

**ARNOLDO
MONDADORI**

Arnoldo Mondadori Editore S.p.A.

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REMUNERATION REPORT

(prepared pursuant to article 123-ter of Legislative Decree
no. 58/1998 and article 84-quater of Consob Regulation no.
11971/1999)

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Introduction

In accordance with article 123-ter of Legislative Decree no. 58/1998, article 84-*quater* of Consob (Italian Securities and Exchange Commission) Regulation no. 11971/1999 and subsequent amendments (hereinafter referred to as "Issuers Regulation"), this "Remuneration Report" (hereinafter referred to as "Report") provides information on the remuneration policies adopted by Arnoldo Mondadori Editore S.p.A. (hereinafter also the "Company") regarding the members of the Board of Directors and Key Management Personnel.

In accordance with the above-mentioned regulatory provisions, this Report is made up of two sections and has been drafted in compliance with Annex 3A, Schedule 7 *bis* of the Issuers Regulation.

The first section describes:

- a) the principles and aims of the Company's policy on the remuneration of Directors and Key Management Personnel, with reference to at least the 2015 fiscal year;
- b) the procedures concerning the adoption and implementation of this policy.

The second section details the compensation for Directors and Statutory Auditors, as well as the aggregate compensation for Key Management Personnel. In addition, it provides a description of each of the items that make up remuneration, including summaries in the form of tables. It analyzes the compensation paid out by the Company and its subsidiaries or affiliates – for any reason and in any form – over the course of the 2014 fiscal year, and where necessary it will indicate any parts of said compensation that stem from activities undertaken in previous fiscal years, as well as any compensation that must be paid out in one or more subsequent fiscal years due to activities carried out in 2014.

This Report was approved by the Board of Directors on 12 March 2015, at the recommendation of the Remuneration Committee.

The first section of this Report is subject to a non-binding resolution on the part of the Ordinary Shareholders' Meeting, which has been called for 23 April 2015 (and if necessary, a second call on 24 April) in order to approve the financial statements for the fiscal year ended 31 December 2014.

Pursuant to Art. 123-ter of Legislative Decree no. 58/1998, the Report provided to the public, at the registered office at the authorized storage device "1info" (www.1info.it) and the website www.mondadori.it from 2 April 2015.

The adoption and definition of the Remuneration Policy herein described was carried out with the involvement of a Remuneration Committee made up of a majority of independent Directors, as detailed below; in addition, the Report was submitted to the Shareholders for an advisory vote. These measures were taken in accordance with Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments, which regulates related-party transactions; they were also provided for in the relative procedures approved by the Board of Directors. As such, any resolutions regarding the remuneration of Directors and Key Management Personnel are thus exempt from the enforcement of the procedures laid down in the above-mentioned Consob regulation on related-party transactions.

SECTION I - The principles and aims of the Company's policy on the remuneration of Directors and Key Management Personnel, with reference to at least the 2015 fiscal year.

a) The bodies or entities involved in the preparation and approval of the Remuneration Policy, and their respective roles; the bodies and entities responsible for properly implementing this Policy.

The Remuneration Policy (hereinafter referred to as "Policy") is finalized and approved by the Board of Directors, at the recommendation of the Remuneration Committee (hereinafter referred to as "Committee"). The Committee is appointed by the Board of Directors, and its composition, competence and operating procedures are described in paragraph b) below.

The Policy sets forth principles and guidelines that must be respected in its definition and implementation. This is the responsibility of the following figures:

- the Board of Directors, for the remuneration of Executive Directors and other Directors who have been appointed to key positions;
- the Chief Executive Officer, who is supported by the Department of Human Resources and Organization, for the remuneration of Key Management Personnel.

The Group Head of Human Resources and Organization reports to the Committee at least once a year on the effective implementation of the Policy.

In light of the above-mentioned report, the Committee then monitors and verifies that the implementation of the Policy respects its predetermined principles, and reports on this to the Board of Directors.

b) Composition, competence and operating procedures of the Remuneration Committee.

The Board of Directors has established an internal "Remuneration Committee", the role of which is to investigate, advise and make recommendations.

The Committee is currently made up of 3 non-executive Directors, meaning they do not hold individual management authority or executive positions in the Company or in companies belonging to the Mondadori Group. The majority of the members, including the Chairman, are independent. They are appointed by the Board of Directors, in accordance with article 148 of the Consolidated Law on Finance (T.U.F.) and the Code of Conduct issued by Borsa Italiana S.p.A.

The Committee is made up of the following members:

Marco Spadacini - Chairman, independent non-executive Director,
Bruno Ermolli - non-executive Director,
Carlo Sangalli - independent non-executive Director.

Unless otherwise resolved, Remuneration Committee members shall remain in office until the end of their board-mandated term, which corresponds to the meeting called to approve the financial statements for the fiscal year ended 31 December 2014.

The Remuneration Committee has been granted the following charges:

- to provide advice and recommendations to the Board of Directors regarding the Remuneration Policy for Directors and Key Management Personnel; and to periodically check – in conjunction with the Department of Human Resources and Organization – that the Policy is being implemented in conformity with the principles laid down in its framework, reporting their findings to the Board of Directors accordingly;
- to make recommendations to the Board of Directors regarding the remuneration of Directors holding key positions (e.g. Chairman, Chief Executive Officer, Executive Directors and Directors on committees);
- to make presentations to the Board of Directors regarding the Committee's work on identifying and laying down corporate guidelines aimed at retaining and motivating management personnel;
- to make recommendations on the implementation of Shareholder-approved Stock Option Plans, in accordance with article 114-*bis* of Legislative Decree no. 58/1998 and referred to in section II of this Report.

The Remuneration Committee has access to all the corporate information and functions necessary to carry out its duties.

The Committee's operating procedures are covered by specific guidelines, which state that Committee members shall meet and act collectively any time the Chairman deems it necessary, or at the request of one or both of the other members.

The Committee's resolutions are passed by a simple majority, and are then recorded in the minutes pertaining to the relative meeting. The minutes are signed by all members who take part in the meeting, as well as by the Chairman of the Board of Statutory Auditors, who takes part in the meetings without voting rights.

c) Independent experts who may have been involved in the preparation of the Remuneration Policy.

As described above, the Remuneration Policy has been developed with the support of the Remuneration Committee's advice and recommendations. The Committee is made up of non-executive Directors with vast, long-standing professional experience in the field, the majority of whom – including the Chairman – are independent.

During 2014, the comparative research on medium-to-long term incentive schemes conducted by Hay Group on European publishing companies was released and it confirmed that the policies adopted were correct.

d) Aims and principles of the Remuneration Policy

In general, the Remuneration Policy has been developed in order to attract, motivate and retain those individuals who possess the professional skills needed to ensure that the Group can reach their main objective: the creation of sustainable value in the medium-to-long term.

To that end, the Policy has identified the focal point where Shareholders' and Management's interests meet: maintaining a strong link between pay and performance.

It follows that a significant part of the total remuneration for Executive Directors and Key Management Personnel is linked to the achievement of specific targets. Said targets are set in reference to both the Group's overall performance and to

the performance measured in specific business areas or corporate functions, over both the short term and the medium-to-long term.

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

- an appropriate balance between base pay and variable pay, which shall depend on the Company's strategic objectives and risk management policy, as well as on the line of business involved and the nature of the work that has actually been carried out;
- the establishment of limits on variable pay;
- as relates to variable pay, setting measurable performance objectives beforehand;
- as far as medium-to-long-term plans are concerned, the payout of a significant portion of variable pay is to be appropriately deferred in relation to its accrual, as it is contingent on the achievement of targets that regard the plan's entire time span.

e) Description of policies on base pay and variable pay, with particular attention to the relative weight each holds in relation to total compensation; distinction between short-term variable pay packages and medium-to-long-term variable pay packages.

In this matter, the Remuneration Policy is structured around different principles and procedures regarding base pay packages and short, medium or long-term variable pay packages: it depends on the recipients of said packages.

In particular:

A) Non-executive Directors

Non-executive Directors are directors that do not hold individual management authority or executive positions in the Company or in other legal entities belonging to the Group, nor do they hold such positions in the parent company that may be relevant to the management of the Company.

Non-executive Directors are entitled to a base pay that is determined by the Ordinary Shareholders' Meeting at the time of their appointment.

At the recommendation of the Remuneration Committee, and with the approval of the Board of Statutory Auditors, the Board of Directors may determine an additional amount of base pay depending on participation in committees instituted by the Board of Directors itself.

The principle underlying this procedure is to pay non-executive members of the Board of Directors a lump sum as compensation.

The compensation of non-executive Directors is not linked to the Company's economic performance or to the economic performance of the Group as a whole, nor is it linked to any type of performance objective in general.

B) Directors holding key positions, in accordance with the Bylaws: Chairman/Chief Executive Officer

The compensation of Directors holding key positions is determined by the Board of Directors, at the specific recommendation of the Remuneration Committee and with the approval of the Board of Statutory Auditors, and in accordance with the provisions of article 2389, paragraph III in the Italian Civil Code.

C) Key Management Personnel

As stated in Consob Regulation no. 17221 of 12 March 2010, which regulates related-party transactions and which was subsequently amended by International Accounting Standard no. 24, Key Management Personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Directors of the Company itself.

As such, Key Management Personnel are equated with Executive Directors, as they hold individual management authority or executive positions in the Company; they are also equated with the General Managers of the business areas in which the Mondadori Group operates, as well as with the Heads of corporate functions.

The compensation package for Key Management Personnel reflects the responsibility they bear in exercising their executive authority to manage the Company, and it is generally structured in the following way:

i) annual base pay;

ii) annual variable pay (MBO);

iii) medium-to-long-term variable pay (LTI).

i) *the annual base pay* may be made up of the base salary and other forms of remuneration of a non-variable nature. Its weight may not exceed 70% of total compensation. The amount of base pay depends on the size of the business managed and on the capacity to contribute to the Group's consolidated results;

ii) *the annual variable pay (MBO)* is attainable by reaching yearly quantitative objectives. These are set beforehand and are linked to performance

indicators, both on a consolidated level regarding the Group as a whole and an individual level regarding the business areas or corporate functions;

- iii) *the medium-to-long-term variable pay (LTI)* is a special cash bonus which is only payable at the end of a multi-year period, and only after medium- and long-term economic and financial objectives have been achieved at both the Group level and at the level of individual business areas and corporate functions.

The combination of the annual variable pay and the medium-to-long-term variable pay is itself a variable percentage, which is generally not less than 30% of the total annual remuneration.

The weight of variable pay linked to medium- and long-term performance is not less than 25% of total variable pay on an annual basis.

Compensation plans based on financial instruments (Equity incentive plans)

Any current or future compensation plans based on the allocation of financial instruments are to be submitted to the Shareholders for approval, in accordance with article 114 *bis* of Legislative Decree no. 58/1998; in the event of approval, these plans are also subject to market disclosure, in compliance with current regulations. The details and application procedures of the plans are established by the Board of Directors, which is supported by the advice and recommendations of the Remuneration Committee. The Company's risk profile is also carefully considered, and reference is made to the following general principles:

- (i) strengthening the creation of sustainable value for the Company and Group in the medium-to-long term; as regards management personnel, improving incentives and retention rates by setting out multi-year incentive plans and multi-year vesting periods;
- (ii) the granting or exercise of financial instruments that are contingent on the achievement of predetermined, measurable objectives related to corporate and/or market performance;
- (iii) contractual commitments regarding the recipients' tenures with the company.

For stock option plans that have already been established by the Shareholders and which still have time remaining in their exercise period, please refer to the description and relative table in section II, and to the documents made available on www.mondadori.it (Corporate Governance Section) in accordance with article 84-*bis* of Consob Regulation no. 11971/1999.

f) Policy regarding non-monetary benefits

Fringe benefits provided by the company are not normally granted to members of the Board of Directors and Key Management Personnel. The only exception is supplemental medical insurance for Key Management Personnel, meaning insurance coverage that goes beyond the mandatory coverage provided for in the relative collective agreements.

g) Description of performance objectives that are determinant of variable pay; distinction between short-term variable pay packages and medium-to-long-term variable pay packages; information on the link between variation in performance and variation in compensation.

As indicated above:

- the *annual variable pay (MBO)* is attainable by reaching predetermined, yearly quantitative objectives. These refer to both the performance of the Group as a whole and to individual objectives regarding the performance of specific business areas or corporate functions.

The remuneration connected to the annual MBOs provides for a minimum access threshold equal to 90% of the objectives assigned and a maximum payable amount of 120% of the basic premium, which can be obtained only if 110% of the same objectives are reached or exceeded.

- the *medium-to-long-term variable pay (LTI)* is made up of a special bonus, commensurate with:
 - a) a continuity in business/functional performance in the multi-year period established beforehand, which is to be measured through the achievement of individual performance objectives in specific business areas or functional areas. The bonuses may be accrued annually, but they will be payable only at the end of the agreed-upon period, as they are contingent on the satisfaction of additional conditions and/or accrued in their entirety only at the end of the LTI period, as they depend on conditions that can only be verified once that period has concluded;
 - b) the creation of value for the Group, which is verified at the end of the LTI period. This is measured through the achievement of long-term economic and financial objectives on a consolidated level. As these targets refer to the entire period, the bonuses are payable only at the period's conclusion, when they can be calculated.

Both objectives account for 50% of the total bonus.

As these forms of compensation are designed to retain key managers so as to ensure the company's good governance over the medium term, a final

assessment of the achieved results is only possible at the conclusion of the LTI period; furthermore, should employment be terminated over the course of the bonus accrual period, all rights to such bonuses will be automatically forfeited.

h) Criteria used to evaluate performance objectives determinant in the allocation of shares, options, other financial instruments or other forms of variable pay.

Generally, the definition of the target levels which form the basis of the *annual objectives (MBO)* – and consequently, the basis of continuity in business/functional performance for LTI plans – is linked to the achievement of economic and financial performance objectives, which are set by the Board of Directors and depend on budget forecasts.

The amount of variable pay that can be paid out is determined by a comparison of the final results with the objectives that have been assigned.

The economic and financial objectives are set beforehand, and are based on long-term forecasts that refer to the entire period. In the event that value has been created for the Group as a whole or for a single business area over the medium-to-long term, part of the Long Term Incentives (LTI) shall be payable if the performance objectives are met.

For any plans that include the allocation of financial instruments, the exercise of granted options is contingent upon the achievement of predetermined, economic and financial performance objectives. These targets are rooted in the budget and are set by the Board of Directors at the Remuneration Committee's recommendation. The Board of Directors evaluates the achievement of objectives and the subsequent right to exercise options.

i) Information that highlights how the Remuneration Policy is in keeping with the pursuit of the company's long-term interests, as well as with the company's risk management policy, where relevant.

Please refer to the information outlined in the previous paragraphs.

j) Vesting periods; any deferred payment options, with information on deferral periods and the criteria used to determine said periods; and if relevant, ex-post adjustment mechanisms.

In remuneration packages that include a variable part linked to medium-to-long-term performance objectives (LTI), entitlement to the monetary payment of that

variable part in its entirety must be confirmed only at the end of the last year of the LTI period. As regards the portion of compensation linked to maintaining continuity in business/functional performance, the achievement of an objective pertaining to a single year does not in itself result in payment, as payment is deferred to the end of the LTI period and subject to the attainment of objectives that regard the entirety of the years that make up the period. This is in keeping with the principles outlined above.

With regard to any compensation plans based on the allocation of financial instruments, there is a multi-year vesting period that begins after the option grant, and which is subject to the satisfaction of predetermined performance indicators. Furthermore, the possibility to exercise options is limited to a specific time span following the expiration of the vesting period.

k) Information on the possible inclusion of clauses aimed at holding financial instruments in the company's portfolio after they have been traded, with information on the lengths of time for which these instruments are held and the criteria used to determine those lengths of time.

The stock option plans that have already been established by the Shareholders, and which are currently in their exercise period, do not include clauses aimed at holding financial instruments in the company's portfolio after they have been traded. This is because a three-year vesting period after the option grant was deemed an effective way to provide incentives, improve retention and create value.

l) Policy regarding severance pay in the event of termination of office or employment, with details on which circumstances determine the existence of the right to such severance pay, and any connection between severance pay and company performance.

The policy regarding severance pay in the event of termination of office or employment does not differ from the provisions laid down in the relative collective agreements, and does not provide for the payment of additional indemnities in the cases cited above.

m) Information on the existence of any non-mandatory insurance coverage related to social security or retirement.

Please refer to paragraph f) above.

n) Compensation policy that may be followed with regard to: (i) independent Directors, (ii) participation in committees, and (iii) the performance of key roles (Chairman, Vice-Chairman, etc.).

There are no specific principles regarding the compensation of independent Directors when considered individually.

For principles that apply to participation in committees set up by the Board of Directors, or to the performance of key roles within the Board of Directors, please refer to paragraph e) above.

o) Whether the Remuneration Policy herein described has been determined by referring to the remuneration policies of other companies, and if so, the criteria used to select those companies.

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

Generally speaking, the total compensation of Key Management Personnel has been determined in consideration of a number of factors, including: the size of the business being managed; the capacity to contribute to company results; job performance; and comparable compensation packages within the company, while another factor considered was the correspondence with compensation packages in other companies of a similar size on the market.

SECTION II – Remuneration / Compensation paid out during the 2014 fiscal year

PART ONE – ITEMS THAT MAKE UP REMUNERATION

Remuneration Policy operating procedures applied during the 2014 fiscal year, based on the category of recipient.

Over the course of the 2014 fiscal year, the operating procedures pertaining to the Remuneration Policy were applied in conformity with the Policy's general aims and principles for that year. These were outlined in Section I of the Remuneration Report, which was approved by the Board of Directors at the recommendation of the Remuneration Committee on 27 March 2014. Section I was also resolved upon and approved at the Ordinary Shareholders' Meeting on 30 April 2014.

There are principles and procedures for base pay and variable pay that change depending on the recipient; in accordance with the information outlined above, the items that make up the remuneration paid to members of the Board of Directors, the Board of Statutory Auditors and Key Management Personnel during the 2014 fiscal year are structured accordingly.

In particular, please refer to the detailed figures reported in Tables 1 and 3B:

Remuneration of Directors

Non-executive Directors

According to the definition cited in Section I, non-executive Directors are directors that do not hold individual management authority or executive positions in the Company or in other legal entities belonging to the Group, nor do they hold such positions in the parent company that may be relevant to the management of the Company.

In line with the procedural guidelines set out in the Policy, the following compensation was paid out during the 2014 fiscal year:

- the annual base pay due to Directors – including non-executive Directors – which was already determined by the Ordinary Shareholders' Meeting on 19 April 2012, during the appointment of the Board of Directors for the three fiscal years of 2012/2013/2014. In particular, the Shareholders determined an annual lump sum to be paid to all Directors equally, with an additional 50% for the Chairman. The individual sums paid out in 2014 are in line with the sums paid out during the previous fiscal year (2013) and the previous three-year term of the Board of Directors;

- additional annual base pay relating to participation, on the part of non-executive Directors, in committees set up by the Board of Directors (Internal Control and Risk Management Committee and Remuneration and Appointments Committee). This pay had already been established during the previous fiscal year (2013) by the Board of Directors at the recommendation of the Remuneration Committee, and gained the approval of the Board of Statutory Auditors in accordance with article 2389 of the Italian Civil Code; it concerns each year of the term of office for the Directors involved.

The individual sums paid out in 2014 are in line with the sums paid out during the previous fiscal year (2013).

The compensation of non-executive Directors is not linked to the Company's economic performance or to the economic performance of the Group as a whole, nor is it linked to any type of performance objective in general.

Directors holding key roles in compliance with the Bylaws: Chairman and Chief Executive Officer.

During the 2014 fiscal year:

- there were no changes to the remuneration of the Chief Executive Officer relative to what was defined by the Board of Directors in its meeting of 20 March 2013 pursuant to the procedures defined in the Policies and therefore in line with the specific proposal of the Remuneration Committee and the opinion in favour of the Board of Statutory Auditors.

In keeping with the principles and aims of the Remuneration Policy, this compensation is structured around a base salary (an emolument for the position held, and a non-compete clause that lasts as long as the term of office, plus one year after its expiration) and a variable salary which, in turn, is based on yearly objectives (annual MBO) and medium-term objectives that refer to the entire duration of the term expiring with the approval of the 2014 financial statements.

In application of the above, it is specified that, as illustrated in table 3b, the LTI component of the Chief Executive Officer's compensation will be 100% payable subsequently to the aforementioned approval of the 2014 financial statements, once the terms and conditions for the recognition of all the objectives, performance continuity and value creation for the company have been met.

As set out in the Policy, variable pay counts towards 49% of total compensation; while within the variable pay itself, the portion referring to medium-term objectives is equal to 64% of the variable pay in its entirety.

Upon the proposal of the Remuneration Committee and the opinion in favour of the Board of Statutory Auditors and the Related Parties Committee, the Board of Directors resolved to provide to the Chief Executive Officer an

extraordinary one-time amount for 2014 only. This amount is indicated in table 1 and is granted as recognition for the positive outcome of the placement of ordinary shares from the share capital increase resolved upon by the Board of Directors on 17 June 2014 which was restricted to both foreign and Italian institutional investors.

- the amount of compensation for the Chairman was not increased with respect to the compensation paid in 2013 and previous years. Paid in the form of a fixed annual emolument based on the position held, this compensation is decided by the Board of Directors at the recommendation of the Remuneration Committee, and with the approval (pursuant to article 2389 of the Italian Civil Code) of the Board of Statutory Auditors.

Other Directors vested with special duties in subsidiaries

Pursuant to the resolution of the Board of Directors of Mondadori Direct S.p.A. (a company which is entirely owned by Arnaldo Mondadori Editore S.p.A. and as at the date of this report is named "Mondadori Retail S.p.A.") of 1 December 2014, in December 2014 a lump sum amount of EUR 100,000 gross was granted to Director Mario Resca, the Chairman of Mondadori Retail S.p.A., including in light of the significant contribution of the Chairman in securing the successful outcome of the transaction concluded with the Mango Group, for the sale of the "Vittorio Emanuele" business unit.

Remuneration of Key Management Personnel

According to the definition cited in Section I, Key Management Personnel are those persons having authority and responsibility for planning, managing, and controlling the activities of the Company, directly or indirectly, including any Directors of the Company itself.

As such, Key Management Personnel are equated with Executive Directors, as they hold individual management authority or executive positions in the Company; they are also equated with the Heads of the business areas in which the Mondadori Group operates, as well as with the Heads of Corporate Functions.

In 2014 Director Carlo Maria Vismara, who was the Chief Financial Officer – Finance, Procurement and IT Systems, tendered his resignation effective 31 May 2014.

As a result of the organizational changes that occurred, as of 31 December 2014, the team of Key Management Personnel was composed as follows:

- Riccardo Cavallero - General Manager of Mondadori Trade Books area
- Mario Maiocchi - Chief Executive of Mondadori Direct S.p.A.

- Carlo Mandelli - General Manager of Magazines Italy; Chief Executive of Monradio S.r.l. and Mondadori International Business S.r.l.
- Carmine Perna - Managing Director of Mondadori France
- Antonio Porro - Managing Director of Educational Books Division
- Federico Rampolla - Head of Digital Innovation
- Enrico Selva Coddè - Director of Human Resources and Organization of the Group

The following persons also fall under the category of Key Management Personnel:

- Chief Executive Officer, Ernesto Riccardo Mauri
- The executive director, Oddone Maria Pozzi, who was co-opted to replace the resigning director Carlo Maria Vismara, pursuant to the resolution of the Board of Directors taken in its meeting of 17 June 2014, which appointed him Chief Financial Officer – Finance, Procurement and IT Systems.

It is hereby specified that in January 2015, Mr. Riccardo Cavallero – General manager of the Trade Books area resigned, effective from 31 January 2015.

It is furthermore specified that, on 21 January 2015, Enrico Selva Coddè was appointed the Managing Director of the Trade Books area in the newly-established company Mondadori Libri S.p.A., he temporarily also acts as the Director of Human Resources and Organization of the Group.

In keeping with the Policy's principles, the remuneration package granted to Key Management Personnel is structured around the following parts:

- (i) a fixed element which consists of a basic salary and other non-variable monetary components. During 2014, the fixed component was reviewed 3 times, pursuant to the policies and parameters defined, so that the overall increase in the remuneration amounted to 5%;
- (ii) the annual variable pay (MBO), which is paid out based on the level of achievement of annual budget targets.

In 2014, in consideration of the corporate need to achieve particularly challenging management targets within a market still characterised by a high level of uncertainty and difficulties, and so as to maintain the motivational leverage provided by the MBO instrument unchanged, the Board of Directors approved, upon the proposal of the Remuneration Committee, an adjustment of the parameters relative to the minimum and maximum thresholds required for reaching the MBO targets, rendering them more appropriate insofar as rewarding change management within a difficult environment.

Based on these objectives, in 2014 the minimum threshold for securing the granting of the MBO was brought to at least 90% of the objectives with the maximum for exceeding the defined targets set at 120%.

In 2014 the objectives were generally structured in the following way: 37% were related to Group-wide economic indicators, and 63% were related to specific economic indicators on a business area level or corporate function level. Following the adjustment of the MBO amount concerning 1 key manager, the total amount increased by less than 2%.

With regard to the final 2014 figure, and in line with the Group performance, there was an increase in the amounts payable in the form of MBO which were on the average higher than in 2013, but, due to the non-uniform performance of all the indicators/business areas, it was lower than 94% of the amount that is theoretically available for this purpose;

- (iii) the medium-to-long-term variable pay (LTI). During 2014, on the proposal of the Remuneration Committee, the Board of Directors decided that the conditions were ripe for reaching the extremely ambitious management objectives set forth in the Three Year Plan and resolved to revive the Long Term Incentive Plan for Key Management Personnel, which had been suspended for fiscal year 2013.

The incentive therefore refers to the three year period from 2014 to 2016 and requires that the recipient continue to be an employee of a Mondadori Group Company who has not resigned as at 1 January 2017.

The main principles underlying the long term incentive (LTI), as defined in the Policies, make the payment of the incentive subordinate to achieving the following objectives:

(i) individual performance objectives: These refer to reaching, in every year of the three year period, the annual objectives which have been assigned. This objective accrues annually, but is payable only at the end of the period, subsequent to confirmation of the performance during the entire time period;

(ii) individual business objectives: These refer to reaching the targets which have been set within the Three Year Plan as at 31 December 2016, with regard to the manager's specific Business Area, and can therefore only be extended upon completion of the entire reference period;

(iii) Consolidated objective at the Group level: This is payable at the end of fiscal year 2016 and refers to the economic-financial forecasts defined within the Three Year Plan approved by the Board of Directors in its meeting of 30 January 2014, and refers to the entire three year reference period.

The three year bonus (LTI) is payable upon reaching each of the objectives indicated above, according to the weight specifically assigned to them: 25% for each of the individual targets and 50% for the consolidated Group objective.

As a whole, the amount of the remuneration connected to the medium-long terms objectives assigned to key management personnel has undergone a significant reduction as compared to the theoretical bonus payable in the prior three year period, given the lower number of key management personnel it refers to.

It is confirmed that the weight held by base pay and variable pay in the remuneration packages relative to 2014 were in line with the Policy's guidelines. Specifically, the base pay – which is made up of a base salary and other forms of remuneration of a non-variable nature – represented on average 61% of total remuneration (whereas the Policy establishes that the base pay can never exceed 70% of total remuneration).

The total variable, annual and medium-long term components comprise a percentage of 39% of the total annual remuneration (as compared to a percentage of variable components of no less than 30% of total annual remuneration established in the policies).

In terms of 100% of the variable remuneration, the weight of the component which is dependent upon the medium-long term period has a weight of 41% on an annual basis (as compared to a percentage of the component dependent on the medium-long term period, established by the Policies, of no lower than 25% of the total overall variable remuneration).

Severance pay in the event of early termination of employment

There are no prior agreements that provide for severance pay in the event of early termination of employment, nor are there prior agreements that grant non-monetary benefits to Directors and Key Management Personnel who have left their position, or that allow them to retain any such benefits granted during their employment; likewise, no consultancy agreements are drawn up beforehand for the period following termination of employment.

Any severance pay accrued is determined solely in accordance with applicable legal provisions or with the relative collective agreements.

The severance pay awarded to Director Carlo Maria Vismara upon termination of his employment on 31 May 2014 is reported in Table 1. This pay was determined in accordance with the National Collective Labour Agreement for Industrial Senior Managers, which provides for early termination based on rank and seniority. The amount is furthermore lower than the amount payable in application of the aforementioned criteria, even when including the amount indicated in Table 1 which is paid for the non-compete agreement.

Effects of employment termination on the rights granted under equity or cash medium-to-long-term incentive plans

In keeping with the Group's objectives to retain management personnel and create value, termination of employment for any reason results in the loss of rights to the payment – in whole or in part – of cash incentives.

Regarding options previously granted under the Shareholder-approved Stock Option Plans outlined below, the effects of employment termination are considered in terms of the exercise of options which have vested, otherwise known as "options exercisable". In accordance with the regulations of the Stock Option Plans approved by the Board of Directors, the effects of employment termination are regulated in the following manner:

- for cases in which the termination of employment concerns a recipient of stock options, the following effects apply:
 - in the event of retirement or the regular expiration of a fixed-term contract during the validity period of the stock option plan, the recipient retains the right to exercise any options exercisable during the relative exercise period. Additionally, there is the possibility to move up the exercise period so that it coincides with the retirement date;
 - in the event of a recipient's death, the provisions outlined above are to be applied to the recipient's legal heirs;
 - in the event of termination of employment due to voluntary resignation, or dismissal for just cause or subjective justified reason, the recipient loses all stock option rights. Consequently, all exercisable options that have been granted in accordance with stock option plans and which have not yet been exercised are immediately and automatically forfeited, with no right to any form of compensation or indemnification whatsoever;
 - in the event of termination of employment for reasons other than those described in the previous paragraphs, the Board of Directors will determine the applicable course of action regarding exercisable options on a case-by-case basis.

- for cases in which the termination of employment concerns a recipient of stock options who is a Director at the Company or at a subsidiary (pursuant to article 2359 of the Italian Civil Code) of Arnoldo Mondadori Editore S.p.A., the following effects apply:
 - (i) in the event that a recipient voluntarily steps down from the office of Director, or is removed from said office for just cause in accordance with articles 2383 and 2385 of the Italian Civil Code, he/she loses all stock option rights.

Consequently, all exercisable options that have been granted in accordance with stock option plans and which have not yet been exercised are immediately and automatically forfeited, with no right to any form of compensation or indemnification whatsoever;

(ii) in the event of forfeiture of the office of Director in accordance with article 2382 of the Italian Civil Code, the Board of Directors will determine the applicable course of action regarding exercisable options on a case-by-case basis;

(iii) in the event that a Director's termination of office occurs for reasons other than those outlined in paragraphs (i) and (ii) above, or when the term of office expires, the recipient retains the right to exercise any options which are exercisable.

Information on Stock Option Plans

The Shareholders established a three-year stock option plan using the Company's treasury shares, with a duration spanning 2009-2010-2011; as of 31 December 2014, the exercise periods regarding this plan were still ongoing. This plan was reserved for the following figures: Executives at the Company and its subsidiaries, who perform duties that are integral to achieving the Group's strategic goals; Directors of the Company and its subsidiaries; journalists who are employed by the Company and its subsidiaries in the role of editor-in-chief and co-editor; Executives at the parent company who hold the position of Manager, and who perform their duties in the Company's best interest.

For each year of the three-year period, the stock option plans are structured around the allocation of exercisable options on the purchase of ordinary Mondadori shares that are held as treasury shares. The recipients of these options are selected from the categories listed above by the Board of Directors, at the Remuneration Committee's recommendation. Each exercised options corresponds to one share cum dividend, at a price that is not lower than the arithmetic mean of the reference prices for a Mondadori share in the period spanning the option grant date to the same day of the previous calendar month.

Options may be exercised provided that the relative conditions have been met; these conditions relate to annual performance indicators of an economic and/or financial nature for the Group as a whole, and are determined by the Board of Directors. Furthermore, options may be exercised solely in the exercise period that follows the conclusion of the vesting period, which is 36 months from the option grant date.

Table 2 provides details of the options granted under this plan. It must be specified that the Board of Directors decided not to grant any options for the 2011 fiscal year, at the Remuneration Committee's recommendation. With an eye towards creation of value, this decision was made with the aim of rendering the Three-Year Incentive Plan described above an even greater source of management incentive and retention over the medium-to-long term.

For more detailed information on the Stock Option Plans, please refer to the publications made available in accordance with article 84 *bis* of Consob Regulation no. 11971/1999.

In the 2014 fiscal year, no financial instruments were allocated in connection to equity-based compensation packages; furthermore, no stock options were exercised in reference to the Stock Option Plan described above, which was previously established by the Shareholders and still has ongoing exercise periods.

PART TWO – ANALYTICAL DESCRIPTION OF COMPENSATION PAID OUT DURING THE FISCAL YEAR

Schedule 7-bis: Remuneration Report

TABLE 1: Compensation paid out to members of the Board of Directors, the Board of Statutory Auditors and other Key Management Personnel

TABLE 2: Stock options granted to members of the Board of Directors, Corporate Officers and other Key Management Personnel

TABLE 3B: Cash incentive plans for members of the Board of Directors, Corporate Officers and other Key Management Personnel

Schedule 7-ter: Schedule reporting information on the equity participation of the members of the Board of Directors, the Board of Statutory Auditors and of other Key Management Personnel

Table 1: Equity participation of members of the Board of Directors, members of the Statutory Board of Auditors and Corporate Officers

Table 2: Equity participation of other Key Management Personnel

TABLE 1: Compensation paid out to members of the Board of Directors, the Board of Statutory Auditors and other Key Management Personnel

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Term of Office	Expiration of Term of Office	Base Pay	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Severance pay for termination of office or employment
						Bonuses and other incentives	Profit sharing					
BERLUSCONI MARINA ELVIRA	CHAIRMAN	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	15,000 a)						515,000		
				500,000 b)								
MAURI ERNESTO	CHIEF EXECUTIVE OFFICER	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)		2,290,000			350,000 h)	4,070,000		
				1,100,000 b)					320,000 (i)			
VISMARA CARLO MARIA	DIRECTOR	1 JANUARY 2014 31 MAY 2014	APPROVAL 2014 FINANCIAL STATEMENTS	208,157 c)				5,606		213,763		2,090,242 M
POZZI ODDONE	DIRECTOR	17 JUNE 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	5,833 a)		58,300		2,692		293,932		
				227,107 c)								
BERLUSCONI PIERSILVIO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000						10,000		
CANNATELLI PASQUALE	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)						10,000		
ERMOLLI BRUNO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)	20,000 e)					30,000		
FORNERON MONDADORI MARTINA	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)						10,000		
PELLEGRINO DANILO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)						10,000		
POLI ROBERTO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)						10,000		
RENOLDI ANGELO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)	25,000 d)				20,000 f)	55,000		
RESCA MARIO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)						10,000		
ROSSELLO CRISTINA	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)	20,000 d)					30,000		
SANGALLI CARLO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)	20,000 e)					30,000		
SPADACINI MARCO	DIRECTOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	10,000 a)	20,000 d)					55,000		
					25,000 e)							
SUPERTI FURGA FERDINANDO	CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	60,000 a)					25,000 f)	85,000		
GIAMPAOLO FRANCESCO ANTONIO	STANDING STATUTORY AUDITOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	40,000 a)						40,000		
PAPA FRANCO CARLO	STANDING STATUTORY AUDITOR	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	40,000 a)						40,000		
KEY MANAGEMENT PERSONNEL	5 (g)			1,921,098 n)		684,950		23,873		2,629,921		
(I) Fees for the company that prepares the financial statements				4,237,195	130,000	3,033,250		32,171	715,000	8,147,616	0	2,090,242
RESCA MARIO	MONDADORI DIRECT SPA CHAIRMAN	1 JANUARY 2014 31 DECEMBER 2014	APPROVAL 2014 FINANCIAL STATEMENTS	120,000 a)					100,000 (i)	220,000		
KEY MANAGEMENT PERSONNEL	2 (g)			673,337 c)		304,700		10,976		989,013		
(II) Compensation from subsidiaries and affiliates				793,337	0	304,700		10,976	100,000	1,209,013	0	0
(III) Total				5,030,532	130,000	3,337,950		43,147	815,000	9,356,629	0	2,090,242

KEY

COLUMN (1): a) emoluments approved by shareholders b) compensation for the performance of key roles c) fixed wages n) fixed wages or remuneration payables to associates
COLUMN (2): d) Internal Control and Risk Management Committee e) Remuneration and Appointments Committee
COLUMN (5): f) compensation as member of Supervisory and Oversight Body h) compensation to be settled for 2014 non-compete clause i) lump sum remuneration as resolved upon by the BoD
COLUMN (8): m) includes Euro 100,000 relative to the non-compete agreement up to 31 December 2014 payable 31 January 2015
COLUMN (B): g) number of directors with strategic responsibilities in office as at 31/12/2014
COLUMN (7): In 2014, the fair value of the stock options had no economic effect as the stock option costs were recognised in the period to maturity beginning from the date the options were assigned.
As such, the cost of stock options relative to the 2009 Plan was recorded in the 2009/2010/2011 fiscal years,
and the cost of stock options relative to the 2010 Plan was recorded in the 2010/2011/2012 fiscal years.

Under "**Base pay**", the following forms of compensation are shown separately, possibly footnoted and on an accrual basis: *i*) emoluments approved by shareholders, even if not yet paid out; *ii*) attendance fees; *iii*) lump-sum reimbursement of expenses; *iv*) compensation received for the performance of key roles, as per article 2389, paragraph 3 of the Italian Civil Code (for example: chairman, vice-chairman) *v*) base salary from taxes and social security contributions charged to the employee, and excluding mandatory, collectively-bargained social security contributions charged to the company and severance pay accrual. The other components from the compensation for employment (bonuses, other compensation, non-monetary benefits, etc.) are indicated under the relative columns, specifying in a note the part paid by virtue of the board membership and the part paid by virtue of the employment relationship.

The "**Compensation for participation in committees**" is shown on an accrual basis, and they may be shown as an aggregate item. A footnote provides information on which committees the director participated in, and in the event of participation in more than one committee, the compensation received for each one is reported.

The column "**Bonuses and other incentives**" includes accrued compensation that - based on cash incentive plans - has *vested* due to the achievement of objectives over the course of the fiscal year, even if it has not yet been paid out. The values of granted or exercised *stock options*, or of other financial instruments, are not included at any point in this column. That value can be found by summing the figures shown in Table 3B, columns 2A, 3B and 4, row (III).

In the column "**Profit sharing**", the sum is indicated on an accrual basis, even though the financial statements and profit distribution plan have not yet been approved.

The column "**Non-monetary benefits**" shows the value of *fringe benefits* (on a taxable basis) included in any insurance policies or supplemental pension funds.

The column "**Other compensation**" lists separately, and on an accrual basis, all other possible remuneration that may derive from other services provided. A footnote provides information on any loans, advances or indemnities that have been granted by the company or its subsidiaries to Executive Directors or the Chairman of the Board of Directors, which might represent a form of indirect compensation under certain conditions (which differ from market conditions or standard conditions that can be applied to specific categories of entities).

Column (6) "**Total**" represents the sum of the items from (1) to (5).

The column "**Fair value of equity compensation**" shows the *fair value* - estimated in accordance with International Accounting Standards ¹ - on the date the year's accrued compensation was granted as a result of equity incentive plans. This value corresponds to the sum of the figures reported in column 16, row III in Table 2 and in column 12, row III in Table 3A.

¹This item does not refer to the entire allocation of equity compensation over the course of the fiscal year, but only the part which is recorded in the financial statements. This is in keeping with accounting principles that respect the vesting period of the rights to *equity* compensation, and as such, redistribute the relative cost over the course of the *vesting* period.

The column "**Severance pay for termination of office or employment**" shows the severance pay accrued by directors over the relative fiscal year for the termination of their roles, even if it has not yet been paid out, and in reference to the year in which the termination actually took effect. In addition, it shows the value of any payment of value of any payment of non-monetary benefits, the price of any consultancy agreements and any compensation related to non-compete clauses. The amount of compensation related to non-compete clauses is indicated only once, at the moment of termination of office; the duration of any non-compete clause is to be specified in part one of the second section in the remuneration report, along with the date of actual payment.

Each column in row (III) is the sum of fees paid to the company that prepares the financial statements and compensation paid to those filling positions in subsidiaries and affiliates.

TABLE 2: Stock options granted to members of the Board of Directors, Corporate Officers and other Key Management Personnel.

A	B	(1)	Options held at beginning of fiscal year			Options granted during fiscal year						Options exercised during the fiscal year			Options expired during the fiscal year	Options held at the end of the fiscal year	Options accrued during the fiscal year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)=(2)+(5)-(11)-(14)	(16)
Name and Surname	Office	Plan	Number of Options	Exercise Price	Period of possible exercise (from - to)	Number of Options	Exercise Price	Period of possible exercise (from - to)	Fair value on option grant date	Option grant date	Market price of underlying shares on option grant date	Number of Options	Exercise Price	Market price of underlying shares on exercise date	Number of Options	Number of Options	Fair value (*)
Marina Berlusconi	Chairman																
	Stock Option Plan 2009/2010/2011 vest. 29.04.2009	2009 BoD 15.10.2009 Cpr 8.10.2009	360,000	3.4198	from 16.10.2012 to 15.10.2015											360,000	
	Stock Option Plan 2009/2010/2011 vest. 29.04.2009	2010 BoD 21.07.2010 Cpr 19.07.2010	360,000	2.4693	from 22.07.2013 to 21.07.2016											360,000	
(II) Compensation from subsidiaries and affiliates	Plan A (date of relative resolution)																
	Plan B (date of relative resolution)																
(III) Total			720,000												0	720,000	0
ERNESTO MAURI	CEO																
(I) Fees for the company that prepares the financial statements	Stock Option Plan 2009/2010/2011 vest. 29.04.2009	2010 BoD 21.07.2010 Cpr 19.07.2010	70,000	2.4693	from 22.07.2013 to 21.07.2016											70,000	
(II) Compensation from subsidiaries and affiliates	Plan A (date of relative resolution)																
	Plan B (date of relative resolution)																
(III) Total			70,000												0	70,000	0

Key
 COLUMN (16): (*) For the 2014 fiscal year, the fair value of stock options does not have an impact on the income statement, as the costs of the stock options were recorded starting from the option grant date and with respect to the vesting period. As such, the cost of stock options relative to the 2009 Plan was recorded in the 2009/2010/2011 fiscal years, and the cost of stock options relative to the 2010 Plan was recorded in the 2010/2011/2012 fiscal years.

TABLE 2: Stock options granted to members of the Board of Directors, Corporate Officers and other Key Management Personnel

A	B	(1)	Options held at beginning of fiscal year			Options granted during fiscal year						Options exercised during the fiscal year			Options expired during the fiscal year	Options held at the end of the fiscal year	Options accrued during the fiscal year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)=(2)+(5)-(11)-(14)	(16)
Name and Surname	Office	Plan	Number of Options	Exercise Price	Period of possible exercise (from - to)	Number of Options	Exercise Price	Period of possible exercise (from - to)	Fair value on option grant date	Option grant date	Market price of underlying shares on option grant date	Number of Options	Exercise Price	Market price of underlying shares on exercise date	Number of Options	Number of Options	Fair value ^(*)
Carlo Maria Vismara	Director																
	Stock Option Plan 2009/2010/2011 vest. 29.04.2009	2009 BoD 15.10.2009 Cpr 8.10.2009	70,000	3.4198	from 16.10.2012 to 15.10.2015										70,000	a)	
	Stock Option Plan 2009/2010/2011 vest. 29.04.2009	2010 BoD 21.07.2010 Cpr 19.07.2010	70,000	2.4693	from 22.07.2013 to 21.07.2016										70,000	a)	
(II) Compensation from subsidiaries and affiliates	Plan A (date of relative resolution)																
	Plan B (date of relative resolution)																
(III) Total			140,000												140,000		0
Key Management Personnel	7 (**)																
	Stock Option Plan 2009/2010/2011 vest. 29.04.2009	2009 BoD 15.10.2009 Cpr 8.10.2009	165,000	3.4198	from 16.10.2012 to 15.10.2015											165,000	
	Stock Option Plan 2009/2010/2011 vest. 29.04.2009	2010 BoD 21.07.2010 Cpr 19.07.2010	190,000	2.4693	from 22.07.2013 to 21.07.2016											190,000	
(II) Compensation from subsidiaries and affiliates	Plan A (date of relative resolution)																
	Plan B (date of relative resolution)																
(III) Total			355,000												0		355,000
(III) Grand Total			1,285,000												140,000		1,145,000

Key

□□

COLUMN (14): a) cancelled following termination.

COLUMN (16): ^(*)For the 2014 fiscal year, the fair value of stock options does not have an impact on the income statement, as the costs of the stock options were recorded starting from the option grant date and with respect to the vesting period.

As such, the cost of stock options relative to the 2009 Plan was recorded in the 2009/2010/2011 fiscal years, and the cost of stock options relative to the 2010 Plan was recorded in the 2010/2011/2012 fiscal years.

COLUMN (B): ^(**) number of Key Management Personnel in office as of 31 December 2014.For each individual concerned, and for each *stock option* plan assigned to them, this table reports the following information:

- the options **held** at the beginning of the year, with information on the exercise price and the possible exercise period;
- the options **granted over** the course of the year, with information on the exercise price, possible exercise period, the *fair value* on the option grant date¹, the option grant date and the market price of underlying shares on that date;
- ¹ the *fair value* on the option grant date is indicated in reference to all granted options for each plan, and not in reference to each option.
- options **exercised** over the course of the year, with information on the exercise price and the market price of underlying shares at the moment of exercise;
- options **expired** during the year;
- options **held** at the end of the year;
- the *fair value* of options accrued during the year.

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

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

Should the data be represented in aggregate form, the following information must be shown in the Table:

- the total number of options held at the beginning of the fiscal year, with information on the total exercise price paid and the average maturity;
- the total number of options assigned during the fiscal year, with information on the total exercise price paid, average maturity, the total *fair value* and the average price of the underlying shares on the option grant date;
- the total number of options exercised during the fiscal year, with information on the total exercise price paid and the average price of the underlying shares on the date the options were exercised;
- the total number of options expired during the fiscal year;
- the total number of options held at the end of the fiscal year;
- the total *fair value* of options accrued during the fiscal year.

TABLE 3B: Cash incentive plans for members of the Board of Directors, Corporate Officers and other Key Management Personnel (1)

1 It should be noted that this Table includes all incentive plans of a monetary nature, for both the short and medium-to-long term.

A	B	(1)	(2)			(3)			(4)
			Bonuses for this year			Bonuses from previous years			
Surname and Name	Office	Plan	(A)	(B)	(C)	(A)	(B)	(C)	Other Bonuses *
ERNESTO MAURI	CHIEF EXECUTIVE OFFICER		Payable/Paid	Deferred	Deferral Period	No longer payable	Payable/Paid	Still Deferred	
(I) Fees for the company that prepares the financial statements		Plan 2013-2014 BoD 20/03/2013	1,350,000 a)				450,000 b)		490,000
(II) Compensation from subsidiaries and affiliates									
(III) Total			1,350,000				450,000		490,000
ODDONE POZZI	DIRECTOR		Payable/Paid	Deferred	Deferral Period	No longer payable	Payable/Paid	Still Deferred	
(I) Fees for the company that prepares the financial statements		Plan 2014-2016 BoD 27/03/2014		60,000 c) 300,000 d)	2016 2016				58,300
(II) Compensation from subsidiaries and affiliates									
(III) Total				360,000					58,300
KEY MANAGEMENT PERSONNEL			Payable/Paid	Deferred	Deferral Period	No longer payable	Payable/Paid	Still Deferred	
(I) Fees for the company that prepares the financial statements		Plan 2014-2016 BoD 27/03/2014		120,000 c) 970,000 d)	2016 2016	400,000 e)			684,950
(II) Compensation from subsidiaries and affiliates		Plan 2014-2016 BoD 27/03/2014		41,667 c) 458,333 d)	2016 2016				304,700
(III) Total				1,590,000		400,000			989,650
(IV) Total			1,350,000	1,950,000		400,000	450,000		1,537,950

a) amount subject to conditions verified as at 31.12.2014

b) this sum refers to 2013 objectives which are subject to further conditions, to be verified on 31.12.2014

c) this sum refers to 2014 objectives which are subject to further conditions, to be verified on 31.12.2016

d) this sum refers to 2015 and 2016 objectives which are subject to further conditions, to be verified on 31.12.2016

e) amount no longer payable due to termination of contract

* Column (4) Other Bonuses contains the bonuses for the year included in the total amount indicated under tab.1 column 3

The total (III) shows the sum of all columns except column (2C).

"Column 2A" shows bonuses accrued for objectives achieved during the fiscal year, and which have been paid or are payable as they are not subject to further conditions (Upfront compensation).

"Column 2B" shows bonuses linked to objectives to be achieved during the fiscal year, but which are not payable as they are subject to further conditions (deferred bonus).

"Column 3A" shows the sum of deferred bonuses from previous years that are to be paid at the beginning of the fiscal year, but that are no longer payable due to the failure to meet the relative conditions.

"Column 3B" shows the sum of deferred bonuses from previous years which are to be paid at the beginning of the fiscal year, have been paid during the fiscal year, or are still payable.

"Column 3C" shows the sum of deferred bonuses from previous years that are still to be paid at the beginning of the fiscal year and have been still further deferred.

The sum of the amounts in columns 2A and 3B corresponds to the sum of the amounts in columns 2B and 3C from the previous fiscal year.

The column "Other Bonuses" shows bonuses accrued during the fiscal year that are not explicitly included in specific ex ante incentive plans.

Should the data be represented in aggregate form, the following information must be shown in the Table:

-total bonuses for the year, divided into paid bonuses and deferred bonuses, with information on the average deferral period of the latter;

-total bonuses from previous years, divided into bonuses that are no longer payable, paid bonuses, and bonuses that are still deferred;

other total bonuses.

Schedule no. Schedule no. 7-TER reporting information on the equity participation of members of the Board of Directors, members of the Board of Statutory Auditors, Corporate Officers and other Key Management Personnel

The following tables report information on the equity participation in Arnoldo Mondadori Editore SpA of Board Members and Statutory Auditors, as well as that of Key Management Personnel in aggregate form. It is furthermore specified that, unless otherwise specified, the equity investments indicated are held under direct ownership.

TABLE 1: Equity participation of members of the Board of Directors, members of the Statutory Board of Auditors and Corporate Officers

Surname and Name	Office	Investee Company	Number of shares held at the end of the previous fiscal year	Number of shares bought	Number of shares sold	Number of shares held at the end of the current fiscal year
Marina Berlusconi	Chairman	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Ernesto Mauri	Chief Executive Officer	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Piersilvio Berlusconi	Director	Arnoldo Mondadori Editore S.p.A.	172,000	-	-	172,000
Pasquale Cannatelli	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Bruno Ermoli	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Martina Forneron Mondadori	Director	Arnoldo Mondadori Editore S.p.A.	137,127	-	-	137,127
Danilo Pellegrino	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Roberto Poli	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Oddone Maria Pozzi *	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Angelo Renoldi	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Mario Resca	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Cristina Rossello	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Carlo Sangalli	Director	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Marco Spadacini	Director	Arnoldo Mondadori Editore S.p.A.	8,000 ¹	-	-	8,000 ¹
Carlo Maria Vismara	Director	Arnoldo Mondadori Editore S.p.A.	35,000	-	35,000***	-
Ferdinando Superti Furga	Chairman of the Board of Statutory Auditors	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Francesco Antonio Giampaolo	Standing Statutory Auditor	Arnoldo Mondadori Editore S.p.A.	-	-	-	-
Franco Carlo Papa	Standing Statutory Auditor	Arnoldo Mondadori Editore S.p.A.	-	-	-	-

¹ shares held by spouse.

*Appointed by co-option on 17 June 2014

** Resigned on 31 May 2015. The number of shares held refers to 31 May 2014

*** Sold after the resignation from the office of director which was held until 31 May 2014.

TABLE 2: Equity participation of other Key Management Personnel

Number of Key Management Personnel	Investee Company	Number of shares held at the end of the previous fiscal year	Number of shares bought	Number of shares sold	Number of shares held at the end of the current fiscal year
7	Arnoldo Mondadori Editore S.p.A.	1,000	-	-	1,000

Equity participation in the listed parent company and its subsidiaries - on the part of members of the Board of Directors and Board of Statutory Auditors, Corporate Officers and Key Management Personnel - is reported in the form of a table.

In particular, the number of shares held in each company is reported alongside the name of each member of the Board of Directors, each member of the Board of Statutory Auditors, and each Corporate Officer, while this information is reported in aggregate form for other Key Management Personnel. The shares are divided into the following categories:

- shares held at the end of the previous fiscal year;
- shares bought during the current fiscal year;
- shares sold during the current fiscal year;
- shares held at the end of the current fiscal year.

To this end, the table shows the security and its terms.

The table includes all individuals who, at some point during the current fiscal year, held office as a member of the Board of Directors, as a member of the Board of Statutory Auditors, as a Corporate Officer or as a member of Key Management Personnel.

Resolution proposal (article 123-ter, paragraph 6 of Legislative Decree no. 58/1998)

In accordance with article 123-ter, paragraph 6 of Legislative Decree no. 58/1998, the Shareholders are called to vote in favour of or against the first section of the Remuneration Report. This resolution is non-binding.

In reference to the above, the following resolution is proposed:

"The Ordinary Shareholders' Meeting of Arnoldo Mondadori Editore S.p.A.

resolves

to approve the first section of the Remuneration Report, which concerns the policy to be adopted in compensating members of governing bodies and Key Management Personnel, and the procedures used to adopt and implement said policy."

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

The Chairwoman
Marina Berlusconi

