2010 Cpr 19.07.2010 | 480,000 | 2.4693 | from 22.07.2013 to 21.07.2016 | | | | | | | | | | 50,000 ^{I**} | 430,000 | |
| (II) Compensations from subsidiaries & affiliates | Plan A (date of relative resolution) | | | | | | | | | | | | | | | | |
| | Plan B (date of relative resolution) | | | | | | | | | | | | | | | | |
| (III) Total | | | 1,145,000 | | | | | | | | | | | | 230,000 | 915,000 | 45,430.00 |
| (III) Grand total | | | 4,765,000 | | | | | | | | | | | | 1,210,000 | 3,555,000 | 147,303.34 |

I taking account of terminations/changes of position during previous periods****I*** cancelled on termination**

The table shows, for each individual concerned and for each stock option:

- options held at the beginning of the period, with an indication of the exercise price and possible exercise period;
- options allocated during the period, with an indication of the exercise price, the duration of the possible exercise, the fair value at the date of allocation (1), the allocation date and the market price of the underlying shares on that date;

¹ The fair value at the date of allocation is indicated with reference to all options allocated for each Plan and not to each option.

- options exercised during the period, with an indication of the exercise price and the market price of the underlying shares on exercise;
- options expired during the period;
- options held at the end of the period;
- the fair value of options allocated for the period.

The total (III) is shown with reference to the columns (2), (5), (8), (11), (14), (15), (16).

Note: each option corresponds to the subscription or the purchase of one share.

In the case of an aggregate representation, the following information is included in the Table:

- the total number of options held at the beginning of the period, with an indication of the total exercise price paid and the average maturity;
- the total number of options granted during the period, indicating the total exercise price paid, the average maturity, the total fair value and the average price of the shares underlying the allocation of options;
- the total number of options exercised during the period, indicating the total exercise price paid during the year and the average price of the shares underlying the allocation of options;
- the total number of options expired during the period;
- the total of options held at the end of the period;
- the total fair value of options allocated for the period.

2012

TABLE 3B: Monetary incentive plans for members of the board of directors and executives with strategic responsibilities¹¹It should be noted that this Table concerns all incentive plans of a monetary nature, both short and medium-long-term

| A | B | (1) | (2) | | | (3) | | | (4) |
|--|-----------------------------------|---------------------------------------|----------------------|----------------|---------------------|---------------------------|----------------------------|----------------|------------------|
| Surname & name | Position | Plan | Bonus for the period | | | Bonus in previous periods | | | Other Bonuses* |
| | | | (A) | (B) | (C) | (A) | (B) | (C) | |
| | | | Payable/Paid | Deferred | Period of deferment | No longer payable | Payable/Paid | Still deferred | |
| COSTA MAURIZIO | DEPUTY CHAIRMAN & CHIEF EXECUTIVE | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | | Plan A 2010-2012 BoD 21/07/2010 | 250,000 a) | | | 750,000 a) | 500,000 a) | | 110,000 |
| | | Plan B 2007-2009 | | | | | 500,000 b) 1,500,000 b) | | |
| (II) Compensations from subsidiaries & affiliates | | | | | | | | | |
| (III) Total | | | 250,000 | | | 750,000 | 2,500,000 | 0 | 110,000 |
| VISMARA CARLO MARIA | DIRECTOR | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | | Plan A 2010-2012 BoD 21/07/2010 | 83,333 a) | | | 250,000 a) | 166,667 a) | | 189,500 |
| (II) Compensations from subsidiaries & affiliates | | | | | | | | | |
| (III) Total | | | 83,333 | | | 250,000 | 166,667 | | 189,500 |
| BRIGLIA ROBERTO | DIRECTOR | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | | Plan A 2010-2012 BoD 21/07/2010 | | | | 500,000 d) | | | |
| (II) Compensations from subsidiaries & affiliates | | | | | | | | | |
| (III) Total | | | | 0 | | 500,000 | | 0 | 0 |
| EXECUTIVES WITH STRATEGIC RESPONSIBILITIES | | | | | | | | | |
| (I) Compensation in the company that prepares the financial statements | | Plan A 2010-2012 BoD 21/07/2010 | 200,000 a) | | | 600,000 a) | 400,000 a) | | 940,500 |
| | | Plan B 2011-2013 BoD 21/07/2010 | 150,000 e) | 133,333 c) | 2013 | 450,000 c) | 150,000 e) | 533,333 c) | |
| (II) Compensations from subsidiaries & affiliates | | | | | | | | | 100,000 |
| (III) Total | | | 350,000 | 133,333 | | 1,050,000 | 550,000 | 533,333 | 1,040,500 |
| (IV) Total | | | 683,333 | 133,333 | | 2,550,000 | 3,216,667 | 533,333 | 1,340,000 |

a) subject to conditions matured as of 31.12.2012

b) subject to conditions matured as of 01.01.2013

c) subject to conditions to be verified as of 31.12.2013

d) resigned

e) payment relating to objectives for 2011/2012 paid on taking up a new appointment

* In column (4) Other Bonuses show bonuses previously indicated in Table 1, column 3.

Protocol n. 7-TER regarding information on the shareholdings of members of corporate boards and control bodies, general managers and other executives with strategic responsibilities

The following tables show the details of shares held by directors and auditors and, in aggregate, by executives in Arnoldo Mondadori Editore SpA. Please note that, unless otherwise indicated, the listed investments are held directly.

Table 1: Holdings of members of corporate boards and control bodies

| Surname & name | Position | Company | Number of shares held at the end of the previous year | Shares bought | Shares sold | Number of shares held at the end of the current year |
|-------------------------------------|---|-------------------------------|---|---------------|-------------|--|
| Berlusconi Marina | Chairman | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Costa Maurizio | Deputy chairman & chief executive | Arnoldo Mondadori Editore SpA | 400,000 | - | - | 400,000 |
| Berlusconi Piersilvio | Director | Arnoldo Mondadori Editore SpA | 172,000 | - | - | 172,000 |
| Briglia Roberto | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Cannatelli Pasquale | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Ermolli Bruno | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Forneron Mondadori Martina | Director | Arnoldo Mondadori Editore SpA | 137,127 | - | - | 137,127 |
| Poli Roberto | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Renoldi Angelo | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Resca Mario | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Rossello Cristina | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Sangalli Carlo | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Spadacini Marco | Director | Arnoldo Mondadori Editore SpA | 8.000 ¹ | - | - | 8.000 ¹ |
| Veronesi Umberto | Director | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Vismara Carlo Maria | Director | Arnoldo Mondadori Editore SpA | 35,000 | - | - | 35,000 |
| Superti Furga Ferdinando | Chairman of Board of Statutory Auditors | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Giampaolo Francesco Antonio | Standing Auditor | Arnoldo Mondadori Editore SpA | - | - | - | - |
| Papa Franco Carlo | Standing Auditor | Arnoldo Mondadori Editore SpA | - | - | - | - |
| ¹ shares held by spouse. | | | | | | |

Table 2: Holdings of other key executives.

| Number of executives with strategic responsibilities | Company | Number of shares held at the end of the previous year | Shares bought | Shares sold | Number of shares held at the end of the current year |
|--|-------------------------------|---|---------------|-------------|--|
| 9 | Arnoldo Mondadori Editore SpA | 1,000 | - | - | 1,000 |

Disclosure of shareholdings held by members of corporate boards and control bodies, general managers and executives with strategic responsibilities in the listed company and its subsidiaries is provided in tabular form.

In particular, named members of corporate boards and control bodies, general managers and cumulatively for other key management personnel, also with regard to each subsidiary, the number of shares is shown, broken down by categories:

- held at the end of the previous year;
- bought during the year of reference;
- sold during the year of reference;
- held at the end of the reporting period.

Also shown is the ownership title and manner.

The tables includes all persons who during the period of reference have held positions as members of corporate boards and control bodies, general managers and executives with strategic responsibilities, even for a part of a year.

Proposed resolution (Art. 123-ter, para. 6, of Legislative Decree 58/1998)

Pursuant to Art. 123-ter, para. 6, of Legislative Decree 58/1998, the Shareholders are requested to vote in favour or against the first section of the Report on Remuneration. The resolution is not binding.

In consequence, Shareholders are asked to vote on the following motion:

"The Annual General Meeting of Arnoldo Mondadori Editore SpA

resolves

to approve the First Section of the Report on Remuneration on the policy regarding the remuneration of members of corporate management and control boards and other executive personnel and the procedures used for the adoption and implementation of this policy."

Arnoldo Mondadori Editore S.p.A.
on behalf of the Board of Directors

Marina Berlusconi, Chairman

A handwritten signature in black ink, appearing to read 'Marina Berlusconi', written in a cursive style.