

Description of the policies applied  
in relation to the **composition**  
**of the Board of Directors and of**  
**the Board of Statutory Auditors,**  
also in regard to diversity,  
pursuant to art.123-Bis, para.2.D-bis,  
of the consolidated finance law (T.U.F.)

## **Prysmian Group**

**Description of the policies applied in relation to the composition of the Board of Directors and of the Board of Statutory Auditors, also in regard to diversity, pursuant to art.123-Bis, para.2.D-bis, of the consolidated finance law (T.U.F.)**

**March 2022**

# TABLE OF CONTENTS

<b>Glossary</b>	<b>04</b>
<b>Introduction</b>	<b>05</b>
<b>GENERAL POLICY</b>	<b>06</b>
<b>1. Board of Directors</b>	<b>07</b>
1.1. Role and duties of the Board of Directors	07
1.2. Objectives of the general policy for the appointment of the Board of Directors	07
1.3. Quantitative composition of the Board of Directors	08
1.4. Qualitative composition of the Board of Directors	09
1.5. Ineligibility, incompatibility, good repute and other legal requirements	09
1.6. Independence	10
1.7. Maximum number of offices	10
1.8. Professionalism	11
1.9. Gender quotas and Diversity & Inclusion	12
1.10. Tenure, induction and international experience	12
1.11. Remuneration	13
<b>2. Board of Statutory Auditors</b>	<b>14</b>
2.1. Role and duties of the Board of Statutory Auditors	14
2.2. Objectives of the general policy for the appointment of the Board of Statutory Auditors	14
2.3. Quantitative composition of the Board of Statutory Auditors	14
2.4. Qualitative composition of the Board of Statutory Auditors	15
2.5. Ineligibility, incompatibility, good repute and other legal requirements	15
2.6. Independence	15
2.7. Accumulation of offices	15
2.8. Professionalism	16
2.9. Gender quotas	17
2.10. Remuneration	17
<b>GUIDELINES FOR THE PRESENTATION OF LISTS BY THE OUTGOING BOARD OF DIRECTORS</b>	<b>18</b>
1. Composition of the list of candidates presented by the Outgoing Board of Directors	19
2. Indications on the professional figures whose presence on the Board is considered opportune	20
<b>POLICY RESULTS AND UPDATE</b>	<b>21</b>
1. Results	22
<b>ANNEX</b>	<b>24</b>
<b>Annex I</b> – Legal and regulatory requirements to hold the role of Director or Statutory Auditor in Prysmian	<b>25</b>
<b>Annex II</b> – Legal and regulatory requirements to assess independence	<b>28</b>
<b>Annex III</b> – Declaration form for candidates for the role of Director	<b>30</b>
<b>Annex IV</b> – Declaration form for candidates for the role of Statutory Auditor	<b>32</b>
<b>Annex V</b> – Curriculum vitae layout for candidates for the role of Director or Statutory Auditor	<b>34</b>

## Glossary

**Board of Directors/Board:** the Prysmian S.p.A. Board of Directors.

**Board of Statutory Auditors:** the Prysmian S.p.A. Board of Statutory Auditors.

**By-laws:** the By-laws of Prysmian S.p.A., version updated on 28 April 2021, available on the company website [www.prysmian-group.com](http://www.prysmian-group.com) in the Company/Governance section.

**Civil Code/C.C.:** the Italian Civil Code.

**Code/Corporate Governance Code:** Corporate Governance Code for listed companies – ed. January 2020 - approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. [Italian Stock Exchange], ABI [Italian Banking Association], ANIA [National Association of Insurance Companies], Assogestioni [Italian Association of Asset Management Companies], Assonime [Association of Italian Joint Stock Companies] and Confindustria [General Confederation of Italian Industry].

**Company or Prysmian:** Prysmian S.p.A. Company, with registered offices in Milan, Via Chiese 6, tax code, VAT no. and Companies Register of Milan, Monza Brianza and Lodi Chamber of Commerce No. 04866320965.

**Consolidated Law on Finance/TUF:** Legislative Decree 58 of 24 February 1998, (as subsequently amended).

**Corporate Bodies:** the Board of Directors and the Board of Statutory Auditors of Prysmian S.p.A.

**Group/Prysmian Group:** Prysmian S.p.A. and the companies it controls directly or indirectly.

**Guidance Opinion:** an orientation on the quantitative and qualitative composition of the Board of Directors considered optimal, expressed by the Board itself in view of each renewal, pursuant to Article 4, recommendation no. 23, of the Corporate Governance Code.

**Remunerations and Nominations Committee:** an internal committee of the Board of Directors composed only of independent directors and established pursuant to Article 3, recommendation no. 16, of the Corporate Governance Code.

**Shareholders' Meeting:** the general meeting of the shareholders of Prysmian S.p.A.

## Introduction

In compliance with art. 123-bis, paragraph 2, lett. d-bis), of TUF, as well as with the recommendations of the Corporate Governance Code, the Board of Directors of Prysmian S.p.A., taking account of the opinion of the Remuneration and Nomination Committee and the outcomes of the self-assessment work undertaken by the Board over time, hereby describes and updates the policies on the composition of the Corporate Bodies of the Company, also in regard to diversity.

The focus of the document is on all the members of the Board as well as on the members of the Board of Statutory Auditors as they are called on to play an important role in the dialogue with the executives and representatives of the Company and of the Prysmian Group and in monitoring the decisions they take.

This document identifies and describes (i) the qualitative and quantitative characteristics which should be held by the members of the Board and the Board of Statutory Auditors, as well as (ii) the structure and composition which such bodies should have to effectively undertake the respective duties and responsibilities. This will lead to the definition of a general policy (see Chapter A - "*General Policy*") which may also be used as indications and recommendations for the renewal of the Company's Corporate bodies, for the benefit of both those with a right to present lists of candidates and those with a right to vote on such renewals, as well as for those who provide consultancy services in regard to voting in such circumstances. Alongside the General Policy will be a description of the criteria adopted and the process followed by the Board (see Chapter B - "*Guidelines for the presentation of lists by the outgoing Board of Directors*"), supported by the Remuneration and Nomination Committee, in the choice of the candidates to be included in their list on the renewal of the whole Board of Directors, should the outgoing Board decide to present such a list.

That being said, in order to address changed conditions due, for example, to organisational changes, significant

operations such as mergers and acquisitions or other extraordinary or unpredictable circumstances, the contents of this document may temporarily not be applied for the duration of the mandate during which such changed conditions occurred.

This document will also contain the indications that the serving Board of Directors will on occasion provide to those who hold the right to present lists of candidates on the renewal of the Board of Directors, regarding the managerial and professional figures whose presence on the Board is considered opportune.

Finally, as from the year following the application of the policies described in this document, the results (see Chapter C - "*Policy Results and Update*") obtained on the basis of the choices of those with the right to appoint the Corporate bodies will be provided, with updates, if necessary, in order to take account of any changes to the composition of those Corporate bodies during their respective mandates.

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**GENERAL POLICY**

# 1. Board of Directors

## 1.1. Role and duties of the Board of Directors

The Corporate Governance structure adopted by the Company draws on the recommendations and rules contained in the Corporate Governance Code. The management and control model adopted is the traditional one where the Board of Directors has an essential role as the key body responsible for managing the Company in the interests of the shareholders.

The Board of Directors may be made up of a minimum of seven members up to a maximum of thirteen, who serve for no more than three years and who may be re-elected. The Shareholders' Meeting sets the number of the members of the Board of Directors, nominating the directors through a voting list mechanism in order to allow, where possible, the election of candidates presented by minority shareholders. These lists of candidates can be presented by those shareholders who, by themselves or together with other shareholders, hold total shares representing at least 2% of the share capital with voting rights at the ordinary Shareholders' Meeting (or a lower percentage established by legal or regulatory rules), as well as by the outgoing Board of Directors.

The Board of Directors is charged with the widest powers of ordinary and extraordinary administration with the exception of those powers reserved by law for the Shareholders' Meeting, with the following within the sole authority of the Board of Directors and which cannot, therefore, be delegated:

**A** The examination and approval of strategic, industrial and financial plans of the Company and of the group which it heads, the Company's corporate governance system and the corporate structure of the group which the Company heads;

**B** The examination and approval of transactions – including investments and divestments – which due to their nature, strategic value, size or commitments which they entail, have a significant strategic, economic, capital or financial impact for the Company and/or its group, with particular reference to transactions with related parties;

**C** Checking the adequacy of the organisational, administrative and general accounting systems of the Company and its group;

**D** Granting and revoking the mandates given to Directors and the Executive Committee, if established, defining the limits, terms and frequency (usually not in excess of three months) with which the authorised bodies must report to the Board of Directors on the activities conducted during the exercise of their mandates;

**E** Determining the Chief Executive Officers' fees and – where no Shareholders' Meeting resolution has already been taken – the division of the overall payment due to each member of the Board and the Committees, after studying the proposals of the relevant Committee and obtaining the opinion of the Board of Statutory Auditors;

**F** Verifying the overall business performance, having particular regard to the information received from the Chief Executive Officers, the Executive Committee (if appointed), and the Control and Risks Committee, and periodically comparing the actual results with the planned ones.

## 1.2. Objectives of the general policy for the appointment of the Board of Directors

In defining the *General Policy*, some objectives have been set in regard to the composition and operation of the Board of Directors. In particular:

### In terms of quantity

The number of members of the Board must be suitable for the size and complexity of the organisational set-up of the Company and of the Group

## In terms of quality

The correct fulfilment of its duties requires the presence of members of the Board who:

- are fully aware of the duties they are called on to fulfil and the responsibilities that may derive from such duties;
- have an adequate level of professionalism for the role to be filled, also on any committees internal to the Board, and calibrated in relation to the characteristics of the Company;
- have a range of skills which are duly distributed among the members of the board, so as to allow each of them, in whatever operating environment they may be working (the Board or one of its internal committees), to effectively make a contribution, among other things, to identifying and pursuing suitable strategies and guaranteeing effective corporate governance;
- dedicate time and resources which are adequate to the complexity of their role;
- act to protect the interests of the Company, the Group and all the stakeholders, regardless of the interests of the rights holders who voted for them or from whose list of candidates they were taken, operating with independent judgment.

The indications and recommendations contained in the General Policy described by this document have been considered functional to achieving the objective of having a Board composed of people capable of ensuring that the role attributed to them is carried out effectively. This is considered possible only by intervening both during their candidacy and appointment, which sees various subjects involved with a range of duties (internal committees, the Board, the Shareholders' Meeting and *proxy advisors*), and after their appointment and so during the exercise of their duties in the continuous management of the business. To this end it is necessary that the professional skills needed to achieve this result are clearly defined *ex ante* – and if necessary reviewed over time to take account of any new situations or changes to be addressed – and that the process of selecting candidates for the role of Director and their appointment takes account of such indications and recommendations.

### 1.3. Quantitative composition of the Board of Directors

Article 14 of the Prysmian By-laws envisages that the Company be managed by a Board of Directors of not fewer than seven and no more than thirteen members.

Within this range it is necessary to identify a suitable number of members in order to guarantee the adequate composition of the three internal committees which have generally been set up by the Boards of Directors which have served in recent mandates (at the date of this document, the Control and Risks Committee, the Compensation and Nomination Committee and the Sustainability Committee, each consisting of 3 members).



## 1.4. Qualitative composition of the Board of Directors

As for the general and personal characteristics of the members of the Board of Directors, it is considered opportune that:

There is a balanced combination of profiles, attitudes and experience gained in industrial sectors with particular attention to strategic, managerial, operational, financial and control issues

Directly present on the Board, with the role of executive directors<sup>1</sup>, are some of the managers of the Group, taking into account the position and individual background that they may possess, in order to guarantee, with their specific skills, continuity and specialist knowledge of the company and the market where the Group operates

Discussion is guaranteed as ensured by the independent directors, based on the presence of a suitable number of the latter, in accordance with the parameters indicated by the Corporate Governance Code, identified in at least half the members of the Board, which also allows the possibility, in the judgment of the Board serving at the time, of calling only, or mainly where allowed, independent directors to sit on the internal committees, with an adequate distribution of roles

Due consideration is paid to the accumulation of offices and the availability in terms of time which the candidates for the role of director could guarantee in fulfilling their role, considering these key elements for the effective undertaking of the role

Differences in background are duly recognised, in particular international experience (regardless of nationality) and gender diversity

The distribution of the length of service of directors is guaranteed, since a range of ages is considered an added value, but constant turnover is too, with the provision of limits on the number of years of service and their age

## 1.5. Ineligibility, incompatibility, good repute and other legal requirements

It is recommended that the lists to be presented on the renewal of the Board of Directors indicate candidates for whom the absence of causes of ineligibility and termination as set out in article 2382<sup>2</sup> of the Civil Code has already been verified, as well as their compatibility with the provisions in regard to the ban on competition as set out in article 2390<sup>3</sup> of the Civil Code.

Candidates for the role of Director and serving Directors must state that they are not liable to the grounds for exclusion envisaged for taking part in tender or concession procedures by bodies or public administrations (currently art. 80<sup>4</sup> of Leg. Decree 50/2016 - Public Procurement Code) and must provide the information necessary to issue anti-mafia documentation (currently Leg. Decree 159/2011 – Code of the Anti-mafia laws), which may be requested in reference to the Company or other companies in the Group, by Italian contracting authorities, prefectures, Italian bodies or public authorities in the context of public tenders, or in order to present requests for public financing, or for any other purpose linked to establishing a legal relationship with an Italian public body.

In addition, in regard to candidates for the role of Director and serving Directors, there must not exist the grounds for banning them from the wholesaling of products in the non-food sector (currently art. 71<sup>5</sup> of Leg. Decree 59/2010).

Finally, considering the importance that the requirements of good repute have in terms of reputation, it is considered opportune for candidates for the role of Director and serving Directors to also have the requirements of good repute which the members of the Boards of Statutory Auditor of Italian companies with shares listed on regulated markets must have, as indicated in article 2 of the Ministerial Decree of 30 March 2000, no. 162<sup>6</sup>.

1 - Directors with powers of representation and delegated powers for operations.

2, 3, 4, 5, 6 - See annex I.

## 1.6. Indipendence

At least one of the members of the Board of Directors, or two if the Board of Directors consists of more than seven members, must have the independence requirements provided for Statutory Auditors under art. 148, para. 3<sup>7</sup>, of the TUF.

Since the Company has adhered to the Corporate Governance Code, those who intend to stand for the role of Director are also recommended to have the requirements to qualify as independent also pursuant to Recommendation no.7 of the article 2<sup>8</sup> of the aforementioned code, without prejudice to the fact that it will be the duty of the Board of Directors to assess this independence for its own members. In addition, Prysmian considers that it is not generally possible to consider as independent a director who currently has or has had in the year prior to the independence assessment (either during their candidacy or during their mandate), directly or indirectly (for example through subsidiaries or companies of which they are a significant representative role, or as a partner in a professional studio or at a consulting company), commercial, financial or professional dealings with (i) Prysmian, one of its subsidiaries, or with any of the related significant representatives or with (ii) a subject who, also together with others through a shareholders' agreement, controls Prysmian, or – since it is a company or body – also with the related significant representatives, should the overall value of such dealings be higher than the following percentage thresholds:

**5% of the turnover** of the corporation, organisation (even if not recognised) or professional studio, which the director controls or is a significant representative or partner of

**5% of the annual income** of the director as a person or the annual turnover generated directly by the director within the business undertaken at the corporation, organisation (even if not recognised) or professional studio, which the director controls or is a significant representative or partner of

A significant presence on the Board of members who can qualify as independent would allow the Board itself to be able to choose the members of its own internal commit-

tees from among a broad number of Directors, thus being able to choose from among those who are considered most suitable on the basis of the skills which each of them has and not only on the basis of the criterion of independence. Having said this, it is held that an adequate composition of the Board for the above purposes is guaranteed by a presence of independent Directors pursuant to the Corporate Governance Code equal at least to half of the members, without prejudice to the recommendation already expressed regarding executive directors whose presence guarantees continuity and the specialist knowledge of the company and of the market in which the Group operates.

## 1.7. Maximum number of offices

The availability of time to dedicate to fulfilling the role is an essential requirement that the directors must be able to guarantee, taking account also of any appointments of members to the Board's internal committees which they might be called on to fill.

In this respect, it is considered that each Director must **ensure at least 85% attendance at the meetings** of the Board of Directors and of the internal committees of which he/she is a member.

The Board meets at least to examine the yearly financial statements and the consolidated financial statements, the half-year report and, where applicable, the interim reports relating to the first and third quarter of each year. The internal committees normally meet at the same time as the aforementioned four meetings of the Board as well as whenever there is an opportunity to meet. Finally, the independent Directors usually meet without the executive directors at the same time as the meetings of the Board to examine the yearly financial statements.

Beyond the commitments relating to participation in the formal meetings of the Board and the internal committees, it is also necessary to consider the commitment to be made to taking part in off-site events during their engagement. Moreover, it is necessary to also consider the time which each director will decide to dedicate to their preparation to participate in meetings of the Board, any committees, as well as the aforementioned off-site events.

In consideration of the above, people who intend to stand for the role of director and, once appointed, serving directors must assess the adequacy of the time they can dedicate to fulfilling their engagement, taking account of the time which they already dedicate to other work and professional activities, as well as undertaking engagements in other companies.

7 - See annex II.

8 - See annex II.

In this regard, since it is acknowledged that the number of other positions already held is an important indicator to assess the time that can be dedicated to any position in Prysmian, it is recommended that candidates, at the time of their candidacy and also including their eventual appointment to the Board of Prysmian for which they are putting forward their candidacy, do not hold more than 4 positions in companies listed on regulated markets.

## 1.8. Professionalism

In line with the best practice in Anglo-Saxon countries, and without prejudice to compliance with any provisions in the regulations in force, the Company has decided to equip itself with a BOARD SKILL MATRIX through which the existing skills inside the Board are identified as well as any gaps and, accordingly, are provided helpful advices on the skills of the candidates called to make up the lists. The skills which have been identified in the matrix are given by experience / background gained in:



### MANAGEMENT AND STRATEGY

At least 3 years' experience in top management as CEO/Chairman/Senior Executive in listed companies of significant size and complexity, leading strategy, business development/transformation or a strategic function and, preferably, specific experience in M&A operations and post-merger integration



### BACKGROUND

In the sectors in which the Prysmian Group operates or in related/complementary sectors in terms of product portfolio: significant experience in the industrial sector, focusing on complex projects and on the most strategic areas for the business, including Energy, Telecommunications and Transmission Networks, Industrial Solutions



### TECHNOLOGY, DIGITALIZATION, R&D, ENGINEERING AND ICT

Background in technology, research and development, innovation and information and communication technology



### MARKETING, CUSTOMERS' PROFILE AND COMMERCIAL

Skill and experience in marketing and commercial activities with knowledge of the key countries where the Group operates



### FINANCE, ACCOUNTING AND RISK MANAGEMENT

Experience in the lending and finance sector; it is preferable to have a background as a Risk Officer, Internal Auditor or 5 years on a Risk and Audit committee, and/or experience as a CFO or Statutory Auditor



### GOVERNANCE

Knowledge of the laws, legislation and codes of conduct and governance best practices in listed companies; experience preferably chairing Governance or Appointments committees



### SUSTAINABILITY / ESG

Competence and experience in integrating sustainability/ ESG matters into the business vision

The presence on the Board of Directors of people who, as a whole, have all or most of the aforementioned skills and experience, facilitates discussion and the operation of the Board itself.

In addition to the professional skills, it is also recommended that some personal characteristics are taken into due consideration, such as:

- the ability to take on new challenges, thus innovating and favouring change;
- openness to reciprocal discussion and feedback,
- attitude to collaborate, understanding the importance of diversity;
- business judgement, to encourage attitudes that are focussed on business development and decisions.

## 1.9. Gender quotas

Prysmian's By-laws envisage that the appointment of the Board of Directors be undertaken using means such as to guarantee that the less represented gender obtains a number of the members at least equal to the limit, according to Law, in force at the time. The discipline currently in force and introduced with Law no. 160/2019 envisages that the less represented gender obtains at least two fifths of the elected directors, with rounding up to the higher unit, for six consecutive mandates, starting from the first renewal after the coming into force of the aforementioned Law.

In order to comply with this provision, Prysmian's By-laws envisage that the lists of candidates for the renewal of the Board of Directors presented by the rights holders, should they have three or more candidates must be composed of candidates belonging to both genders, in compliance with the provisions and regulatory interpretation in force at that time concerning the genders' balance.

The Company has also adopted a diversity & inclusion policy, applied at Prysmian Group level, and promotes dedicated initiatives to support it. The latter converge in the Prysmian Group's programme called Side by Side, launched in 2016 and focused on gender, age and cultural diversity as levers for the creation of value, in line with business objectives. The Side by Side programme aims to create an increasingly inclusive environment in which different generations can understand each other and work positively together and where all employees, even if different in terms of culture and leadership style, are offered equal opportunities for growth. When selecting candidates for the position of Director, Prysmian also invites you to take into account diversity in terms of cultural background, country of origin, ethnicity and citizenship, believing that a Board of Directors that includes such elements of diversity contributes to improving the working environment and fostering productivity.

Further details or in-depth analysis of the issues and/or initiatives of the Side by Side programme are available on the Prysmian website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the Sustainability/Our People/Diversity & Inclusion section, as well as in the annual sustainability report, containing the non-financial statement (DNF), also available on the Prysmian website in the Sustainability section.

## 1.10. Tenure, induction and international experience

Regardless of the experience they have acquired in other positions they have already held, a new director will need time to acquire adequate knowledge of the context in which the Prysmian Group operates in order to be able to make a significant contribution to the work of the Board and of any internal committees which they are asked to sit on.

The average length of service of Board members must therefore be suitable for the development of all the directors including those with less experience, also guaranteeing that they may face the possible challenges they may encounter right from the start of their mandate with adequate skills and experience.

It is also important that, taking into consideration the share of independent directors which it is recommended to keep on the Board, the total length of service of a director who qualifies as independent does not exceed nine consecutive years to be calculated, at the time of presenting the list, as from the date of their first appointment. For the purposes of counting this period of service:

- the fractions of months in which the director has served for more than 15 days will be calculated as whole months,
- periods of service where there has been an interruption of less than 36 months are to be understood as consecutive.

While considering the experience brought by directors who can claim a long period of service in high-level, prestigious positions as added value and something to be preserved, also to benefit the development of talented directors who have limited experience to call on, nonetheless it is considered that an adequate age for taking on the role of director should not exceed 75. Therefore, those who intend to stand for the role of Director are invited to assess that this age limit is not exceeded at the time of presenting the list which contains their candidacy.

The directors of Prysmian take part in a detailed induction process. Prysmian regularly organises events, including off site, to enable all Directors and Statutory Auditors to acquire deeper knowledge of the context in which the Prysmian Group operates and to promote greater interaction in order to work better as a team. At the same time, these plenary events are also an opportunity to promote the

necessary spirit of belonging and collaboration: the aim in this way is to create the right conditions to capitalise on the range of skills and the inter-disciplinary approach of the various Directors.

The Prysmian Group is present, with more than 100 manufacturing facilities and around 30,000 employees, in many Countries. An international calling and experience are therefore important characteristics to be considered in choosing candidates for the role of Director at Prysmian. International experience does not necessarily need to be understood as holding a citizenship other than Italian, but rather significant professional experience gained abroad and/or in important positions in companies with a high level of international exposure.

For further detail on the remuneration of the Directors, reference should be made to the *Report on Remuneration*.

In order to facilitate the declaration of possession of the requirements for candidates included in lists deposited for the renewal of the administrative board, attached to this document is a declaration form for candidates for the role of director<sup>9</sup>.

## 1.11. Remuneration

As allowed by the law and by Prysmian's By-laws, the Shareholders' Meeting recognises to the Board a total figure for remuneration for each of the years it will serve, with the right of the Board itself to allocate this amount to all or just some of the individual Directors.

The Shareholders' Meeting which was held on April 28th, 2021, attributed to the Board total gross annual remuneration of Euro 1,030,000 and the Board, at the proposal of the Remunerations and Nominations Committee and taking into consideration the specific duties of each Director, decided on the following division of the aforementioned amount:

**EURO  
80,000** to the Chairman of the Board  
of Directors

**EURO  
50,000** to each of the independent  
directors pursuant to the TUF

**EURO  
13,333** to each of the members of  
the internal committees

9 - See annex III.

## 2. Board of Statutory Auditors

### 2.1. Role and duties of the Board of Statutory Auditors

In the traditional administration and control model adopted by the Company, the Board of Statutory Auditors is called on to oversee observance of the law and of the deed of incorporation, as well as the compliance with the principles of correct administration in undertaking corporate activities and also controlling the adequacy of the organisational structure, the internal control systems and the administrative/accounting system of the Company.

Pursuant to Leg. Decree no. 39/2010, the Board of Statutory Auditors is also identified with the "Internal Control and Audit Committee" to which the aforementioned Decree attributes oversight over the process of financial disclosure, the effectiveness of the internal control, internal audit and risk management systems, external audit of the annual accounts and the consolidated accounts and the independence of the independent auditor.

### 2.2. Role and duties of the Board of Statutory Auditors

In order to adequately undertake the duties and functions of responsibility which are the prerogative of the Board of Statutory Auditors, it is recommended that the candidates for the role of Statutory Auditors of Prysmian:

**A** Are fully aware of the duties they are called on to fulfil and the responsibilities that may derive from them;

**B** Are equipped with adequate professionalism for the role to be covered, also in contexts such as the internal committees of the Board which the Statutory Auditors are invited to take part in, and calibrated in relation to the characteristics of the Company;

**C** Possess a range of skills which are duly distributed among the members of the Board, so as to allow each of them to be able to effectively make a contribution;

**D** Dedicate adequate time and resources given the complexity of their engagement;

**E** Direct their actions to protecting the interests of the Company, the Group and all stakeholders, regardless of the interests of the rights holders who voted for them or from whose list of candidates they were taken, operating with independence of judgment.

The indications and recommendations contained in the General Policy described by this document have been considered functional to achieving the objective of having a Board of Statutory Auditors composed of people capable of ensuring that the role attributed to them is carried out effectively. To this end it is considered that the professional skills needed to achieve this result are clearly defined ex ante – and if necessary reviewed over time to take account of any new situations or changes to be addressed – and that the process of selecting candidates for the role of Statutory Auditor and their appointment takes account of such indications and recommendations.

### 2.3. Quantitative composition of the Board of Statutory Auditors

Article 21 of Prysmian's By-laws envisages that the Board of Statutory Auditors be composed of three standing auditors and two alternate auditors, appointed by the Shareholders' Meeting. The statutory auditors serve for three years and their mandate ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the third year of their appointment.

The Shareholders' Meeting appoints the statutory auditors through a voting list mechanism in order to allow, where possible, the election of candidates presented by minority shareholders. These lists of candidates can be presented by those shareholders who, by themselves or together with other shareholders, hold total shares representing at least 2% of the share capital with voting rights at the ordinary Shareholders' Meeting or a lower percentage established by legal or regulatory rules.

The aforementioned By-law provision does not allow a different quantitative composition which, in any case, seems adequate to guarantee the correct fulfilment of the duties and functions attributed by law to the Board of Statutory Auditors.

## 2.4. Qualitative composition of the Board of Statutory Auditors

As for the general and personal characteristics of the members of the Board of Statutory Auditors, it is considered opportune that:

- there is a balanced combination of profiles, attitudes and experience in order to facilitate a broad range of skills, if possible also linked to the sectors in which the Company operates, in particular in regard to risks and controls;
- due consideration is paid to the accumulation of offices and the availability in terms of time which the candidates for the role of statutory auditor could guarantee in fulfilling their role, considering these key elements for the effective undertaking of the role;
- diversity is duly promoted and in particular gender diversity.

## 2.5. Ineligibility, incompatibility, good repute and other legal requirements

It is recommended that the lists to be presented on the renewal of the Board of Statutory Auditors indicate candidates for whom the absence of causes of ineligibility and termination as set out in article 2382<sup>10</sup> of the Civil Code has been checked in advance.

All the members of the Board of Statutory Auditors must have the further requirements established by art. 148, para. 3<sup>11</sup>, of the TUF.

Candidates for the role of Statutory Auditor and serving Statutory Auditors must state that they are not liable to the grounds for exclusion envisaged for taking part in tender or concession procedures by bodies or public administrations (currently art. 80<sup>12</sup> of Leg. Decree 50/2016 - Public Procurement Code) and must provide the information necessary to issue anti-mafia documentation (currently Leg. Decree 159/2011 – Code of the Anti-mafia laws), which may be requested in reference to the Company or other companies in the Group, by Italian contracting authorities, pre-

fectures, Italian bodies or public authorities in the context of public tenders, or in order to present requests for public financing, or for any other purpose linked to establishing a legal relationship with an Italian public body.

In regard to candidates for the role of statutory auditor and serving statutory auditors, there must not exist the grounds for banning them from the wholesaling of products in the non-food sector (currently art. 71<sup>13</sup> of Leg. Decree 59/2010).

Candidates for the role of Statutory Auditor and serving Statutory Auditors must also have the requirements of good repute indicated in article 2 of the Ministerial Decree of 30 March 2000, no. 162<sup>14</sup>.

## 2.6. Independence

All the members of the Board of Statutory Auditors must have the independence requirements established by art. 148, para. 3<sup>15</sup>, of the TUF.

Since the Company has adhered to the Corporate Governance Code, those who intend to stand for the role of Statutory Auditor are recommended to have the requirements to qualify as independent also pursuant to Recommendation no. 7 of article 2<sup>16</sup> of the aforementioned Code, without prejudice to the fact that it will be the duty of the Board of Statutory Auditors to assess compliance with these criteria after the appointment and subsequently on an annual basis.

## 2.7. Accumulation of offices

The availability of time to dedicate to fulfilling the role is an essential requirement that the Statutory Auditors must be able to guarantee.

The Board of Statutory Auditors meets at least every ninety days. The Statutory Auditors take part in the meetings of the Board of Directors and are also invited to take part in the meetings of the Monitoring Board and of the Board's internal committees which usually meet during the meetings of the Board to examine the yearly financial statements and the consolidated financial statements, the

10, 12, 13, 14 - See annex I.

11, 15, 16 - See annex II.

half-year report and, where available, the interim reports relating to the first and third quarter of each year, as well as whenever there is the opportunity.

Beyond the commitment relating to participation in the formal meetings of the Board of Statutory Auditors, of the Board and its internal committees, it is also necessary to consider the commitment to be made to taking part in off-site events during their engagement. Moreover, it is necessary to also consider the time which each Statutory Auditor will decide to dedicate to their preparation to participate in the aforementioned meetings as well as the off-site events.

In consideration of the above, people who intend to stand for the role of statutory auditor and, once appointed, serving statutory auditors must assess the adequacy of the time they can dedicate to fulfilling their engagement, taking account of the time which they already dedicate to other work and professional activities, as well as undertaking engagements in other companies.

In this regard it is noted that, as envisaged in art.148-bis<sup>17</sup>, of the TUF, Consob has devised a means of calculation to establish a limit on the accumulation of the management and audit engagements which Statutory Auditors of listed companies can take on at all companies as set out in Book V, Title V, Chapters V, VI and VII, of the Civil Code<sup>18</sup>. In any case, it is noted that people who act as statutory auditor in five listed companies cannot take on the same role in another listed company<sup>19</sup>.

Finally, it is noted that, pursuant to art. 2400, para. 3, of the Civil Code, at the time of the appointment and before accepting the engagement, the Shareholders' Meeting must be informed of the management and audit appointments held by the statutory auditors in other companies.

## 2.8. Professionalism

Pursuant to article 1, para. 1, of the Ministerial Decree of 30 March 2000, no. 162<sup>20</sup>, at least one standing auditor and one alternate auditor must be chosen from among those recorded in the register of external statutory auditors. The other members of the Board of Statutory Auditors, if not recorded in this register, are chosen from among those who have acquired at least three years' experience in:

### BOARD OF STATUTORY AUDITORS

#### MANAGEMENT

or audit or executive duties at limited companies with share capital of no less than two million euro, or

#### PROFESSIONAL ACTIVITIES

or university teaching in legal, economic, financial and technical/scientific subjects which are strictly related to the business of the company, or

#### EXECUTIVE FUNCTIONS

at public bodies or public administrations operating in the lending, financial and insurance sectors or, in any case, in sectors strictly related to that of the business of the company

For the purposes of lett. b) and c) of the aforementioned Ministerial Decree, the following are considered strictly related to the business of the Company: the business sectors and subjects regarding the sector in which the Company operates, as well as subjects regarding legal, private law and commercial regulations, economic regulations and those relating to the Company's business sector.

<sup>17, 20</sup> - See annex I.

<sup>18</sup> - See annex 5-bis to the Regulation for Issuers adopted by Consob with Resolution no. 11971 of 14 May 1999, ("Calculation of the limit to the accumulation of management and audit positions as set out in art. 148-bis, para. 1, of the TUF").

<sup>19</sup> - Art. 144-terdecies of the Regulation for Issuers adopted by Consob with Resolution no. 11971 of 14 May 1999.



## 2.9. Gender quotas

Prysmian's By-laws envisage that the appointment of the Board of Statutory Auditors be undertaken using means such as to guarantee that the less represented gender obtains a number of the members at least equal to the limit, according to Law, in force at the time. The discipline currently in force and introduced with Law no. 160/2019 envisages that the less represented gender obtains at least two fifths of the elected Statutory Auditors, with rounding down to the higher unit, for six consecutive mandates, starting from the first renewal after the coming into force of the aforementioned Law.

In order to comply with this provision, Prysmian's By-laws envisage that the lists of candidates for the renewal of the Board of Statutory Auditors presented by the rights holders, should they have three or more candidates must be composed of candidates belonging to both genders in compliance with the provisions and regulatory interpretation in force at that time concerning the genders' balance, both for the candidates for the role of standing Auditor and for the candidates for the role of alternate Auditor.

## 2.10. Remuneration

Pursuant to the law and Prysmian's By-laws, the Shareholders' Meeting sets the fee for the members of the Board of Statutory Auditors for the whole duration of the engagement.

The Shareholders' Meeting of 5 June 2019 set at Euro 75,000 the annual fee for the Chairman of the Board of Statutory Auditors and at Euro 50,000 the annual fee for each standing Auditor.


For further detail on the remuneration of the Statutory Auditors, reference should be made to the Report on Remuneration.

In order to facilitate the declaration of possession of the requirements for the candidates included in lists deposited for the renewal of the audit board, attached to this document is a declaration form for the candidates for the role of Statutory Auditor<sup>21</sup>.

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<sup>21</sup> - See annex IV.

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**GUIDELINES FOR  
THE PRESENTATION OF  
LISTS BY THE OUTGOING  
BOARD OF DIRECTORS**

# 1. Composition of the list of candidates presented by the Outgoing Board of Directors

This section summarises the process and guidelines followed by the outgoing Board of Directors in the event that it decides to present an own list of candidates, as provided by art. 14 of the Company By-Laws.

The Remuneration and Nomination Committee leads the preparatory work, formulating opinions and proposals, in line with the assessment from adoption of the Board Skill Matrix, as defined above, in order to identify candidates from among whom will be chosen those who will make up the list presented by the outgoing Board.

The process for selecting candidates for the list presented by the outgoing Board of Directors, including the Chairman and the Chief Executive Officer, involves the following subjects:

**A Remuneration and Nomination Committee:** leads the preparatory work following the work undertaken by the headhunting company and by the corporate divisions involved, keeping the Board of Directors informed and putting proposals to the Board regarding the choice of possible candidates

**B Head Hunter:** company chosen from among the leading firms, to which to assign the task of supporting Prysmian in the search for possible candidates, in keeping with the Board Skill Matrix adopted

**C Chief Executive Officer:** takes part in the selection of candidates for the role of director with a focus also on the presentation of candidates to be identified from among the Group's managers

**D Board of Directors:** assesses and approves candidates for the role of director

**E Corporate Divisions involved (Corporate Affairs and Human Resources and Organisation):** supporting the Remuneration and Nomination Committee and carrying out the background work leading to the selection.

The start of the selection process is decided by the outgoing Board of Directors. The Remuneration and Nomination Committee, calling on the support of the Human Resources and Organisation Department, on the basis of the results of the Board evaluation specifically undertaken by the headhunting company engaged and on the basis of the particular circumstances for the strategic development of the Company, identifies the needs and the personal, professional and independence characteristics which the candidates, who have not already been identified by the Board of Directors, should possess in order to undertake the engagement. These characteristics are integrated in the Board Skill Matrix and included in the Guidance Opinion.



The Remuneration and Nomination Committee identifies on a rotating basis an independent consultant from among the leading headhunting companies. In choosing possible consultants, account is taken of their preparation and professional experience in regard to selection processes for high profile staff for listed companies.



The headhunting company identifies a list of possible suitable candidates outside of the Prysmian Group who correspond to the personal and professional characteristics identified by the Remuneration and Nomination Committee through analysis of the results of the Board Skill Matrix. On the basis of the candidates presented by the headhunting company, the Remuneration and Nomination Committee starts the individual interviews with each of the

possible candidates and puts a shortlist of candidates to the Board of Directors.



The identification of eventual candidates from among the managers must take account of their individual position and background, in order to guarantee continuity and specialist know-how of the company and of the markets where the Group operates. In this case too, the whole selection process is regulated by the Committee with the support of the Chief Executive Officer.



The Board of Directors passes resolutions on the composition of the list and puts it to a vote by shareholders during the Shareholders' Meeting to renew the corporate boards, providing a description of the characteristics of the candidates identified and of the criteria followed in the selection.

## **2. Indications on the professional figures whose presence on the Board is considered opportune**

On renewal of the administrative body, the outgoing Board will provide indications to help shareholders identify the candidates called on to make up the lists they wish to present. These indications will be contained in the Guidance Opinion.

The Board will also ask, as provided for in Recommendation no. 23 of article 4 of the Corporate Governance Code, to those who submit a list that contains a number of candidates greater than half of the members to be elected, to provide adequate information, in the documentation submitted for the filing of the list, regarding the compliance of the list with the indications contained in the Guidance Opinion, also on the subject of diversity, and to indicate their candidate for the office of chairman of the management body.



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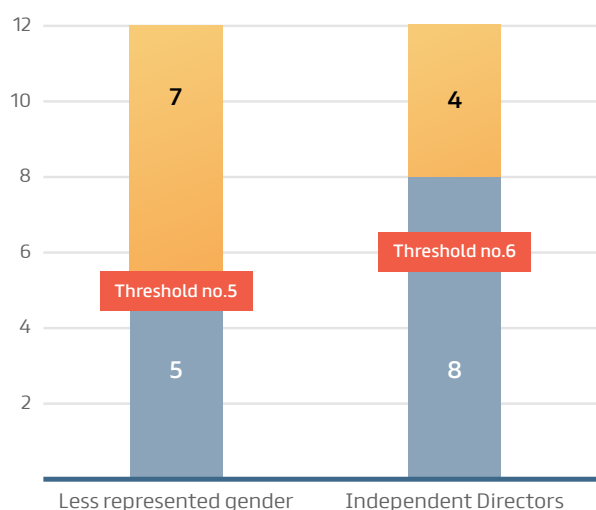
**POLICY RESULTS  
AND UPDATE**

# 1. Results

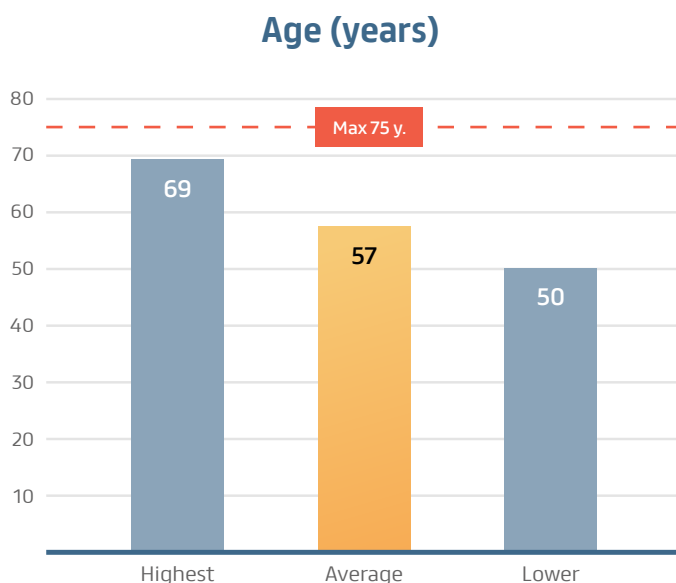
In line with the best market practice and Article 14 of the Prysmian By-laws, the Board of Directors, appointed by the Shareholders' Meeting on April 28th, 2021, is composed of 12 members; 5 Board members belong to female gender and 7 Board members to the male one.

- The gender composition of the Board of Directors adequately meets the gender quota guideline of this document and complies with the regulatory requirement that the least represented gender is at least two-fifths of the members (Table 1).
- The number of directors owing the independence requirements is 67%, according to the requirements of the Corporate Governance Code, and 75%, according to the requirements of the TUF (Table 1).
- The average age of the current Board of Directors at 31 December 2021 is 57, with a minimum of 50 and a maximum of 69 (Table 2).
- The average number of positions held in companies listed on regulated markets or of significant size, including those on Prysmian's Board, is 1.75 (Table 3).
- The average tenure of members of the Board of Directors is 5.8 years. Considering only non-executive directors, the average length of service is 3.5 years (Table 4).
- All the members of the Board of Directors have had international managerial and professional work experience and/or in relevant positions in companies with high international exposure. The Board also includes directors of four different nationalities (Italian, Dutch, German and American).
- In accordance with the Board Skill Matrix defined at the time of the renewal of the Board in the course of 2021 to ensure the achievement of a high level of professionalism, the members of the Board have a broad wealth of international experience and possess a wide-ranging skill set in line with the categories identified in the matrix (Table 5). All Board members have a university degree (as a minimum) and have diverse backgrounds in professional education.

In line with the best practice, the Board have proven to be sufficiently well equipped to successfully manage the Company and fulfilment of their duties in the interests of the shareholders. Following the application of the principles described in this document built for the occasion of the renewal of the administrative body which took place in 2021, the results obtained in the appointment of the Board of Directors have been in line with the Company policies and exceed expectations.

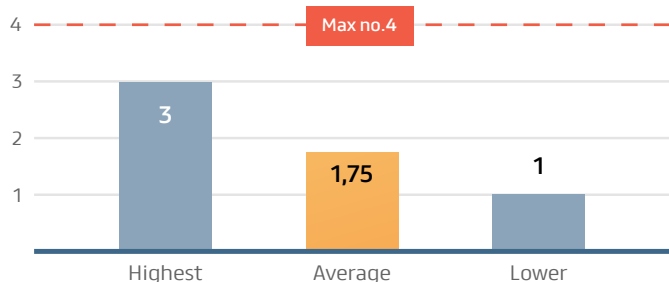


**Table 1.** Members of the Board of Directors belonging to the least represented gender and independent directors pursuant to the Corporate Governance Code.



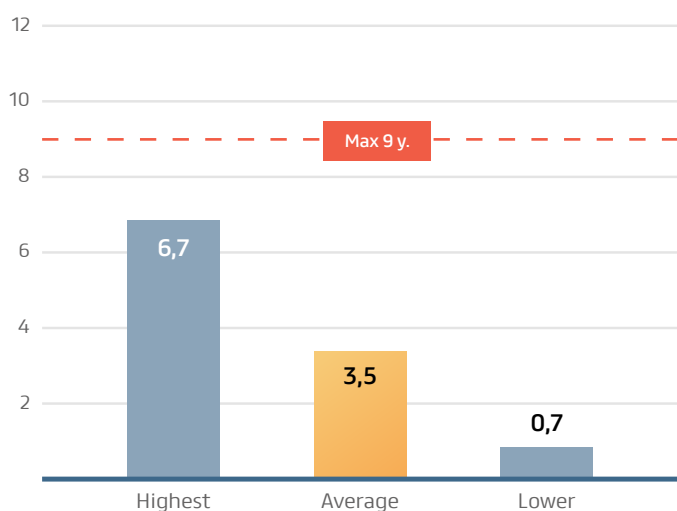
**Table 2.** Average age of the members of the Board of Directors with indication of the age of the oldest and youngest members, as of 31 December 2021.

### Offices in listed companies Prysmian included (no.)



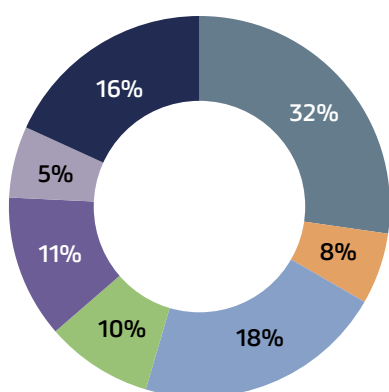
**Table 3.** Offices in listed companies (including the office in Prysmian), as of 31 December 2021.

### Independent Directors tenure (years)



**Table 4.** Average length of service of independent directors, according to Corporate Governance Code, showing members with more years in office and less years in office, as of 31 December 2021.

### BOARD SKILLS MATRIX



- Management & Strategy
- Marketing & Commercial
- Finance, Accounting, Risk Mgt.
- Governance
- ESG
- ICT
- Background in Prysmian's sectors

In accordance with Article 21 of Prysmian's by-laws, the Board of Statutory Auditors as appointed by the Shareholders' Meeting held on 5 June 2019 is made up of 3 standing auditors and 2 alternate auditors; one effective member and one alternate member of the Board of Statutory Auditors belong to the female gender and the remaining 2 effective members and one alternate member to the male gender. The gender composition of the Board of Statutory Auditors complies with the guidelines for gender quotas in this document and with the legal obligations in force at the time of the appointment regarding the gender represented in the supervisory bodies. The average age of the current effective members of the Board of Statutory Auditors is 65 years, with a minimum of 54 and a maximum of 76 years. All effective members of the Board of Statutory Auditors possess the independence requirements of the Corporate Governance Code and the TUF.

**Table 5.**

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**ANNEXES**




## Annex I

# Legal and regulatory requirements to hold the role of Director or Statutory Auditor in Prysmian

### Article 2382 of the Civil Code

#### Cause of ineligibility and forfeiture


“Interdicted and banned persons, disqualified persons, bankrupt persons or those persons who have been sentenced to a penalty entailing a ban, even temporary, from public office or the inability to exercise managerial functions cannot be appointed as directors, and if appointed, forfeit their office.”



### Article 2390 of the Civil Code

#### Ban on competition

“Directors cannot be shareholders with unlimited liability in competitor companies or run a competing business on their own behalf or on the part of third parties, or be directors or general managers in competing companies, without the authorisation of the Shareholders’ Meeting. If they do not comply with this restriction, the director can be removed from their office and is responsible for damages.”



### Article 80 of Leg. Decree 50/2016 (Public Procurement Code)

#### Grounds for exclusion

“1. The following are grounds to exclude an economic operator from taking part in a tender or concession procedure: a definitive sentence or a penal sentence which has become irrevocable or a sentence applying a penalty on request pursuant to article 444 of the Criminal Procedure Code, for one of the following crimes:

- a) actual or attempted crimes, as set out in articles 416, 416-bis of the Criminal Code or crimes committed making use of the conditions envisaged by the aforementioned article 416-bis or in order to facilitate the activities of the associations envisaged by the same article, as well as for the actual or attempted crimes envisaged by article 74 of the Decree of the President of the Republic no. 309 of 9 October 1990, by article 291-quater of the Decree of the President of the Republic no. 43 of 23 January 1973, and by article 260 of Legislative Decree no. 152 of 3 April 2006, since they can be connected to participation in a criminal organisation, as defined in article 2 of the Framework Decision 2008/841/GAI of the Council;
- b) actual or attempted crimes, as set out in articles 317, 318, 319, 319-ter, 319-quater, 320, 321, 322, 322-bis, 346-bis, 353, 353-bis, 354, 355 and 356 of the Criminal Code as well as in article 2635 of the Civil Code;
- b-bis) false corporate communications as set out in articles 2621 and 2622 of the Civil Code;
- c) fraud pursuant to article 1 of the Convention on the protection of the European Communities’ financial interests;
- d) actual or attempted crimes, committed for the purpose of terrorism, including international terrorism, and subversion of the constitutional order, terrorist crimes or crimes connected to terrorist activities;
- e) crimes as set out in articles 648-bis, 648-ter and 648-ter.1 of the Criminal Code, laundering of income from criminal activities or the financing of terrorism, as defined in article 1 of Legislative Decree no. 109 of 22 June 2007 and subsequent changes;
- f) exploitation of child labour and other forms of human trafficking defined with Legislative Decree no. 24 of 4 March 2014;
- g) any other crime resulting in an injunction on the capacity to conclude contracts with the public administration.

2. Another ground for exclusion is the existence, with reference to the subjects indicated in paragraph 3, of reasons for forfeiture, suspension or ban as envisaged by article 67 of Legislative Decree no. 159 of 6 September 2011 or an attempt at organised crime infiltration as set out in article 84, para. 4, of the same Decree. There is no prejudice to the provisions of articles 88, para. 4-bis, and 92, paragraphs 2 and 3, of Legislative Decree no. 159 of 6 September 2011, with reference respectively to anti-mafia communications and anti-mafia information. It also remains firm the provisions of article 34-bis, paragraphs 6 and 7, of the legislative decree 6 September 2011, no.159.
3. The exclusion as set out in paras 1 and 2 must be ordered if the sentence or the decree or the injunction have been issued in regard to: the owner or technical director, in the case of a sole trader; the partner or technical director in the case of a general partnership; the general partners or the technical director in the case of a limited partnership; the members of the Board of Directors with powers of legal representation, including proxies or attorneys, the members of the bodies with powers of management and supervision or the subjects invested with powers of representation, management or control, the technical director or the sole shareholder, or the majority shareholder, in the case of a company with a number of shareholders equal or fewer than four, if it is any other type of company or consortium. In any case, the exclusion and the ban operate also in regard to the subjects who ended their service in the year prior to the date of publication of the tender notice should the company fail to show that there has been complete and effective disassociation from the conduct which was criminally prosecuted; the exclusion must not be ordered and the ban does not apply when the crime has been decriminalised or, in cases of sentencing to a perpetual accessory penalty, when this has been declared extinct pursuant to article 179, seventh paragraph, of the criminal code or when the subjects have been rehabilitated or when the crime has been declared cancelled after the sentence or in the case of withdrawal of the sentence itself.

- omissis -

....”

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## **Article 71 of Leg. Decree 59/2010**

### **Requirements to access and run commercial activities**

“1. The following cannot run commercial activities for selling and serving:

- a) those who have been declared habitual or professional criminals or people with a criminal tendency, unless they have been rehabilitated;
- b) those who have been sentenced, with a definitive judgment, for a crime without criminal intent, for which a prison sentence is envisaged for no less than three years, provided that in reality a sentence above the minimum allowable has been applied;
- c) those who have been given, with a definitive judgment, a sentence to imprisonment for one of the crimes as set out in Book II, Title VIII, Chapter II of the Criminal Code, or for receiving stolen goods, money laundering, fraudulent insolvency, fraudulent bankruptcy, usury, robbery, crimes against the person committed with violence, extortion;
- d) those who have been given, with a definitive judgment, a sentence for crimes against hygiene and public health, including the crimes as set out in Book II, Title VI, Chapter II of the Criminal Code;
- e) those who have been given, with a definitive judgment, two or more sentences, in the five years preceding the start of running the business, for crimes of fraud in the preparation and in the sale of food products envisaged by special laws;
- f) those who are subject to one of the preventative measures as set out in Law no. 1423 of 27 December 1956, or in regard to whom one of the measures envisaged by Law no. 575 of 31 May 1965 or security measures have been applied;

- omissis -

3. The ban on running the business, pursuant to para. 1, letters b), c), d), e) and f), and pursuant to para. 2, remains for the duration of five years starting from the day on which the sentence was concluded. Should the sentence have been cancelled in a different way, the period of five years starts from the day the sentence becomes definitive, unless the person has been rehabilitated.
4. The ban on running the activity is not applied when, with a definitive judgment, conditional suspension of the sentence

has been granted provided that circumstances do not arise that may impact on the withdrawal of the suspension.

- omissis -

....”

## **Ministerial Decree no. 162 of 30 March 2000**

### **“ARTICLE 1 - Requirements of professionalism**

1. Italian companies with shares listed on regulated markets in Italy or other countries in the European Union choose from among those recorded in the register of auditors who have undertaken the legal audit of accounts for a period of no less than three years, at least one of the standing auditors, if the latter are three in total, at least two of the standing auditors, if these number more than three and, in both cases, at least one of the alternate auditors.
2. Statutory auditors who do not possess the requirement envisaged by para. 1 are chosen from among those who have gained at least three years' experience in:
  - a) management or audit or executive duties at limited companies with share capital of no less than two million euro, or
  - b) professional activities or university teaching in legal, economic, financial and technical/scientific subjects which are strictly related to the business of the company, or
  - c) executive functions at public bodies or public administrations operating in the lending, financial and insurance sectors or in any case in sectors strictly related to that of the business of the company.
3. For the purposes of para. 2 lett. b) and c), the By-laws specify the subjects and business sectors strictly related to that of the company. The By-laws can include further additional conditions for the existence of the requirements of professionalism envisaged by the previous paragraphs.
4. The position of auditor cannot be filled by those who, for at least eighteen months, in the period between the two years preceding the adoption of the related provisions and the current year, have undertaken functions of administration, management or audit in companies which were:
  - a) subject to bankruptcy, compulsory winding-up or similar procedures;
  - b) operating in the lending, financial, equity and insurance sector which are subject to extraordinary administration procedures.
5. In addition, the position of auditor cannot be filled by subjects in regard to whom the provision has been adopted to cancel them from the single national register of stockbrokers envisaged by article 201, para. 15, of Legislative Decree no. 58 of 24 February 1998, and stockbrokers who are excluded from trading on a regulated market.
6. The ban as set out in paragraphs 4 and 5 lasts for three years from the adoption of the related provisions. The period is reduced to one year in the situations in which the provision has been adopted at the request of the entrepreneur, the administrative bodies of the company or of the stockbroker.

### **ARTICLE 2 - Requirements of good repute**

1. The position as auditor in the companies indicated by article 17, para. 1, cannot be filled by those who:
  - a) have been subject to preventative measures ordered by the judicial authority pursuant to Law no. 1423 of 27 December 1956, or Law no. 575 of 31 May 1965, and subsequent changes and additions, without prejudice to the effects of rehabilitation;
  - b) have been condemned under an irrevocable sentence, without prejudice to the effects of rehabilitation, to:
    - 1) a custodial sentence for one of the crimes envisaged by the laws which regulate banking, financial and insurance business and by the laws in regard to markets and financial instruments, for tax matters and payment instruments;
    - 2) imprisonment for one of the crimes envisaged in Title XI of Book V of the Civil Code and in the Royal Decree no. 267 of 16 March 1942;
    - 3) imprisonment for no less than six months for a crime against the public administration, public trust, public assets,

public order and the public economy;

4) imprisonment for no less than one year for any crime without criminal intent.

2. The position of auditor in the companies as set out in article 1, para. 1, cannot be filled by those on whom, at the request of the parties, one of the sentences has been applied as envisaged by para. 1, letter b), unless the crime has been cancelled.”

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### **Article 148-bis, of the TUF**

#### **Limits on the accumulation of positions**

“1. Consob shall lay down in a regulation the limits to the accumulation of management and control positions that members of the internal control bodies of companies referred to in this chapter and of companies with financial instruments widely distributed among the public in accordance with Article 116 may hold in all the companies referred to in Book V, Title V, Chapters V, VI and VII of the Civil Code. Consob shall establish such limits taking into account the onerousness and complexity of each type of position, including in relation to the size of the company, the number and size of the firms included in the consolidation, and the extension and articulation of its organisational structure.

2. Without prejudice to Article 2400, fourth subsection, of the Civil Code, members of the internal control bodies of companies referred to in this chapter and of companies with financial instruments widely distributed among the public in accordance with Article 116 shall inform Consob and the public, within the time limits and in the ways prescribed by Consob in the regulation referred to in subsection 1, of all the management and control positions they hold in companies referred to in Book V, Title V, Chapters V, VI and VII of the Civil Code. Consob shall declare the disqualification from positions taken on after the maximum number provided for in the regulation referred to in the first subsection was reached”.

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### **Article 2400, paragraph 4, of the Civil Code**

#### **Appointment and termination of office**

“ ...

- omissis -

Upon the moment of appointment of the statutory auditors, and before their acceptance of such appointment, the shareholders' meeting shall be informed of the appointments as directors or auditors that they hold in other companies”.

## **Annex II**

# **Legal and regulatory requirements to assess independence**

### **Article 148, para. 3, of the TUF**

#### **Composition**

“ ...

- omissis -

3. The following persons may not be elected as auditors and, where elected, they shall be disqualified from office:

a) persons who are in the conditions referred to in Article 2382 of the Civil Code;

b) spouses, relatives and the like up to the fourth degree of kinship of the directors of the company, spouses, relatives and the like up to the fourth degree of kinship of the directors of the companies it controls, the companies it is controlled by and those subject to common control;

c) persons who are linked to the company, the companies it controls, the companies it is controlled by and those subject to common control or to directors of the company or persons referred to in paragraph b) by self-employment or employee relationships or by other relationships of an economic or professional nature that might compromise their independence.

- omissis -

...”



## **Article 2 of the Corporate Governance Code**

### **Composition of the corporate bodies**

“- omissis -

Recommendations

- omissis -

The circumstances that jeopardise, or appear to jeopardise, the independence of a director are at least the following:

- a) if he or she is a significant shareholder of the company;
- b) if he or she is, or was in the previous three financial years, an executive director or an employee:
  - of the company, of its subsidiary having strategic relevance or of a company subject to joint
  - of a significant shareholder of the company;
- c) if he or she has, or had in the previous three financial year, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):
  - with the company or its subsidiaries, or with their executive directors or top management;
  - with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management;
- d) if he or she receives, or received in the previous three financial years, from the company, one of its subsidiary or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by the law;
- e) if he or she has served on the board for more than nine years, even if not consecutive, in the last twelve years;
- f) if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director;
- g) if he or she is shareholder, quota-holder or director of a company or other legal entity belonging to the network of the external auditor of the company;
- h) if he or she is a close relative of a person who is in any of circumstances set forth in previous letters.

- omissis -

The chair of the board of directors, who has been nominated for such role according to recommendation 23, can be assessed as independent if none of the circumstances set forth above occurs.

- omissis -

...”

## **Annex III**

### **Declaration form for candidates for the role of Director**

#### **DECLARATION**

The undersigned \_\_\_\_\_, born in \_\_\_\_\_, on \_\_\_/\_\_\_/\_\_\_, in reference to their candidacy for the role of member of the Board of Directors of Prysmian S.p.A. (the "Company"), [as belonging to the list which will be presented by \_\_\_\_\_] – or – [to be submitted] at the Shareholders' Meeting called for the day of \_\_\_\_\_, in a single call, pursuant to the provisions in force,

#### **ACCEPTS**

the candidacy as a Board member of Prysmian S.p.A. and

#### **STATES**

under their own responsibility:

- the non-existence of grounds for ineligibility, forfeiture and incompatibility to fill the role of Director of the Company and the possession, for the same end, of the requirements prescribed by the Company By-laws and by the law in force;
- that they possess the good reputation requirements established for members of control bodies with a regulation issued by the Minister of Justice pursuant to article 148, para. 4, of Leg. Decree no. 58 of 24 February 1998 (T.U.F.);
- that  **THEY ARE** /  **THEY ARE NOT**, in the circumstances as set out in art. 2390 Civil Code;
- that  **THEY FALL WITHIN** /  **THEY DO NOT FALL WITHIN** the grounds for exclusion envisaged for participation in tender or concession procedures by bodies or public administrations (art.80 of Leg. Decree no. 50/2016 - Public Procurement Code);
- that  **THERE ARE** /  **THERE ARE NOT** in their regard the grounds for banning them from the wholesaling of products in the non-food sector (art.71, Leg. Decree no. 59/2010);
- that  **THEY POSSESS** /  **THEY DO NOT POSSESS** the independence requirements envisaged by art. 148, para. 3, of the T.U.F.;

- that  **THEY POSSESS** /  **THEY DO NOT POSSESS** the independence requirements indicated by the “Corporate Governance Code”, approved by the Committee for the Corporate Governance and promoted by ABI, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana S.p.A., to which the Company has adhered;
- that the positions currently held by the undersigned in companies listed on regulated markets, are the following:  
no. \_\_\_ executive positions: \_\_\_\_\_  
no. \_\_\_ non-executive positions: \_\_\_\_\_  
\_\_\_\_\_ ;
- that they are aware of the consequences arising from any defect in these requirements and/or conditions pursuant to the legal and regulatory provisions applicable.

The undersigned undertakes to promptly inform the Board of Directors of the Company of all subsequent changes in the information provided in this declaration and authorises the conservation and publication of the data and information contained in this declaration and in the attached documents.

\_\_\_\_\_, \_\_\_\_\_

(place)

(date)

In good faith

\_\_\_\_\_

(signature)

Annexes:

- Curriculum vitae

- \_\_\_\_\_

## **Annex IV**

### **Declaration form for candidates for the role of Statutory Auditor**

#### **DECLARATION**

The undersigned \_\_\_\_\_, born in \_\_\_\_\_, on \_\_\_\_/\_\_\_\_/\_\_\_\_, in reference to their candidacy for the role of member of the Board of Statutory Auditors of Prysmian S.p.A. (the "Company"), [as belonging to the list which will be presented by \_\_\_\_\_] – or – [to be submitted] at the **Shareholders' Meeting** called for the day of \_\_\_\_\_, in a single call, pursuant to the provisions in force,

#### **ACCEPTS**

the candidacy as  **STANDING** /  **ALTERNATE** auditor of Prysmian S.p.A. and

#### **STATES**

under their own responsibility:

- the non-existence of grounds for ineligibility, forfeiture and incompatibility to fill the role of Auditor of the Company and the possession, for the same end, of the requirements prescribed by the Company By-laws and by the law in force;
- that they possess the good repute and professionalism requirements established for members of control bodies with the Decree of the Minister of Justice no. 162 of 30 March 2000, pursuant to article 148, para. 4, of Leg. Decree no. 58 of 24 February 1998 (T.U.F.);
- that  **THEY ARE RECORDED** /  **THEY ARE NOT RECORDED** in the register of external statutory auditors;
- that they do not exceed the limit on the accumulation of management and audit positions envisaged by art. 148-bis of Leg. Decree 58/98;
- that  **THEY FALL WITHIN** /  **THEY DO NOT FALL WITHIN** the grounds for exclusion envisaged for participation in tender or concession procedures by bodies or public administrations (art.80 of Leg. Decree no. 50/2016 - Public Procurement Code);
- that  **THERE ARE** /  **THERE ARE NOT** in their regard the grounds for banning them from the wholesaling of products in the non-food sector (art.71, Leg. Decree no. 59/2010);



- that  **THEY POSSESS** /  **THEY DO NOT POSSESS** the independence requirements indicated by the “Corporate Governance Code”, approved by the Committee for the Corporate Governance and promoted by ABI, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana S.p.A., to which the Company has adhered;
- that they are aware of the consequences arising from any defect in these requirements and/or conditions pursuant to the legal and regulatory provisions applicable.

The undersigned undertakes to promptly inform the Board of Directors of the Company of all subsequent changes in the information provided in this declaration and authorises the conservation and publication of the data and information contained in this declaration and in the attached documents.

\_\_\_\_\_, \_\_\_\_\_  
(place) (date)

In good faith

\_\_\_\_\_  
(signature)

Annexes:

- Curriculum vitae
- Management and audit positions held pursuant to art. 2400 of the Civil Code.
- \_\_\_\_\_

## **Annex IV**

### **Curriculum vitae layout for candidates for the role of Director or Statutory Auditor**

<b>Curriculum Vitae</b>	
<b>Personal Information</b>	[Name] [Surname] [Place of Birth] [Date of Birth]
<b>Education and Training</b>	
<b>Work Experience</b>	
<b>Main Offices</b>	

