Arnoldo Mondadori Editore S.p.A.
Registered office: Via Bianca di Savoia 12, Milan
Share capital EUR 67,979,168.40 fully paid-up
Milan-Monza-Brianza-Lodi Company register and tax code 07012130584 VAT No. 08386600152

Shareholders' Meeting
of 24 April 2018 (1st call)
and of 26 April 2018 (2nd call)

Directors Report

Agenda Item 4

Authorization to buy back and trade treasury shares, pursuant to the combined provisions of articles 2357 and 2357-*ter* of the Italian Civil Code.

Ordinary Shareholders' Meeting of 24/26 April 2018
Report of the Board of Directors
on the fourth agenda item

Authorization to buy back and trade treasury shares, pursuant to the combined provisions of articles 2357 and 2357-ter of the Italian Civil Code.

Fellow Shareholders,

On 27 April 2017, the Shareholders' Meeting of Arnoldo Mondadori Editore S.p.A. (the "**Company**") granted authorisation to purchase a maximum of 26,145,834 treasury shares, pursuant to article 2357 of the Italian Civil Code and until the approval of the financial statements as at 31 December 2017. Under the resolution, pursuant to article 2357-*ter* of the Italian Civil Code, the Shareholders' Meeting authorised the Board of Directors to trade treasury shares purchased without time limits.

Following the partial execution of the resolution, to date the Company holds 920,000 treasury shares (equal to 0.352% of the share capital), the voting rights of which have been suspended in accordance with article 2357-*ter*, paragraph 2, of the Italian Civil Code.

The share capital of the Company at the date of this report amounts to € 67,979,168.40, divided into 261,458,340 ordinary shares with a par value of € 0.26 each, of which 260,538,340 carry voting rights.

In consideration of the expiration of the present shareholders' meeting authorization provided on 27 April 2017, and in order to preserve the power of the Board of Directors to seize potential investment or trading opportunities regarding treasury shares, we propose renewing the Board's authorisation to purchase and to trade treasury shares, pursuant to the combined provisions of articles 2357 and 2357-*ter* of the Italian Civil Code and in accordance with article 132 of Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**TUF**") and article 144-*bis* of the Consob regulation adopted by resolution 11971 of 14 May 1999, as amended ("**Issuers' Regulation**"), until the approval of the financial statements as at 31 December 2018 and under the terms and conditions stated below.

1. Reasons for requesting authorisation to purchase and trade treasury shares.

The aim of the authorisation request for the purchase and trading of treasury shares is to enable the Company to purchase and trade ordinary shares, in line with previous shareholders' meeting authorisations and in accordance with European and national regulations in force and admissible market practice as recognized by Consob, respectively, pursuant to article 13 of Regulation (EU) No. 596/2014 and article 180, paragraph 1, letter c) of the TUF, for the following purposes:

- to use bought back treasury shares as consideration for the acquisition of equity investments within the framework of the Company's investment policy guidelines;

- to use bought back treasury shares to satisfy the exercise of conversion rights or other options on financial instruments issued by the Company, subsidiaries or third parties, and to use the treasury shares for lending, exchanges or conferrals of shares or to service extraordinary capital transactions or borrowing or incentives that involve the allotment or disposal of treasury shares;
- to carry out, directly or through brokers, investment transactions, also with a view to containing sharp swings in listed prices, normalizing trading and price trends and supporting the liquidity of stock on the market, in order to promote regular trading conditions independently of the normal variations tied to market trends, all in compliance with regulations in force;
- to seize any investment or divestment opportunities, when deemed to be to the strategic benefit of the Company, and in proportion to available liquidity;
- to use the treasury shares to service equity incentive plans, pursuant to article 114-bis of the TUF, and programmes for the bonus issue of shares to shareholders.

With regard to the latter, it should be observed that the Board of Directors has submitted a 2018–2020 Performance Share Plan for approval, pursuant to article 114-bis of the TUF, by the Shareholders' Meeting called for 24 April 2018, and on second call for 26 April 2018.

Under the plan, only Mondadori treasury shares may be used to service the plan (see the relative information document published in accordance with article 84-bis of the Issuers' Regulation, available on the website www.mondadori.it). Accordingly, under the authorisation of the Shareholders' Meeting as requested in this proposal, the Board of Directors may initiate a treasury share buyback programme up to a maximum limit of 0,472% of the share capital, to furnish the Company with the 1,236,065 million shares necessary to service the obligations connected with the 2018–2020 Performance Share Plan: (i) the details of which will be announced before the commencement of trading; (ii) for which purchase and sale transactions under the plan will be disclosed to Consob and the public; and (iii) the purchase prices of which will comply with the limits contemplated by Regulation (EU) No. 596/2014 and relative implementing regulations.

It should also be recalled – as per previous disclosures to the market – that the Shareholders' Meeting of 27 April 2017 approved, pursuant to article 114-*bis* of the TUF, a Performance Share Plan for 2017–2019 (the "2017–2019 Plan") serviced exclusively by Mondadori treasury shares (in accordance with the plan description provided in the information document published on 28 March 2017, to which full reference is made). Accordingly, under the authorization requested from the Shareholders' Meeting as per this proposal, the Board of Directors will be able to continue with the buyback of treasury shares to service the 2017–2019 Plan, under the terms and conditions and within the limits of the relative plan regulations.

2. Maximum number, class, and nominal value of shares to which the authorisation refers.

Authorisation is requested for the purchase of a maximum number of treasury shares – taking into account the number of shares held, directly and indirectly, in portfolio from time to time – equal to no more than 10% of the share capital.

3. Relevant information to fully assess whether the provisions laid down by the Italian Civil Code in article 2357, paragraph 3, have been complied with.

Pursuant to article 2357, paragraph 1, of the Italian Civil Code, purchases of treasury shares may only be made within the limits of the distributable profit and free reserves shown in the last financial statements approved at the time of each transaction. Only shares that are entirely unencumbered may be purchased.
Authorisation is requested for a maximum limit of no more than one-fifth of the share capital, in accordance with the provisions of article 2357, paragraph 3, of the Italian Civil Code.

4. Requested duration for purchase authorisation.

Authorisation to purchase treasury shares is requested until the approval of the financial statements as at 31 December 2018, whereas authorisation to trade in treasury shares is requested without time limits.

5. Minimum and maximum consideration.

The minimum and maximum consideration that may be paid for the buyback of shares is based on the official share price on the day before the purchase, with the floor price set at the official price less 20%, and the ceiling price set at the official price plus 10%. In any case, in relation to purchase prices, the additional conditions laid down in article 3 of the Delegated Regulation (EU) 2016/1052, referred to in paragraph 6 below, shall apply.

In accordance with the provisions laid down in article 2357, paragraph 1 of the Italian Civil Code, purchases will be executed within the limits of the available “surplus reserve”, as shown in the last financial statements approved.

The Board of Directors additionally requests authorisation to sell, dispose and/or use the bought back treasury shares, in any capacity and at any time, in whole or in part, and on one or more occasions, for the purposes set out in paragraph 1 above, in the manner and under the terms and conditions as decided from time to time by the Board of Directors.

In any case, purchases will be carried out in compliance with the conditions laid down in article 3 of Delegated Regulation (EU) 2016/1052 concerning the volumes and unit prices of shares. In particular:

- shares shall not be purchased at a price higher than the highest price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out;
- in terms of volumes, daily trading volumes shall not be more than 25% of the average daily volume of Arnoldo Mondadori Editore S.p.A. shares traded in the 20 trading days preceding the date of purchase.

Purchases concerning (a) activities to support market liquidity, and(b) the purchase of shares to establish a "treasury stock" will be carried out in accordance with accepted market practice, as per the combined provisions of article 180, paragraph 1, letter c) of the TUF and article 13 of Regulation (EU) No. 596/2014.

Specifically, the Board of Directors may use the treasury shares (a) for their sale on regulated markets, or as consideration for the acquisition of equity investments within the framework of the Company's investment policy guidelines, or to satisfy the exercise of conversion rights or other options on financial instruments issued by the Company or by third parties, providing that the price or unit value of the shares is no less than 80% of the reference price of the share in the trading session prior to each transaction; (b) to service equity incentive plans approved by the Shareholders' Meeting, as per the relative plan regulations.

6. Procedures for the purchase and sale of treasury shares.

Purchases will be executed in compliance with (i) the combined provisions of article 132 of the TUF and article 5 of Regulation (EU) No. 596/2014, (ii) article 144-bis of the Issuers' Regulation, (iii) European and national regulations concerning market abuse, and (iv) accepted practice.

Specifically, purchases will be made on regulated markets in a manner that does not permit the direct matching of bids with predetermined ask prices.

Bought back treasury shares may be used for their sale on regulated markets, following procedures in compliance with applicable regulations, or as consideration for the acquisition of equity investments within the framework of the Company' investment policy guidelines.

Specifically, authorisation is requested to use treasury shares (i) to satisfy the exercise of conversion rights or other options on financial instruments issued by the company or third parties, at a price which corresponds to the respective exercise price or conversion price, and (ii) to satisfy the exercise of options allocated to beneficiaries under equity incentive plans, at the price required by the relative plan regulations.

Resolution proposals

Fellow Shareholders,

If you agree with our proposals, we invite you to approve the following resolutions:

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

- *having examined and discussed the explanatory report prepared by the Board of Directors;*
- *having regard to the financial statements as at 31 December 2017, approved by today's Shareholders' Meeting;*
- *having acknowledged the proposed resolutions presented;*

resolves

1. *pursuant to article 2357 of the Italian Civil Code, to authorise the purchase of a maximum number of ordinary shares with a par value per unit of € 0.26 until reaching 10% of the current share capital.*

Purchases may be executed on one or more occasions, at a floor price of no less than the official price on the trading prior to the purchase transaction less 20%, and a ceiling price of no more than the official price on the trading day prior to the purchase transaction plus 10%. Volumes and the unit purchase prices must nevertheless be set in accordance with the terms and conditions of article 3 of Delegated Regulation (EU) 2016/1052, i.e.:

- *treasury shares shall not be purchased at a price higher than the highest price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;*
- *in terms of volumes, daily trading volumes shall not be more than 25 % of the average daily volume of Arnoldo Mondadori Editore S.p.A. shares traded in the 20 trading days preceding the date of purchase.*

This authorisation will be effective until the Shareholders' Meeting called to approve the financial statements as at 31st December 2018;

2. *to authorise the Board of Directors, as well as the Chairman and Chief Executive Officer on the Board's behalf, to proceed with the purchase of shares under the conditions listed above and at the pace deemed to be in the Company's best interests. This authorisation shall apply jointly and severally to the Chairman and Chief Executive Officer, and shall allow them to act by proxy as well. Purchases shall be executed in compliance with current regulations, and as such – pursuant to article 144 bis Consob Regulation No. 11971/1999 – they shall be carried out on regulated markets and in accordance with trading procedures as established by the respective market regulations, so long as these do not permit direct matching of bids with predetermined ask prices;*

3. *to record, when treasury shares are purchased or used, the necessary accounting entries, in compliance with the applicable provisions of law and accounting standards;*

4. *to grant the Board of Directors, as well as the Chairman and Chief Executive Officer on the Board's behalf, the authorisation to trade shares – at any time, in whole or in part, on one or more occasions, and even before having exhausted all purchases – which have been purchased in accordance with this resolution, in any of the following manners: through the sale of said shares on regulated markets or in compliance with any additional trading procedures and regulations that may apply; as consideration for the acquisition of equity investments within the framework of the Company's investment policy guidelines; to satisfy the exercise of conversion rights or other options on financial instruments issued by the Company or third parties; to service equity incentive plans adopted by the Company (including therein the equity incentive plan for 2017–2019 approved by the Shareholders' Meeting on 27 April 2017, in accordance with the relative plan regulations, and the equity incentive plan for 2018–2020 to be submitted for approval to the Shareholders' Meeting, in accordance with the relative plan regulations); as a way to grant the directors themselves the power to establish terms, conditions and procedures as they see fit on each occasion, in*

compliance with the provisions of law and regulations. This authorisation is pursuant to article 2357-ter of the Italian Civil Code, and it shall apply jointly and severally to the Chairman and Chief Executive Officer, allowing them to act by proxy as well. The unit price or value assigned to the shares to be traded shall not be less than 80% of the reference share price recorded during the trading session prior to each transaction, or, where satisfying the exercise of conversion rights or other options on financial instruments issued by the Company or third parties, the share price or value shall correspond to the respective exercise price or conversion price. The authorisation referred to in this paragraph is granted without time limits."

13 March 2018

Arnoldo Mondadori Editore S.p.A.
for the Board of Directors
The Chairperson

Marina Berlusconi

Arnoldo Mondadori Editore S.p.A.
Registered office: Via Bianca di Savoia 12, Milan
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GRUPPO MONDADORI

Shareholders' Meeting
of 24 April 2018 (1st call)
and of 26 April 2018 (2nd call)

Directors Report

Agenda Item 5

Appointment of the Board of Directors

- **Determination of the number of members**
- **Determination of the term of office**
- **Determination of remuneration**
- **Appointment of the members of the Board of Directors**

Ordinary Shareholders' Meeting of 24/26 April 2018

Report of the Board of Directors

on the fifth agenda item

Appointment of the Board of Directors.

- **Determination of the number of members.**
- **Determination of the term of office.**
- **Determination of remuneration.**
- **Appointment of the members of the Board of Directors.**

Fellow Shareholders,

with this Shareholders' Meeting for the approval of the financial statements for the year ended 31 December 2017, the term of office expires for the Board of Directors appointed by the Shareholders' Meeting of 23 April 2015 for the years 2015/2016/2017.

The Shareholders' Meeting is hereby called upon to determine the number of members of the Board of Directors and their term of office, and to appoint the members of the Board of Directors, according to the terms and conditions of article 17 of the Bylaws, concurrently setting the relative remuneration.

Pursuant to article 17.1 of the Bylaws, the Company is administered by a Board of Directors composed of a number of members that cannot be lower than seven nor higher than fifteen, and the Shareholders' Meeting is called upon to determine this number which must fall between these limits.

Pursuant to article 17 of the Bylaws, the Directors are elected through a slate voting procedure and must meet the requirements envisaged by the primary and secondary regulations as in force from time to time and be eligible for re-election. In particular, pursuant to article 147-*ter*, paragraph 4 of the Italian Legislative Decree No. 58/1998 (**Consolidated Law on Finance** or "**TUF**"), when a Board of Directors is composed of more than 7 members, at least two of those members must meet the independence criteria required by article 148, paragraph 3 of the TUF.

Shareholders are reminded that Arnoldo Mondadori Editore S.p.A. is a listed company in the STAR segment of Borsa Italiana; as such, pursuant to article 2.2.3, paragraph 3 of the Borsa Italiana Regulations, in order to maintain its STAR listing, the Company is required, inter alia, to guarantee a suitable number of non-executive directors and independent directors.

Furthermore, we reiterate here that the Extraordinary Shareholders' Meeting held on 23 April 2013 had resolved to make certain amendments to the Bylaws in order to abide by the provisions of the Italian Law

No. 120 of 12 July 2011, concerning gender balance in the governing and supervisory bodies of listed companies. The provisions of the law introduced the principle of gender equality in terms of access to governing and supervisory bodies for listed companies on regulated markets. In application of the new law (adopted under article 147-*ter*, paragraph 1-ter of the TUF) at least one-third of the members of corporate bodies in such companies must be made up of the less-represented gender.

It is furthermore reiterated here, that pursuant to article 17 of the Bylaws, the Chairmanship of the Board of Directors will be held by the first named Director on the slate which obtained the highest number of votes.

The Shareholders' Meeting is also called upon to adopt a resolution regarding the remuneration of the members of the Board of Directors. Pursuant to article 26 of the Bylaws, the Shareholders' Meeting is required to set the total amount of remuneration for all the directors.

TERMS, CONDITIONS AND REQUIREMENTS THE FOR PRESENTATION OF SLATES

The Shareholders' Meeting will be called to vote on the slates filed at the registered offices in accordance with the terms and conditions indicated in the Bylaws, within 25 calendar days preceding the date set for the Shareholders' Meeting on first calling. Slates can be filed, including electronically as specified in the notice of meeting, by shareholders who, severally or jointly with other shareholders on the date the slate is filed, represent at least the percentage of the share capital set by Consob pursuant to article 144-*septies*, paragraph 1 of Consob Regulation 1971/1999 ("**Issuers' Regulation**"). Under Consob resolution No. 20273 of 24 January 2018, the percentage applicable to Arnoldo Mondadori Editore S.p.A. was set at 2.5% of the share capital.

Each shareholder may not file nor vote for more than one slate, either directly or through nominees or trust companies.

Each slate may contain no more than fifteen candidates, each of whom will be matched with a progressive number. Each candidate may only be present on one slate to be eligible for election.

Each slate containing a number of candidates equal to or higher than 3 must include candidates of both genders, with the less represented gender constituting at least one-third, rounded up in the event of a fractional number, of the candidates named on the slate.

Each slate containing a number of candidates no higher than seven must identify at least one candidate who fulfils the criteria set forth in the TUF as indicated above, for independent directors of listed companies; each slate containing more than seven candidates must identify at least two candidates who fulfil said criteria.

All slates filed must be accompanied by:

- information relative to the identity of the shareholders who have submitted the slate, with indication of the overall percentage interest held;
- a declaration by the shareholders who have filed the slate and who do not hold, severally or jointly, a controlling interest or a relative majority, stating whether or not they are linked with the latter, as per article 144-*quinquies,* first paragraph, of the "Issuers' Regulation";

- exhaustive information on the personal and professional characteristics of each candidate, as well as a statutory declaration by the same certifying that they meet the requirements envisaged by law and that they accept the candidacy, as well as their satisfaction of the independence criteria specified in article 148, paragraph 3 of the TUF, if applicable.

It is moreover noted that the Corporate Governance Code for Listed Companies issued by Borsa Italiana S.p.A. recommends that the slates be accompanied by information regarding the suitability of the candidates to qualify as independent candidates pursuant to article 3 of the above-mentioned Code.

DISCLOSURE OF THE APPOINTMENT PROPOSALS

At least 21 days prior to the date set for the Shareholders' Meeting called to meet on 24 April 2018 (26 April in the event of a second call) the company will disclose the slates of candidates filed by the shareholders to the public at its registered offices, on the website www.mondadori.it (Governance section) and on the authorised storage device "1info".

VOTING PROCEDURES

In application of the provisions of article 17 of the Bylaws, the Directors will be elected according to the procedures which are presented in summary form below, while the aforementioned article 17 of the Bylaws contains the full text of the appointment procedures:

- the candidates named on the slate obtaining the highest number of votes will be appointed Directors: (i) for the number of Directors to be elected, except for the last candidate, as named in progressive order on the slate, or (ii) where their number is lower than the number of Directors to be elected, all the candidates will be appointed;

- the remaining Director, or number of Directors in the case of point (ii) above, will be drawn from the slate obtaining the second highest number of votes and which is not linked, directly or indirectly, with the shareholders that filed or voted for the slate obtaining the highest number of votes.
  Where more than one Director is drawn from the second slate, the candidates will be appointed as named in progressive order on the slate;

- in the event that two or more slates obtain the same number of votes, the slate filed by the shareholders representing the highest percentage of the share capital will be chosen, or where even, the slate filed by the highest number of shareholders;

- the first named candidate on the slate obtaining the highest number of votes will be appointed Chairman of the Board of Directors;

- if the number of independent directors, as per the TUF, elected through the majority slate does not meet the minimum number required by laws and regulations in force, instead of the first candidate named on the slate obtaining the second highest number of votes, the first candidate named in progressive order on that slate who meets the independence criteria requires will be appointed;

- if the outcome of voting and the foregoing procedures delivers a Board of Directors that does not meet regulatory gender balance requirements, as in force from time to time, the candidates elected from the majority slate will be excluded in the number necessary, in reverse order as named on the slate, and replaced by candidates satisfying the necessary gender requirements from the same slate, as named in progressive order, without prejudice to the minimum number requirement for independent directors under the provisions of the TUF, as in force from time to time;

- if the foregoing procedures delivers a Board of Directors that does not meet the independent director requirements of the TUF and/or gender balance requirements, replacements will be decided by resolution of the Shareholders' Meeting adopted by relative majority vote, from new nominations made of candidates satisfying the necessary independence criteria or belonging to the less represented gender;

- if only one slate is presented, the Shareholders' Meeting shall express its vote on it and, if that slate obtains the majority required by articles 2368 et seq. of the Italian Civil Code, the candidates, in progressive order, shall be elected directors up to the number of directors established by the Shareholders' Meeting. The first named candidate on the slate will be appointed Chairman of the Board of Directors. If by these procedures for the appointment of a Board of Directors the regulatory requirements, as in force from time to time, concerning independent directors and/or gender balance are not satisfied, the procedure outlined above will be adopted, the necessary changes having been made.

If no slates are presented or no slate obtains the required percentage of votes, or if the number of candidates elected through the slate voting procedure is lower than the number established by the Shareholders' Meeting, the Board of Directors shall be respectively appointed or supplemented by the Shareholders' Meeting according to the majorities established by law.

DISCLOSURES REGARDING THE APPOINTMENT OF THE DIRECTORS

The Company will immediately announce the appointment of the Board of Directors to the public through a press release prepared pursuant to article 144-*novies* of the Issuers' Regulation, disclosing:

- the slate from which each member was appointed, specifying whether the slate was presented by or voted on by a majority or a minority of shareholders;
- the directors who declared that they meet the independence criteria pursuant to article 148, paragraph 3 of the TUF;

- the outcomes of the assessments made, based on the information provided by the interested parties or which was nevertheless available to the Company, regarding the satisfaction by one or more members of the governing body of the independence criteria required by article 148, paragraph 3 of the TUF and of the independence criteria required by the Corporate Governance Code issued by Borsa Italiana S.p.A.

Now therefore, the Shareholders' Meeting is hereby requested to resolve upon the following:

- to establish the number of members of the Board of Directors, to be set between at least seven and at most fifteen directors, pursuant to the relative provision of the Bylaws;
- to establish the term of office of the members of the Board of Directors, observing the maximum three-year limit set by article 2383 of the Italian Civil Code;
- to determine the remuneration of the members of the Board of Directors;
- to resolve upon the appointment of the members of the Board of Directors according to the procedures set forth above.

With regard to the foregoing, and with particular reference to the assessment of any links between the slates, the shareholders are hereby requested to take into account the recommendations set forth in Consob communication DEM/9017893 of 26 February 2009.

13 March 2018

Arnoldo Mondadori Editore S.p.A.

for the Board of Directors

The Chairperson

Marina Berlusconi

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Registered office: Via Bianca di Savoia 12, Milan
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Shareholders' Meeting
of 24 April 2018 (1st call)
and of 26 April 2018 (2nd call)

Directors Report

Agenda Item 6

Appointment of the Board of Statutory Auditors for the years 2018/2019/2020
- **Determination of remuneration**
- **Appointment of the members of the Board of Statutory Auditors**

Ordinary Shareholders' Meeting of 24/26 April 2018

Report of the Board of Directors

on the sixth agenda item

Appointment of the Board of Statutory Auditors for the years 2018/2019/2020

- Determination of remuneration

- Appointment of the members of the Board of Statutory Auditors

Fellow Shareholders,

with this Shareholders' Meeting for the approval of the financial statements for the year ended 31 December 2017, the term of office expires for the Board of Statutory Auditors appointed by the Shareholders' Meeting of 23 April 2015 for the years 2015/2016/2017.

The Shareholders' Meeting is hereby called upon to appoint the Board of Statutory Auditors pursuant to the terms and conditions of article 27 of the Bylaws.

The new Board of Statutory Auditors will remain in office for three years and therefore until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2020.

Pursuant to article 27.1 of the Bylaws, the Board of Statutory Auditors is appointed by the Shareholders' Meeting through a slate voting system and is comprised of three standing members and three substitute members. The Statutory Auditors must possess the qualifications required by legislative and regulatory provisions in force and the Bylaws and, in particular, they must be registered with the Italian Register of Statutory Auditors and Audit Firms and have performed auditing activities for a period of no less than three years.

Furthermore, pursuant to article 2402 of the Italian Civil Code and article 27 of the Bylaws, the Shareholders' Meeting is to establish the remuneration due to the Standing Statutory Auditors in addition to the reimbursement of the expenses incurred in the performance of their activities.

TERMS, CONDITIONS AND REQUIREMENTS FOR THE PRESENTATION OF LISTS

The Shareholders' Meeting will be called to vote on the slates filed at the registered offices in accordance with the terms and conditions indicated in the Bylaws, within 25 calendar days preceding the date set for the Shareholders' Meeting on first calling. Slates can be filed, including electronically as specified in the notice of meeting, by shareholders who, severally or jointly with other shareholders on the date the slate is filed, represent at least the percentage of the share capital set by Consob pursuant to article 144-*septies*, paragraph 1 of Consob Regulation 11971/1999 ("**Issuers' Regulation**"). Under Consob resolution No. 20273 of 24 January 2018, the percentage applicable to Arnoldo Mondadori Editore S.p.A. was set at 2.5% of the share capital.

Each shareholder may not file nor vote for more than one slate, either directly or through nominees or trust companies.

In the event that, within the time period indicated above only one slate is filed, or the slates filed are presented by shareholders who are linked as per article 144-*quinquies* of the Issuers' Regulation, the deadline for the presentation of slates will be extended by three calendar days and the percentage required for the presentation of slates will be reduced to 1.25% of the share capital.

Each slate – to be divided into two sections, one section pertaining to the Standing Statutory Auditors and one section for the Substitute Statutory Auditors – must include at least one Standing Statutory Auditor and one Substitute Statutory Auditor and a number of candidates not exceeding the number of standing and substitute members to be elected, with each one attributed a progressive number.

Pursuant to article 148, paragraph 1-*bis* of the TUF, in order to ensure a gender balance, at least one-third of the members of the Board of Statutory Auditors must be represented by the less represented gender. Therefore, each slate that contains a total number of candidates equal to or greater than three must provide for the presence of candidates of both genders, so that at least one candidate for the office of Standing Statutory Auditor and one for the office of Substitute Statutory Auditor is of the less represented gender.

Moreover, candidates may not be appointed Statutory Auditors if they hold office as members of Boards of Directors or Boards of Statutory Auditors to an extent that exceeds the thresholds established by the relevant applicable law and regulatory provisions.

It is hereby noted that candidates for the office of Statutory Auditor must fulfil, among other things, the requirements of professionalism and reputability applicable to the statutory auditors of listed companies, pursuant to the Decree issued by the Italian Ministry of Justice No. 162 of 30 March 2000, as supplemented (relative only to the professional requirements) by the provisions of article 27.1 of the Bylaws.
The slated filed must be accompanied by:

- information relative to the identity of the shareholders who have submitted the lists with indication of the overall percentage interest held;
- a declaration by the shareholders who have filed the slate and who do not hold, severally or jointly, a controlling interest or a relative majority, stating whether or not they are linked with the latter, as per article 144-*quinquies*, first paragraph, of the "Issuers' Regulation";
- exhaustive information regarding the personal and professional characteristics of each candidate (with an indication of the governing and supervision duties covered in other companies, including in compliance with the provisions of article 2400 of the Italian Civil Code) and the declarations of the candidates themselves confirming that they fulfil the requirements set by the law and the Bylaws and that they accept the candidacy.

DISCLOSURE OF THE APPOINTMENT PROPOSALS

At least 21 days prior to the date set for the Shareholders' Meeting called to meet on 24 April 2018 (26 April in the event of a second call) the company will disclose the slates of candidates filed by the shareholders to the public at its registered offices, on the website www.mondadori.it (Governance section) and on the authorised storage device "1info".

VOTING PROCEDURES

The election of the Statutory Auditors will take place according to the following procedures which are presented in summary form below, while the aforementioned article 27 of the Bylaws contains the full text of the appointment procedures:

- two Standing Statutory Auditors and two Substitute Statutory Auditors will be drawn from the slate obtaining the highest number of votes, in the order in which they are named on the slate;
- one Standing Statutory Auditor and one Substitute Statutory Auditor will be appointed from the slate obtaining the second highest number of votes at the Shareholders' Meeting and which is presented by shareholders who are not linked, directly or indirectly, with the shareholders who filed or voted for the slate obtaining the highest number of votes, based on the progressive order in which they are named on the relevant slate;
- the first named candidate on the second most voted slate for the office of standing statutory auditor will be appointed Chairman of the Board of Statutory Auditors.

If only one slate is presented, and if the slate obtains a relative majority of votes (as required by article 2368 et seq. of the Italian Civil Code), the three candidates named in progressive order in the relative section will be elected Standing Statutory Auditors and the three candidates named in progressive order in the relative section will be elected Substitute Statutory Auditors; the chairmanship of the Board of Statutory Auditors will go to the first named person in the section of candidates for the office of Standing Statutory Auditor from the slate presented.

If there are no slates or in the case in which the number of candidates elected through the slate voting procedure is lower than the number established by the Bylaws, the Board of Statutory Auditors will be respectively appointed or supplemented by the Shareholders' Meeting according to the majorities established by law.

DISCLOSURE OF THE ELECTION OF THE BOARD OF STATUTORY AUDITORS

The Company will immediately announce the appointment of the Board of Statutory Auditors to the public through a press release prepared pursuant to article 144-*novies* of the Issuers' Regulation, disclosing:

- the slate from which each member was appointed, specifying whether the slate was presented by or voted on by a majority or a minority of shareholders;
- the outcomes of the assessments made, based on the information provided by the interested parties or which was nevertheless available to the Company, regarding the satisfaction by one or more members of the Board of Statutory Auditors elected by the Shareholders' Meeting of the independence criteria required by article 148, paragraph 3 of the TUF.

Now therefore, the Shareholders' Meeting is hereby requested to resolve upon the following:

- determination of the remuneration of the Board of Statutory Auditors;

- the appointment of the Board of Statutory Auditors according to the procedures set forth above;

With regard to the aforementioned, and with particular reference to the assessment of any links between the slates, the shareholders are hereby requested to take into account the recommendations set forth in Consob communication DEM/9017893 of 26 February 2009.

13 March 2018

Arnoldo Mondadori Editore S.p.A.

for the Board of Directors

The Chairperson

Marina Berlusconi

Arnoldo Mondadori Editore S.p.A.
Registered office: Via Bianca di Savoia 12, Milan
Share capital EUR 67,979,168.40 fully paid-up
Milan-Monza-Brianza-Lodi Company register and tax code 07012130584 VAT No. 08386600152

GRUPPO MONDADORI

Shareholders' Meeting
of 24 April 2018 (1st call)
and of 26 April 2018 (2nd call)

Directors Report

Agenda Item 7

Resolutions pursuant to article 114-*bis* of the TUF regarding the allocation of financial instruments.

Ordinary Shareholders' Meeting of 24/26 April 2018

Report of the Board of Directors

on the seventh agenda item

Resolutions pursuant to article 114-bis of the TUF regarding the allocation of financial instruments.

Fellow Shareholders,

this Report has been prepared pursuant to articles 114-*bis* and 125-*ter* of Legislative Decree No. 58 of 24 February 1998, as subsequently amended ("**TUF**"), and article 84-*ter* of the Consob Issuers' Regulation adopted by resolution No. 11971 of 14 May 1999, as subsequently amended ("**Issuers' Regulation**").

The Board of Directors has called you to this ordinary session on 24 April 2018 and, if necessary, on 26 April 2018 on second call, to submit for your approval pursuant to article 114-*bis* of the TUF, the adoption of the Performance Share Plan for 2018–2020 (the "Plan"), restricted to the CEO, the CFO-Executive Director and certain Managers selected by the Company.

The Report explains the reasons and the content of the proposal referring to the Plan mentioned above. The Plan Information Document contains the content of the Plan and relative forecasts, prepared pursuant to article 114-*bis* of the TUF and article 84-*bis* of the Issuers' Regulation.

The proposal for the authorisation to purchase treasury shares to be used to service the Plan is set forth in a separate explanatory report prepared pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code, which – together with this report – will be provided to the public at the registered office of Arnoldo Mondadori Editore S.p.A., on the authorised storage device 1Info (www.1info.it), and in the section "Governance" of the Arnoldo Mondadori Editore website (www.mondadori.it) as required by laws in force.

1. Reasons for the Plan

The Performance Share Plan has been established for the following purposes:

a. To create a stronger bond between the creation of value in the medium and long term and the remuneration of management.
b. To sustain the growth of Mondadori, following completion of the optimization of its own assets, by identifying a tool that reflects the growth of the value of the company.

c. To foster team working at the highest level to support the common objective of value growth.

Furthermore, the adoption of a share-based plan is fully compliant with the main recommendations of article 6 of the Corporate Governance Code of Borsa Italiana.

The Plan is an integral part of Mondadori’s remuneration policy and is a first step towards the progressive and constant alignment with best market practices in regard to long-term incentive schemes.

For the preparation of the Plan, the Head of Human Resources and Organization relied on the support of a major international consulting firm with specialisation in this industry to produce a market benchmarking survey indicating the best practices in the industry, in Italy as well as in Europe.

2. Features of the Plan

The Plan consists of the assignment of rights to receive a performance bonus, consisting of Company shares, in consideration of the achievement of specific and pre-set Performance Objectives measured at the end of a three-year performance period.

A maximum of 1,236,065 ordinary Arnoldo Mondadori Editore S.p.A. shares will service the plan, which will be secured by purchasing treasury shares on the market (the proposal for authorization to buy back and trade these shares will be approved by the Ordinary Shareholders’ Meeting called for 24 April 2018 and, if necessary, on 26 April 2018 on second calling).
As these are treasury shares, the Plan has no dilutive effects; in general terms, the maximum level of capital used to service the plan will be equal to 0,472%.

3. Beneficiaries

The Plan is restricted to the CEO, the CFO-Executive Director and 10 managers selected by Mondadori, with an existing employment and/or administration relation with the Company or its subsidiaries as at the date that the shares are allocated.

The beneficiaries will be identified by the Chief Executive Officer by name, upon delegation of the Board of Directors. The operative management of the Plan, on the other hand, will be delegated to the Head of Group Human Resources and Organization.

The names of the beneficiaries and other information required by paragraph 1 of form 7, Annex 3A of the Issuers’ Regulation will be provided subsequently, upon implementation of the Plan, according to the procedures set forth under article 84-*bis*, paragraph 5, letter a) of the aforementioned Issuers’ Regulation.

4. Implementation procedures and clauses of the Plan, with specification whether implementation is subject to conditions and, in particular, achieving specific results

Shares will be allocated to beneficiaries at the end of the vesting period on the basis of whether the set performance objectives are met. In particular, these objectives refer to:

i) Total Shareholder Return (TSR) versus companies listed in the FTSE Italia All Share index, with a weighting of 25%

ii) Cumulative EBITDA for the three year period, with a weighting of 25%

iii) Cumulative Net profit for the three year period, with a weighting of 25%

iv) Free Cash Flow for the three year period, with a weighting of 25%

Minimum, target and maximum result levels have been set for each performance condition illustrated above.
If the minimum level of each performance objective (90%) is met for EBITDA, Net Profit and Free Cash Flow, the number of shares allocated will equal 50% of the target number of the rights assigned. If the target level of each performance objective is met, 100% of the bonus will be applied, whereas if the maximum level is met, beneficiaries will be entitled to 120% of the target number of the rights assigned.
TSR is defined in relation to the companies listed on the FTSE Italia All Share index, measuring performance throughout the performance period of the Plan. If TSR is equal to or higher than the median, the objective will be considered achieved and the number of shares allocated will be equal to 100% of the rights assigned. If TSR is lower than the median, no share will be allocated.
The number of shares to be allocated on the basis of the achieved level for each Performance Objective will be rounded up to the higher unit.
The Board may change the Performance Objectives in the presence of extraordinary and/or unforeseen situations or circumstances that may significantly affect the results and/or the perimeter of the Group's activities. Such situations and circumstances include, but are not limited to, mergers, demergers, acquisitions, transfers and spin-offs.

Resolution proposals

Fellow Shareholders,

If you agree with our proposals, we invite you to approve the following resolutions:

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

examined the Explanatory Report of the Board of Directors prepared pursuant to articles 114-bis and 125-ter of Legislative Decree No. 58 of 24 February 1998, as it was subsequently amended (the "TUF");

examined the Information Document prepared pursuant to article 84-bis of the regulation adopted by Consob with its resolution No. 11971 of 14 May 1999, as subsequently amended, which was provided to the public according to the procedures prescribed in the applicable regulatory provisions,

resolves

1. *to approve, pursuant to articles 114-bis of the TUF, the adoption of the incentive plan named Performance Share Plan 2018 – 2020 of Arnoldo Mondadori Editore S.p.A. (the "Plan"), the terms, conditions and implementation procedures of which are described in the Information Document for the plan which is attached to the Report of the Board of Directors, to which you are referred;*
2. *to grant to the Board of Directors the broadest powers necessary and appropriate for the implementation, integration or amendment of the Plan, including, but not limited to, the power to: (i) assign rights to the CEO; (ii) assign rights to the CFO-Executive Director; (iii) identify, or delegate the CEO to identify, the beneficiaries not belonging to the Board of Directors and the number of rights to be assigned to beneficiaries; (iv) set any other term or condition for the implementation of the Plan, including therein procedures for the procurement of the financial instruments to service the plan, to the extent that these do not violate the authorizations granted by the Shareholders' Meeting; (v) perform any task or formality and make any disclosure required or appropriate for the management and/or implementation of the Plan, in compliance with the terms and conditions outlined in the Information Document accompanying the Performance Share Plan 2018-2020, to which you are referred;*
3. *confer separately upon the Chairman of the Board of Directors and the Chief Executive Officer the power to further delegate so as to fulfil the legislative and regulatory requirements arising from the resolutions adopted."*

13 March 2018

Arnoldo Mondadori Editore S.p.A.

for the Board of Directors
The Chairperson

Marina Berlusconi

Information Document

DRAWN UP PURSUANT TO SECTION 114-BIS OF LEGISLATIVE DECREE 58/1998 (Consolidated Law on Finance) AND SECTION 84-BIS OF CONSOB REGULATION 11971 dated 1999 AS SUBSEQUENTLY INTEGRATED AND AMENDED (ISSUER REGULATION)

Performance Share Plan – 2018-2020

Introduction

This Information Document, pursuant to section 84-bis (Annex 3 A, schedule 7) of the Issuer Regulation, was drawn up by Arnoldo Mondadori Editore Spa in order to inform its shareholders and the market of the proposed adoption of the Performance Share Plan for 2018-2020 (the "**Plan**"), approved by the Board of Directors of Arnoldo Mondadori Editore on 13 March 2018 and, pursuant to section 114 bis of the Consolidated Law on Finance (TUF), will be submitted for the approval of the Shareholders Meeting at its first call on 24 April 2018, in Segrate (MI), via Mondadori 1 or, if necessary, at the second call on 26 April 2018, for the approval of the Financial Statements for the period ended 31 December 2017.

The Plan includes the allocation to Beneficiaries of the right to receive Shares in the Company after certain Performance targets have been met over a three-year period.

The Plan involves a three-year cycle starting in 2018 and ending with approval of the Financial Statements for 2020. This Plan applies to the management of Arnoldo Mondadori Editore Spa and its subsidiaries, and should be considered "of particular importance" pursuant to section 84-bis, paragraph 2 of the Issuer Regulation since Beneficiaries may include subjects as specified in section 114-bis of the Consolidated Law on Finance specifically:

i) The Managing Director of Arnoldo Mondadori Editore Spa

ii) Executives with Strategic Responsibilities at Arnoldo Mondadori Editore Spa

iii) Members of the Board of Directors or Management Committee of subsidiaries of the share issuer.

This Information Document can be consulted by the general public at the registered office of Arnoldo Mondadori Editore Spa, using the authorized storage mechanism 1Info (www.1info.it), and in the "Governance" section of the website of Arnoldo Mondadori Editore (www.mondadori.it) in compliance with statutory requirements.

Definitions

The following terms used in the Information Document shall have the meanings set out below:

Managing Director	The Managing Director of Arnoldo Mondadori Editore Spa
Allocation	The allocation of the Rights to receive Shares in the Company based on the provisions set out in this Document
Attribution	Delivery of the Shares comprising the Bonus at the end of the Vesting Period based on the degree to which Performance targets have been

	met
Share	An ordinary share issued by Arnoldo Mondadori Editore Spa, listed on the screen-based stock exchange of Borsa Italiana S.p.A., code ISIN IT0001469383
Attributed Shares or Bonus	The maximum number of Shares attributed to the Beneficiaries and which can be attributed at the end of the pre-established period (the Vesting Period) according to set performance and retention conditions
Shares Accrued	The actual number of Shares accrued by the Beneficiaries at the end of the pre-established period (Vesting Period) determined in relation to the performance levels achieved at the terms and conditions set out in the Plan
Beneficiaries	The people for whom the Plan is intended
Plan Cycle	The performance cycle on which the Plan: 2018-2020 is based
Board of Directors or Board	The Board of Directors of Arnoldo Mondadori Editore Spa
Committee	The Remuneration and Appointments Committee of Arnoldo Mondadori Editore Spa, comprising entirely non-executive Directors a majority of them independent, the composition, appointment, duties and functioning of which are established by a dedicated Regulation approved by the Board of Directors and with pro-active and consultative functions regarding remuneration
Executives with Strategic Responsibilities	Pursuant to section 65 paragraph 1, subsection 4 of the Issuer Regulation, executives of Arnoldo Mondadori Editore Spa with direct and indirect power and responsibilities for planning, management and control of Arnoldo Mondadori Editore Spa
Allocation Date	The date on which the Beneficiaries are identified and the Rights are allocated to each one
Attribution Date	The date on which the Board of Directors attributes the Shares to the Beneficiaries based on reaching the Performance Targets
Group	Mondadori and its Subsidiaries
Mondadori or Company	Arnoldo Mondadori Editore Spa (with registered office in Via Bianca di Savoia 12, Milan)
Performance targets	Indicates the aims of the Plan in which the levels of achievement determine the number of Shares to be attributed to each beneficiary at the end of the Vesting Period
Vesting Period	Three-year period starting from the moment in which the Bonus is attributed by Allocation Letter
Performance Period	The three-year period (from 01.01.2018 to 31.12.2020) for the achievement of Performance Targets
Lock-Up Period	Period in which the shares attributed cannot be disposed of by the Beneficiary
Plan	The Performance Share Plan of the Company which gives the Beneficiaries the right to receive free of charge Shares in the Company after achieving certain pre-established Performance Targets
Relationship	Indicates the working or administrative relationship between the Beneficiary and the Group
Regulation	The document, approved by the Board of Directors, which sets out the terms and conditions of each annual attribution under the Plan
Subsidiaries	Subsidiaries of Arnoldo Mondadori Editore Spa pursuant to section 2359 of the Italian Civil Code
Total Shareholder Return (TSR)	The rate of return for shareholders calculated over the three-year reference period, as the difference in value between the price of the

	shares at the beginning and the end of the performance period after taking into account the value of the dividends distributed over the same period

1. The people for whom the Plan is intended

1.1 The names of the beneficiaries who are members of the Board of Directors of the issuer, parent companies or companies that are directly or indirectly controlled by the issuer.

The Beneficiaries of the Plan include the Managing Director Mr. Ernesto Mauri and the CFO-Executive Director, Mr. Oddone Pozzi.

Participation in the Plan 2018-2020 does not oblige the Company to include the Beneficiary in any subsequent plans.

If the Beneficiaries specified below in paragraph 1.2 include those who, pursuant to statutory requirements, must be named, including in relation to the appointment as Director of any Subsidiary, the Company shall provide the market with the relevant information at the time of the communication required under section 84-bis, paragraph five, of the Issuer Regulation.

1.2 Categories of employees or collaborators of the issuer and parent companies or subsidiaries of the issuer

The Plan includes named Group managers. The criterion for eligibility for inclusion as a Beneficiary of the Plan is occupation of a position with significant impact on the achievement of the results of the Company.

Beneficiaries shall be identified by name following approval of the Plan by the Shareholders Meeting.

The Managing Director, acting on behalf of the Board of Directors, identifies the remaining Beneficiaries at his/her discretion.

Participation does not create the obligation to identify the same Beneficiary in any subsequent Plan.

Some of the managers who are potential Beneficiaries of the Plan may be members of the Board of Directors of subsidiaries of the Company pursuant to section 2359 of the Italian Civil Code.

1.3 Naming the people who benefit from the Plan in the following groups:

a) Directors General of the issuer of financial instruments;

Not applicable

b) other executives with strategic responsibilities for the issuer of financial instruments not deemed as of “smaller size” pursuant to section 3, para 1, subsection f) of Regulation 17221 dated 12 March 2010, where they have received during the financial year a total remuneration (the sum of monetary remuneration and remuneration based on financial instruments) which is higher than the highest remuneration of a member of the Board of Directors, or Management Committee and the Directors General of the issuer of financial instruments

Not applicable

None of the executives with Strategic Responsibilities in the Group received remuneration during the financial year that was higher than the highest remuneration received by a member of the Board of Directors of Arnoldo Mondadori Editore Spa.

c) individuals who control the share issuer, either employees or collaborators of the share issuer
Not applicable

1.4 Description and number, separate for each category:

a) Executives with strategic responsibilities other than those specified in subsection b) of paragraph 1.3;

Currently there are 8 executives with strategic responsibilities for the Company.

b) in the case of a company "of smaller size", pursuant to section 3, para. 1, subsection f) of Regulation 17221 dated 12 March 2010, an aggregate indication of all the executives with strategic responsibilities for the issue of financial instruments;

Not applicable.

c) any other categories of employee or collaborator for whom differentiated characteristics of the Plan are intended

Not applicable.

2 The reasons behind the adoption of the Plan

2.1 Targets to be met by the attribution of the Plan

With the adoption of the Plan, the Company aims to stimulate management for the improvement of performance, in the medium-long term, with reference to industrial performance levels both in terms of Company growth and value.

Specifically, the Plan aims to achieve the following:

a) Create a stronger link between the creation of value in the medium and long term and management remuneration.

b) Support the growth of Mondadori, after completing the process of optimizing its assets, identifying an instrument that reflects the growth in value of the company.

c) Stimulate team work at the highest level supporting the common aim of value growth.

2.2 Key variables, including in the form of performance parameters for the purpose of attribution of the plans based on financial instruments

Beneficiaries receive by Allocation Letter the right to receive a Bonus. The maturing of the Bonus entails an uninterrupted Relationship and work during the Vesting Period until the moment of the provision of the Bonus and the achievement of the specific Performance Targets.

The Performance Targets to which the maturing of the Bonus is subject include:

i) Total Shareholder Return (TSR) with respect to the components of the FTSE All Share index, with a weighting of 25%

ii) EBITDA in the three-year period, with a weighting of 25%

iii) Net profit in the three-year period, with a weighting of 25%

iv) Free Cash Flow in the three-year period, with a weighting of 25%

For each of the above performance conditions minimum, target and maximum levels are established. On reaching the minimum result (equal to 90%) for EBITDA, net profit and Free Cash Flow, the number di Shares attributed corresponds to 50% of the target number of allocated Rights. Achieving the level of the performance target (equal to 100%) 100% of rights are allocated, whilst achieving the maximum result level (equal to 120%), the number of attributed Shares corresponds to 120% of the target number of allocated Rights.

The TSR is defined in relation to the components of the FTSE All Share index, measuring the performance over the performance period of the Plan. On achieving a TSR equal to or above the average, the target is deemed to have been met and the number of shares attributed corresponds to 100% of the allocated Rights. If the TSR is lower than average, no shares are attributed.

The number of Shares to be attributed by virtue of reaching the Performance Targets is rounded up to the nearest whole number.

The Board of Directors may amend the Performance Targets in extraordinary and/or unforeseen situations or circumstances that may significantly impact on the results and/or the scope of activities of the Group. These situations and circumstances include, among other examples, mergers, demergers, acquisitions, disposals and spin-offs.

2.3 <u>Elements determining the remuneration based on financial instruments, i.e. the criteria for its determination</u>

The Plan provides beneficiaries with a target incentive, established individually according to position and market benchmarks and expressed as the allocation of rights to receive shares in the company free of charge on achieving the performance set out above in paragraph 2.2.

2.4 <u>The reasons for deciding to provide remuneration packages based on financial instruments not issued by the issuer</u>

Not applicable.

2.5 <u>Evaluation of significant tax and accounting implications that contributed to adopting the plans</u>

The structure of the Plan was not determined in any way by tax legislation or accounting impacts.

2.6 <u>Any support by the special Fund for promoting the participation of workers in companies pursuant to section 4 para. 112 of Law 350 dated 24 December 2003</u>

Not applicable.

3 <u>Schedule for approval of the allocation of the instruments</u>

3.1 Powers and functions delegated by the Shareholders Meeting to the Board of Directors for the purposes of implementing the Plan

The Board of Directors of the Company met on 13 March 2018 and with the abstention of the Managing Director and CFO-Executive Director, approved the Plan, on the proposal of the Remuneration and Appointments Committee, and decided to refer the Plan to the Shareholders Meeting for approval pursuant to section 144 bis of the Consolidated Law on Finance.

Following approval by the Shareholders Meeting of the Plan and financial instruments, for implementation purposes and based on the powers to be conferred by the Shareholders Meeting, the Board of Directors may pass resolutions on the following: i) the allocation of rights to the Managing Director ii) the allocation of rights to the CFO-Executive Director; iii) mandate to the Managing Director to identify Beneficiaries not on the Board of Directors and the number of rights to be allocated; iv) any other term and condition to implement the Plan, also by mandate., including the means of providing the financial instruments for the Plan, provided this is not in conflict with the provisions established by the Shareholders Meeting.

3.2 People appointed to administer the Plan, their functions and responsibilities

The Board of Directors is responsible for implementing the Plan, with the preliminary support of, and consulting with, the Remuneration and Appointments Committee, and may delegate operational management of the Plan to the Managing Director, with the faculty to sub-delegate within the limits of the Plan Implementation Regulation, on the basis of the preliminary support of, and/or consultations with, the Remuneration and Appointments Committee, with all decisions relating to and/or impacting on the attribution and implementation of the Plan for the Managing Director and CFO-Executive Director as beneficiaries remaining the exclusive responsibility of the Board of Directors.

3.3 Any existing procedures for reviewing the plans, including a revision of its fundamental aims

Without prejudice to the responsibilities of the Shareholders Meeting in the cases set out in the law, the Board of Directors, after consultation with the Remuneration and Appointments Committee, is the body which may review and modify the Plan.
The Board may modify the Performance targets in extraordinary and/or unforeseen situations and circumstances which may significantly impact on the results and/or the scope of activities of the Group. These situations and circumstances include, among other examples, mergers, hiving off of going concerns, acquisitions, disposals and spin-offs.

3.4 Description of the method for determining the availability and allocation of the financial instruments on which the Plan is based

The Plan includes the issue free of charge of a varying number of Shares depending on the individual position and degree to which the performance targets of the Plan are met. These Shares may comprise Shares already issued and to be purchased pursuant to section 2357 and following sections of the Italian Civil Code or Shares already owned by the Company.

In this regard, the Board of Directors at the meeting on 13 March 2018 referred the matter of acquiring and using Treasury Shares for the Plan to the Shareholders Meeting.

3.5 The role of each Director in determining the characteristics of the Plan and any conflicts of interest for Directors involved

In line with the recommendations of the Code of Self-Regulation for Listed Companies with which the Company complies, the conditions of the Plan were established on the proposal of the Remuneration and Appointments Committee, entirely comprising non-executive Directors, two of whom are independent. The motion to submit the Plan to the Shareholders Meeting, pursuant to section 114-bis of the Consolidated Law on Finance, was passed on 13 March 2018 by the Board of Directors, with the abstention of the Managing Director and the CFO-Executive Director, following approval by the Board of Statutory Auditors pursuant to section 2389, paragraph three, of the Italian Civil Code, at the terms set out in the provision.

3.6 Date of the decision taken by the relevant body to submit approval of the Plan to the Shareholders Meeting and of any proposal by a Remuneration Committee

The Board of Directors decided to submit the Plan to the Shareholders Meeting scheduled for 13 March 2018, on the recommendation of the Remuneration and Appointments Committee dated 6 March 2018.

3.7 Date of the decision taken by the relevant body in relation to the allocation of instruments and of the recommendation to this body by the Remuneration Committee (if any)

The Plan and financial instruments required for its implementation will be submitted to the Shareholders Meeting for approval on 24 April 2018, at its first call, or on 26 April 2018, at its second call, if required. Subsequently, if the Plan is approved, the Board of Directors will meet to take the decisions required to implement the Plan.

3.8 The market price, recorded on the above dates, for the financial instruments on which the plans are based, if traded on regulated markets

The official price of Mondadori shares as at 13 March 2018 (date of the decision by the Board of Directors to refer the proposed Plan to the Shareholders Meeting): € 1,88.

a) For plans based on financial instruments traded on regulated markets, when establishing the schedule for the allocation of the financial instruments required to implement the plans, how does the issuer take account of the possible coincidence between: i) this allocation or any decisions taken by the Remuneration Committee, and ii) the dissemination of any relevant information pursuant to section 114 para. 1 of the Consolidated Law on finance; for example, if this information is: a) not already in the public domain and may positively influence the market price, or b) is in the public domain and may negatively influence the market price.

The dissemination of what is privileged information at the moment of the allocation of Rights would not influence Beneficiaries, who gain the right to receive shares only after a three-year Vesting Period and only after meeting pre-established performance targets.

Decisions relating to the attribution of Shares at the end of the Vesting Period will be taken by the Board of Directors after consultation with the Remuneration and Appointment Committee in compliance with current regulations. Therefore, any dissemination of privileged information at the moment of the attribution could not influence beneficiaries.

4. Features of the attributed instruments

4.1 Description of the structures of remuneration packages based on financial instruments

The Plan involves the allocation of the right to receive a Bonus, comprising Shares in the Company, on achievement of specific pre-established Performance Targets measured at the end of a three-year performance period.

20% of the Shares attributed net of the amount required to pay taxes shall be subject to a lock-up of 12 months after the Attribution Date; the Board of Directors may increase the percentage of shares subject to lock-up as it sees fit. During the lock-up period, locked Shares may not be transferred, pledged or included in any provisions *inter vivos* for any reason.

4.2 Indication of the period of actual implementation of the Plan with reference to any cycles

The Plan includes only one cycle, as follows:

- implementation period between 2018 (Allocation of Rights) and 2020 (end of the Vesting Period). Shares may be attributed in 2021 based on achieving the Performance Targets.

20% of shares net of the amount required to pay taxes are subject to lock-up period of 12 months; the Board of Directors may increase the percentage of shares in the lock-up as it sees fit.

4.3 Termination of the Plan

The Plan terminates in 2021 with the attribution (if any) of Shares.

4.4 Maximum number of financial instruments attributed in any financial year to named individuals or identified categories

The Board of Directors has established that a maximum of 1.236.065 Shares be made available for the Plan, calculated on the basis of the average share price in the last 3 months (13/12/2017 – 12/03/2018) of € 2,129.

4.5 Methods and clauses for the implementation of the Plan, specifying that the actual attribution of the instruments is subject to meeting certain conditions i.e. achieving certain results, including in terms of performance; description of these conditions and results

The Performance Targets to which the maturing of the Bonus is subject are as follows:

i) Total Shareholder Return (TSR) with respect to the components of the FTSE All Share index, with a weighting of 25%

ii) EBITDA in the three-year period, with a weighting of 25%

iii) Net profit in the three-year period, with a weighting of 25%

iv) Free Cash Flow in the three-year period, with a weighting of 25%

For each of the above performance conditions minimum, target and maximum levels are established. On reaching the minimum result (equal to 90%) for EBITDA, net profit and Free Cash Flow, the number di Shares attributed corresponds to 50% of the target number of allocated Rights. Achieving the level of the performance target (equal to 100%) 100% of rights are allocated, whilst achieving the maximum result level (equal to 120%), the number of attributed Shares corresponds to 120% of the target number of allocated Rights.

The TSR is defined in relation to the components of the FTSE All Share index, measuring the performance over the performance period of the Plan. On achieving a TSR equal to or above the average, the target is deemed to have been met and the number of shares attributed corresponds to 100% of the allocated Rights. If the TSR is lower than average, no shares are attributed.

The number of Shares to be attributed by virtue of reaching the Performance Targets is rounded up to the nearest whole number.

The Board of Directors may amend the Performance Targets in extraordinary and/or unforeseen situations or circumstances that may significantly impact on the results and/or the scope of activities of the Group. These situations and circumstances include, among other examples, mergers, demergers, acquisitions, disposals and spin-offs.

Finally, the Plan includes clawback clauses with the return of the value of the Shares issued or the withholding of that value from amounts owed to the Beneficiaries, where the Shares were allocated on what proves to have been a manifestly erroneous basis, or where the Shares were allocated to individuals who wilfully manipulated and altered data to claim they achieved their performance targets or who achieved those targets unlawfully and in violation of regulations, the Code of Ethics or internal company regulations, without prejudice to any lawful action the company may take to safeguard its interests.

4.6 Indication of any encumbrances on the attributed instruments or instruments arising out of the exercise of options, with particular reference to the terms allowing or disallowing their subsequent transfer to the company or third parties

20% of the Shares attributed net of the amount required to pay taxes shall be subject to a lock-up of 12 months after the Attribution Date; the Board of Directors may increase the percentage of shares subject to lock-up as it sees fit. During the lock-up period, locked Shares may not be transferred, pledged or included in any provisions *inter vivos* for any reason.

4.7 Description of any termination conditions in relation to the attribution of plans in the event of beneficiaries carrying out hedging operations which neutralize the effects of prohibiting the sale of the financial instruments allocated, including in the form of options or financial instruments arising from the exercise of these options

Beneficiaries may not – and failing this, shall forfeit the right to receive Shares – carry out hedging operations which alter or affect the intrinsic risk involved in incentive schemes based on financial instruments.

4.8 Description of the effects of termination of the Relationship

Termination of the Relationship during the Vesting Period and until the moment of the actual attribution of the Bonus, leads to loss of the allocated rights under the Plan except in the case of a Good Leaver.

A Good Leaver is someone with whom the Relationship is terminated for one of the following reasons:

a) total permanent invalidity of the Beneficiary;

b) death of the Beneficiary;

c) retirement of the Beneficiary;

d) resignation of the Relationship by the Beneficiary for just cause;

e) non-renewal of the relationship for Beneficiaries with solely an administrative function.

In the case of termination of the Relationship during the Vesting Period of a Good Leaver, the Beneficiary maintains the right to receive the Bonus, in proportion to the time period at the date of termination of the Relationship, provided the Performance targets as set out in paragraph 4.5 over the normal Performance Period of the Plan. The Bonus accrued is calculated and attributed at the times and in the ways set out in this Regulation.

The Board of Directors may establish more favourable conditions for Directors with solely administrative functions where their appointments are not renewed.

In the event of agreed termination of the Relationship, the Board or, if mandated, the Managing Director may apply different conditions from those set out in this paragraph, establishing a lump sum payment instead of the Bonus as it/he/she sees fit, and this may involve setting minimum and maximum Performance Targets over a shorter period, in order to establish the degree to which the Performance Targets have been met.

In the case of the Relationship being transferred from one Group company to another, or termination of the Relationship with the Group and immediate commencement of another Relationship with the Group, the Beneficiary maintains his/her rights under the Plan according to the terms set out in this Regulation.

In the event of change in the control of the subsidiary with which the Beneficiary has a Relationship, the conditions for a Good Leaver shall apply, as specified above, or improved terms as the Board of Directors or Managing Director acting on its behalf after consultation with the Committee sees fit.

In addition to the relevant statutory provisions, a change in control includes the sale, transfer or other deed involving all or some of the assets to third parties who are not, after completion of the operations, directly controlled by Arnoldo Mondadori Editore S.p.A.

4.9 Indication of any reason for nullifying the plans

In the case in which, following amendments to the regulations or variations in the interpretation or application of the regulations, implementation of the Plan involves for the Company or Beneficiaries substantially higher taxes, higher social security and pension contributions or charges of another kind, the Board of Directors, in agreement with the Committee, may amend the Regulation for the Plan, including the right to nullify the Plan or revoke it, promptly notifying the Beneficiaries.

4.10 Reasons for including the “redemption” by the Company of the financial instruments included in the plans pursuant to sections 2357 and subsequent sections of the Italian Civil Code; beneficiaries of the redemption indicating if it is applicable only to certain categories of employees; the effects of termination of the employment relationship on the redemption

Not applicable

4.11 Any loans or facilities to be granted with the purchase of shares pursuant to section 2358 of the Italian Civil Code

Not applicable

4.12 Indication of the cost to the company at the allocation date, calculated on the basis of the terms and conditions set out (total cost and cost for each instrument in the plan)

At the current state of affairs, on the basis of the terms and conditions set out, the maximum number of Shares that can be issued on achieving the best possible result in terms of performance is 1.236.065 Shares

4.13 Indication of any effects of diluting the share capital caused by the remuneration plans

In light of the fact that the Shareholders Meeting called to pass a resolution on the Plan was also called to authorize the Board of Directors to acquire and dispose of Treasury shares to service the Plan, at the current state of affairs, there are no dilutive effects.

4.14 Any limits to the exercise of voting rights and due to the attribution of property rights

The Accrued Shares, once issued, shall have the customary rights, without limits to the exercising of the corporate or property rights arising.

4.15 In the case in which the shares are not traded on a regulated market, all the relevant information required to assess their value

Not applicable

4.16 – 4.23

Not applicable because not stock options.

4.24 The share issuers attach the following annex, Table 1, to the Information Document:

The Company shall provide the market with Table 1 on the occasion of the communication pursuant to section 84-bis, subsection five, of the Issuer Regulation.