

REMUNERATION REPORT

Courtesy Translation



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Prysmian
Group



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Chairman's Letter

Dear Shareholders,

I am delighted to present the Remuneration Report for 2013 which will be put to the Shareholders' meeting.

In 2013, all topics related to remuneration were given, as always, the utmost attention. We have pursued the objective of strengthening the pay tools we introduced last year while continuing to build on a Group pay policy in line with a responsible approach focused on performance, sustainability and a transparent dialogue with investors. In 2013, no significant changes were made to Prysmian's Top Management pay policies. Dialogue and transparency with investors remain key elements which we believe are symbolically represented by this report.

One of the most significant events involving the Remuneration and Appointments Committee in 2013 has been the launch of the employee stock purchase plan which we called "YES" (Your Employee Shares): a plan that offers the Group employees (executives, white collar and blue collar) in 27 different countries the opportunity to purchase company shares at favourable terms and through which we hope to further increase the employees engagement as well as their sense of belonging to the Group.

Another relevant activity for the Committee was the definition of the Top Management Succession plan processes, with the Committee thoroughly involved in carrying out assessments of some internal potential successors.

Finally, the Committee was involved in the decisions related to the creation of remuneration packages for the Managers with Strategic Responsibilities recently appointed, in line with the Group policies and with market best practices.

We have collected the information relating to our remuneration policy in this Report, which describes its principles, governance, and elements which make up the remuneration of the Directors and Managers with strategic responsibilities, the short and long-term incentive mechanisms and the related objectives, with the aim of increasing stakeholders' knowledge of our pay policies and to highlight their consistency with our business strategies.

This Remuneration Report has been approved by the Board of Directors on 25 February 2014 and section I will be submitted for an advisory vote to the Ordinary Shareholders' Meeting pursuant to applicable laws.

The Chairman of the Remuneration and Appointments Committee

Giulio Del Ninno

SECTION I

1. Introduction

This document has been prepared in compliance with the provisions contained in CONSOB Resolution no. 18049 of 23 December 2011 in implementation of article 123-TER of Leg. Decree 58/1998 regarding transparency on Directors' pay in listed companies.

The Prysmian Group Pay Policy is defined with the aim of aligning the Management's interests with those of shareholders, in order to pursue the primary objective to create sustainable value in the medium to long term, by forging a strong link between the pay and performance, both individual and of the Group.

The Remuneration Policy described in this document applies to the members of the Board of Directors and to Managers with strategic responsibilities:

- Prysmian S.p.A. ("Prysmian" or "the Company") is currently managed by a Board of Directors consisting of eleven Directors:

Full name	Position held	Qualification	Control and Risks Committee	Remuneration and Appointments Committee
Massimo Tononi	Chairman	Independent non-executive director*	-	Member
Battista Valerio	Chief Executive Officer and General Manager	Executive director	-	-
Maria Elena Cappello	Director	Independent non-executive director	Member	-
Cesare d'Amico	Director	Independent non-executive director	-	-
Claudio De Conto	Director	Independent non-executive director	Chairman	Member
Giulio Del Ninno	Director	Independent non-executive director	-	Chairman
Frank Dorjee	Director	Executive director**	-	-
Pier Francesco Facchini	Director	Executive director	-	-
Fritz Froehlich	Director	Independent non-executive director	Member	-
Fabio Ignazio Romeo	Director	Executive director	-	-
Giovanni Tamburi	Director	Independent non-executive director	-	-

[*]Massimo Tononi is an independent director only pursuant to TUF (Consolidated Law on Finance) and not to the Code of Conduct for Listed Companies.

[**]Frank Dorjee was an executive director until 31 December 2013, when he terminated his employment relationship with the Prysmian Group

- The Group's Managers with strategic responsibilities are:

Full name	Job Title
Massimo Battaini*	Chief Operating Officer
Phil Edwards	Senior Vice President Telecom Business (from 01.01.2013 to 30.06.2013)
Philippe Vanhille	Senior Vice President Telecom Business (since 01.07.2013)

[*]Massimo Battaini has been acting as Senior Vice President Business Energy Projects since 01 January 2014

The 2013 remuneration policies do not introduce any new provision with respect to the 2012 definitions and applications. In particular, the remuneration structure remained unchanged in terms of currently used tools and pay-mix. In 2013, the employee stock purchase plan at favourable conditions, named YES, was launched and offered to the Group's employees.

2. Governance

The definition of the Policy is the result of a shared and transparent process in which the Remuneration and Appointments Committee ("the Committee") and the Board of Directors of the Company have a central role.

The Board of Directors adopts, at the proposal of the Committee, the principles, guidelines and decisions on remuneration.

Every year the Remuneration and Appointments Committee puts the Pay Policy to the approval of the Board of Directors and supervises its application.

The Board of Directors set up and appointed the members of the Remuneration and Appointments Committee. This Committee has the role of providing consultancy and making proposals to the Board of Directors with reference to establishing the remuneration of Prysmian S.p.A. Directors and Managers with strategic responsibilities, as indicated in the table, the appointment/substitution of independent Directors, as well as the size and composition of the Board.

The Committee currently consists of three independent non-executive Directors: Giulio Del Ninno, the Chairman, Massimo Tononi and Claudio De Conto.

The members of the Committee have long and consolidated experience and specific know-how in the economic and financial field.

The main responsibilities of the Remuneration and Appointments Committee are:

- to assess and formulate the remuneration policy for executive Directors with particular functions;
- to examine and discuss pay policy proposals for Managers with strategic responsibilities;
- to assess and formulate any proposals made by the Company regarding management remuneration policies;
- to periodically oversee the effective implementation of the proposals made and approved by the Board of Directors as regards the remuneration of Managers with strategic responsibilities;
- to verify the achievement of the performance objectives related to the incentive systems for the Chief Executive Officer and Managers with strategic responsibilities.
- to assess and formulate proposals made to the Board of Directors regarding share incentive plans, stock options, public ownership of shares and similar incentive and retention plans applicable to management and employees of Group companies that are owned by the Company;
- to carry out preliminary investigations into the implementation of the executive directors

succession plans if the Board of Directors resolves to adopt them.

For a description of the Committee's duties regarding the appointment of Directors, please refer to the "Remuneration and Appointments Committee" section of the Report on Corporate Governance Report and Ownership Structure.

In 2013, the Committee met 8 times; Giulio Del Ninno and Massimo Tononi took part in all meetings; Claudio de Conto took part in 7 meetings. The work undertaken by the Committee, with the support of the Group Human Resources Department, in particular concerned:

- the formulation of proposals to be submitted to the Board of Directors regarding the remuneration of the Company's executive directors and managers with strategic responsibilities as regards both the fixed and variable parts of the remuneration;
- the assessment of the criteria adopted in relation to both the variable incentive systems (based on the achievement of established objectives) and the pay policies for senior management;
- the analysis of all information concerning the Prysmian Group remuneration policy as described in the remuneration report approved by the Board of Directors and also submitted for examination to the Shareholders' Meeting;
- the termination of the employment relationship of a manager with strategic responsibilities and of an executive director;
- the definition of succession plans for top executives;
- the launch of a stock purchase plan at favourable conditions for the Group employees ("YES" Project).

The Remuneration and Appointments Committee, while providing advice, making proposals and carrying out assessments, draws on the support of an independent external consultant, Hay Group, which provides information on trends, practices, and market pay levels on a global scale in order to monitor the Top Management pay fairness.

No Director takes part in meetings of the Remuneration and Appointments Committee during which proposals relating to their own remuneration are formulated.

The Group Human Resources and Organisation Director was invited to act as Secretary during the Remuneration and Appointments Committee meetings.

3. Remuneration policy principles

The key principles that form the basis of Prysmian's remuneration policy are:

- **to adopt a clear and transparent governance model:**
"to pursue the creation of a balanced corporate governance system useful to achieve economic and financial objectives while fully safeguarding shareholders, together with the achievement of better performance"
- **to support the corporate strategy, attract and retain key human resources for the organisation:**
"people are essential to achieve the strategic objectives"
- **to ensure consistency between the management "total remuneration" and the Group's performance, in line with the shareholders' expectations:**
"the essential driver of Prysmian's remuneration systems is the business performance, in fact, a significant part of management's remuneration depends on the achievement of performance objectives in line with the investors' expectations"
- **to implement policies in line with the risk profile, through an appropriate balance**

among the various elements of pay, aimed at supporting value creation:

"the remuneration systems philosophy favours a concept of performance measured over a time horizon which is sufficient to guarantee sustainability and value creation in the long term."

- **to foster the Group's employees involvement through the purchase and ownership of shares:**

"through the YES plan and stock retention policies, Prysmian aims at increasing the number of employee shareholders who can participate in the success of the company"

4. Remuneration of the Chairman and of non-executive Directors

The Shareholders' Meeting of 18 April 2012 has approved, in addition to a reimbursement of all expenses incurred by the Board on behalf of the Company, a total gross remuneration of Euro 430,000 for each year in office, to be divided on a pro-rata basis according to the portion of the year during which the Board of Directors will remain in office. The Shareholders' Meeting has also given authority to the Board of Directors to determine the distribution of the above-mentioned remuneration to all or only some of the individual directors, based on the specific responsibilities held by each of them.

The Board of Directors has accepted the proposal submitted by the Remuneration and Appointments Committee which sets forth the following allocation of the annual remuneration:

- (i) Euro 30,000 to the Chairman of the Board of Directors,
- (ii) Euro 40,000 to each of the 7 independent non-executive directors, pursuant to the TUF, and
- (iii) Euro 20,000 to each of the 6 members of the internal committees.

5. Remuneration of executive Directors and Managers with strategic responsibilities – elements of pay

This section of the report describes the elements of the current remuneration package of executive Directors and of Managers with strategic responsibilities:

FIXED REMUNERATION	<p>ANNUAL PAY</p> <ul style="list-style-type: none"> - defined in line with the complexity of the role - benchmarked vs key European market in order to guarantee competitiveness and internal fairness. 	<p>BENEFITS</p> <p>Social security and healthcare benefits as well as assistance in work life balance which supplement the minimum contractual health care/pension plans and other contractual requirements.</p>
SHORT AND MEDIUM/LONG-TERM REMUNERATION	<p>MBO</p> <ul style="list-style-type: none"> - pay is connected to the achievement of the preset annual economic and financial targets at Group/Business Unit level - net financial position and EBITDA are the common indicators and the minimum condition necessary to accrue the bonus - the pay opportunities linked to the annual incentive system are defined as a % of annual pay; a maximum payment level is envisaged. <p>CO-INVESTMENT</p> <p>the co-investment system was launched in 2011 and is valid for the period 2011-2013:</p> <ul style="list-style-type: none"> - the mechanism envisages that part of the accrued annual bonus is deferred for a maximum period of three years - the payment of this portion is subordinate to achieving a Group three-year economic and financial target (Adjusted Cumulative EBITDA 2011-2013) - should the performance objective be achieved, the payment of a multiple of the co-invested bonus is envisaged. <p>Should it not be achieved, the payment of a reduced portion of the deferred bonus is envisaged.</p> <p>PERFORMANCE SHARE</p> <ul style="list-style-type: none"> - This is a share-based plan with a three-year vesting period which is linked to achievement of three-year performance conditions: in 2014 directors will receive a preset number of Prysmian shares if the Adjusted Cumulative EBITDA objective for 2011-2013 has been achieved. 	

5.1. Fixed remuneration

The Top Management pay levels are set according to the complexity of the job, the actual responsibilities that are allocated and the experience required, with the support of a job evaluation method which enables comparison with specific peer groups, in order to analyse external data and ensure a competitive position in the reference market.

As for the Top Management positions, the reference market consists of a panel of listed European companies. These companies are included in the *FT Europe 500 listing* as the main companies in Europe in terms of capitalisation.

Market practices are not the only reference point used in defining fixed remuneration: internal fairness, performance and sustainability are also taken into consideration. To this end, a formal system for the

annual performance assessment (P3) has recently been introduced in the Group and applied also to top executives, by which they are assessed in terms of value and competencies. Lastly, the fixed element's relevance, also given its weight within the total remuneration package, is such as to reduce excessively risk-oriented behaviour, to discourage initiatives that focus on short-term results and to allow a flexible approach to the variable element.

Once a year, the Remuneration and Appointments Committee prepares a Pay Policy proposal for Top Management to be put for approval to the Board of Directors.

5.2. Variable short and medium/long-term remuneration

In 2011 Prysmian launched a three-year incentive plan, which runs alongside and is connected to the annual incentive system, creating a direct link between the annual results and the medium/ long-term performance, through three pay elements:

- annual bonus (MBO)
- co-investment + multiplier
- performance share

The reasons underlying the introduction of the plan, which applies to 291 key managers of the Group, are:

- to identify a common objective for Group management, aimed at strengthening the integration process with Draka;
- to enhance the sustainability of the annual results in the long term through the deferral and co-investment of the annual bonus;
- to align the management performance to the shareholders' expectations, also through the use of shares to strengthen the sense of belonging to the organisation and to the company's success.

The 2011-2013 medium/long-term incentive plan, with all its co-investment and performance share components, will end upon the approval of the Financial Statements as at 31 December 2013 by the Shareholders' Meeting; the cash disbursement and share distribution according to the plan, as described below in the relevant paragraphs, will be carried out during 2014 subject to the achievement of the established performance objectives.

The Group's policy is to offer key managers medium/long-term incentives - therefore Prysmian will submit to the next Shareholders' Meeting a proposal for the adoption of a new long-term incentive plan.

5.2.1. Annual bonus (MBO)

The annual variable incentive system (MBO) is based on established targets with the aim of rewarding the results achieved in the short term (1 year) and aligning individual behaviour to the strategic objectives of the organisation: performance is measured based on the overall results of the company, the business unit, and the relevant department.

The annual incentive system rewards Top Management in relation to the achievement of the following objectives:

- On/off objective: the system does not envisage the payment of any bonus in case the established targets relating to a liquidity indicator (Net Financial Position) and a profitability indicator (Group EBITDA) are not achieved.
- Group Objectives: the bonus levels are linked to a profitability indicator at the Group level (Group EBITDA) which is applied on average to 40% of the target bonus.
- Country/Business Unit/Department objectives: the remaining part of the bonus depends on

additional financial and operating indicators related to the performance of the relevant Department or Business Unit.

The variable incentive system is defined annually by the Remuneration and Appointments Committee which puts the objectives to the Board of Directors and identifies their parameters.

The opportunities linked to the incentive system are defined as a target percentage on fixed remuneration and, should the target objectives be exceeded, a maximum performance level is envisaged. These ranges (target and maximum) are general and shared at the Group level, depending on the hierarchical level and in line with the strategic importance of the office, with the objective of balancing fixed and variable pay based on the position and the impact on results.

The following table shows the relationship between performance and annual bonus:

Annual bonus (MBO) – payout % on fixed remuneration			
		Chief Executive Officer	Executive directors - Managers with strategic responsibilities
on-off objective	< threshold	<i>no payment</i>	
	> threshold	<i>payout is proportional to the level of objectives achievement</i>	
level of objectives achievement (performance)	< Target (100)	0%	0%
	Target (100)	66.7%	50%
	Maximum (150)	100%	75%
	> Maximum (150)	100% (cap)	75% (cap)

If objectives are achieved at an intermediate level between target and maximum, the payout is calculated proportionally.

Payment of the annual Bonus is subject to the manager’s employment in the Group during the entire period (January-December).

As regards the 2013 annual bonus, no payment will be issued, since the performance threshold, in terms of Group EBITDA, was not reached.

5.2.2. Co-investment

invested amount (including the Co-investment itself), or of losing 25% of the co-invested amount should the Target not be achieved.

- *Balanced Profile*: the participant co-invests 50% of his annual bonus accrued value with the possibility of obtaining, in 2014 and in case of Target achievement, a multiple of 2 times the co-invested amount (including the Co-investment itself), or of losing 50% of the co-invested amount should the Target not be achieved.
- *Dynamic Profile*: the participant co-invests 75% of his annual bonus accrued value with the possibility of obtaining, in 2014 and in case of Target achievement, a multiple of 2.5 times the co-invested amount (including the Co-investment itself), or of losing 75% of the co-invested amount should the Target not be achieved.

It is not a mandatory plan, but it is an essential condition to participate in the performance share plan described below.

All Top Management participated in the co-investment plan.

5.2.3. Performance share

On 14 April 2011 Prysmian Shareholders' meeting approved the "performance share" three-year incentive plan for the period 2011-2013: this plan envisages the allocation of a pre-set number of Prysmian shares¹ in 2014, upon the achievement of a Group three-year economic and financial objective (2011 – 2013 Adjusted Cumulative EBITDA).

The Plan beneficiaries are 291 Group key managers, including executive Directors and Managers with strategic responsibilities. Of these, 266 were still employed by Prysmian as at 31 December 2013 (end of the Plan performance period).

The grant value has been set based on the role and fixed remuneration levels; the number of option rights to be allocated has been calculated using the average share price during the four weeks preceding the Board of Directors' meeting date, when the individual grants for Top Management were approved (26 August 2011).

The Plan requires that the granted options are exercised subject to the achievement of a Group three-year economic and financial objective (2011 – 2013 Adjusted Cumulative EBITDA) of at least 1.75 billion Euro on a constant basis.

The Plan also envisages a maximum 2011 – 2013 Adjusted Cumulative EBITDA equal to the target plus 20% (i.e. 2.1 billion Euro), which will cause the allocation of the maximum number of options.

Stock retention policy: in compliance with Art. 6 of the *Code of Conduct for Listed Companies (2011 Edition)*, a 2-year lock-up period is also envisaged, during which the beneficiaries shall hold a part of the shares that may have been allocated to them, which for executive Directors and Managers with strategic responsibilities amounts to 25% of shares.

The vesting of options relating to the Plan is subject to the participant's employment in the Group as at 31 December 2013.

Clauses relating to termination of the employment relationship, extraordinary operations, and change in control, in relation to the Co-investment and to the Performance Share plan:

- in case of resignation, fair dismissal or dismissal on conduct grounds, the participant will definitively lose the right to get the co-investment back, both for any co-invested annual bonus portions and the relevant multiple, and to exercise the allocated options; in case of termination

¹ The plan envisages the allocation of Options to subscribe shares with the ratio of one Share for each exercised Option. Shares can be treasury Shares or newly issued Shares from a share capital increase; the former will be allocated for free, while the latter will be allocated to the Participants upon payment of the Exercise Price, i.e. a par value of Euro 0.10.

by mutual consent or dismissal for redundancy, the participant shall have only the right to get the co-invested amounts back;

- in case of retirement, invalidity or death of the participant, the Chief Executive Officer shall have the discretionary and unquestionable right to provide for clauses that are an improvement on regulations;
- in case of extraordinary operations, the Company agrees to do everything in its power, including any change to the Plan as well as the related methods and timeframes, so that the amount of the allocated options remains unchanged; the Board may also redefine the Target and maximum objective accordingly;
- in the case of a Change in Control, the Plan requires that the co-invested annual bonus portions are returned and that the co-investment multiple calculated on a pro rata basis upon the Change in Control and based on the level of achievement of the Performance Objective is sold. All the above provided that it corresponds to at least 85% of the Target Objective on a pro rata basis; in addition, the Plan envisages the possibility of exercising a number of options calculated on a pro rata basis compared to the target allocation, provided that the level of achievement of the Performance Objective corresponds to at least 85% of the Target Objective.

5.3. Benefits

The cash-equity pay offer is integrated by the following additional benefits:

- supplementary pension integrative pension plan
- supplementary medical insurance integrative healthcare insurance
- accident insurance covering extra professional accidents
- company car

6. Long-term incentive plans relating to previous years

Two long-term incentive plans are described below, whose allocations were made during years preceding the new LTI Plan described above. They ended during 2013:

- the 2006 stock option plan, which envisages as the last period for the exercise of the allocated option rights the 30 days following publication of the press release announcing the approval of draft Financial Statements for 2012;
- the 2010-2012 long-term cash plan, which was closed in advance in 2011.

6.1. 2006 stock option plan

On 30 November 2006, the Company's Extraordinary Shareholders' Meeting approved a stock option incentive plan, subject to the start of the Company's shares trading on the *Mercato Telematico Azionario* (screen-based stock exchange) organised and managed by Borsa Italiana S.p.A., which occurred on 3 May 2007.

The Plan, which is reserved for employees of the Prysmian Group, envisaged the free allocation of option rights to subscribe the Company's ordinary shares, with a par value of Euro 0.10. Among the executive Directors, only one, Pier Francesco Facchini, is a beneficiary of the plan.

Each option provides the right to subscribe a share at an exercise price of Euro 4.65 each. The exercise price was set by the Company's Board of Directors based on the market value of the Company's share capital as at the date of approval of the Plan by the Board of Directors, in turn set on the basis of the Company's economic and financial results as at 30 September 2006 and taking account of the dilution effect caused by the allocation of the Options, as well as the lack of liquidity of the presumed market value of the Company's share capital at that date.

The options accrue in four annual instalments starting from the date of allocation which, for the Original Beneficiaries who accepted the option within the deadline envisaged by the Plan Regulation, is 4 December 2006.

Exercise of the accrued options occurs only during the so-called "Exercise Periods" following the respective vesting date. Pursuant to the Plan Regulation, the "Exercise Period" is each thirty-day period starting from the first day following the date on which the press release regarding the resolution to approve Prysmian S.p.A. draft financial statements is published or the resolution to approve the half-year financial report of the company.

The period in which the options may be exercised, which was initially calculated in relation to the approval of the draft financial statements for the year ended 31 December 2010, was extended to the thirty days following the publication of the press release regarding the resolution to approve Prysmian S.p.A. 2012 draft financial statements with a resolution of the Shareholders' Meeting of 15 April 2010.

6.2. 2010-2012 Long-Term Cash Incentive

On 13 May 2010, the Board of Directors resolved to launch a Long-Term Cash Incentive Plan for 2010-2012, which is subject to the achievement of pre-set economic and financial objectives. The recipients of the Plan were the Chief Executive Officer, three Executive Directors and a manager with strategic responsibilities. The Plan was terminated in advance, when the 2011-2013 Plan (Co-investment and Performance share) was introduced.

The Plan envisaged the accrual of a cash bonus at the end of the three-year period, connected to achievement of the following specific objectives, whose targets were defined on an annual basis:

- Adjusted EBITDA, to which accrual of 50% of the bonus was connected
- Free cash flow, to which accrual of 25% of the bonus was connected
- Net Income, to which accrual of 25% of the bonus was connected

The Plan worked as follows:

- failure to achieve the target level: no payment
- achievement of the target level: payment of a bonus overall equal to 233% of fixed remuneration for the Chief Executive Officer and to 167% of fixed remuneration for the other beneficiaries, the executive Directors, on a three-year basis
- achievement of the maximum level: payment of a bonus overall equal to 350% of fixed remuneration for the Chief Executive Officer and to 250% of fixed remuneration for executive Directors
- achievement of intermediate objectives: proportional bonus payment compared to the indicated levels

The bonus accrued annually in case of achievement of annual objectives, while payment was envisaged at the end of the reporting period, following the approval by the Shareholders' Meeting of the 2012 financial statements, provided that the beneficiary was in office at the end of the reporting period (December 2012).

With the launch of the new 2011-2013 Plan (Co-investment and Performance shares), the Long-Term Cash Incentive Plan was closed as follows: the total bonus accrued in the prior period was calculated for each participant and the obligation to defer and co-invest 75% of the accrued bonus as part of the Co-investment plan was established, in accordance with the method described in the previous paragraph; the remaining 25% of the accrued bonus was paid during 2013.

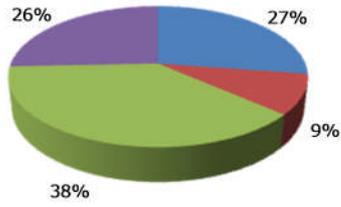
7. Pay-mix

The following graphs show the theoretical pay-mix of Prysmian executive directors and managers with strategic responsibilities when a target and maximum annual and three-year performance level is reached.

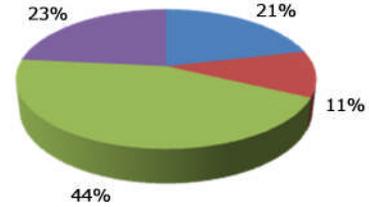
The graph shows the relative weight of the three elements of pay: fixed, annual variable, medium/long-term variable, consisting of cash remuneration (co-investment, 2010-2012 Long-Term Cash Incentive) and share-based (performance share).

CEO and General Manager, Valerio Battista

Pay-mix – performance target

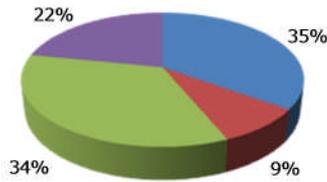


Pay-mix – maximum performance

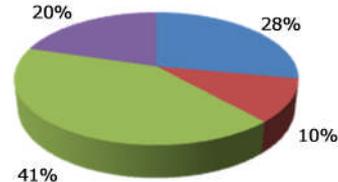


Fabio Romeo Executive Director

Pay-mix – performance target

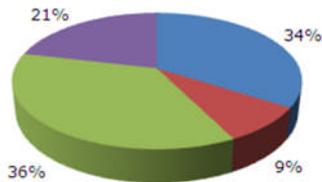


Pay-mix – maximum performance

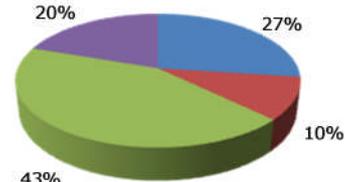


Pier Francesco Facchini Executive Director

Pay-mix – performance target

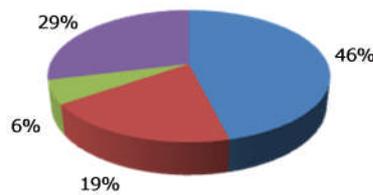


Pay-mix – maximum performance

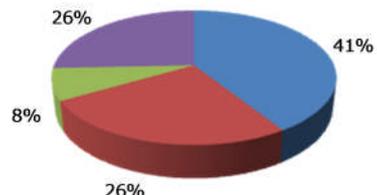


Frank Dorjee Executive Director

Pay-mix – performance target

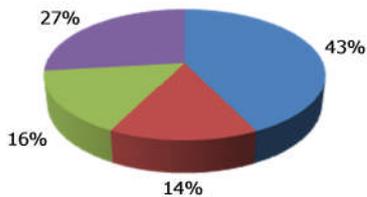


Pay-mix – maximum performance

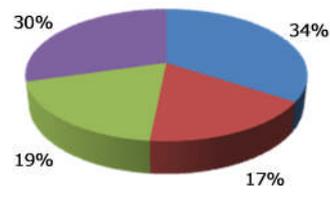


Managers with strategic responsibilities

Pay-mix – performance target



Pay-mix – maximum performance



■ Base Salary	■ Medium/long-term compensation (cash)
■ Annual Bonus	■ Medium/long-term compensation (equity)

The performance share value is calculated on the plan's fair value basis.

The pay-mix is calculated based on the actual potential total payment (cash, shares) in the 2011-2013 period during which the long-term incentive plan is in effect.

Other forms of remuneration (non-competition clauses, retention bonuses), described in Section II of the Report, are not included in the pay-mix analysis.

8. Other elements

8.1. Non-competition clauses

Prysmian envisages the possibility of signing non-competition clauses for executive Directors and Managers with strategic responsibilities. In conformity with case law and practice, these clauses can provide for the payment of a percentage of fixed remuneration, according to the duration and extent of the restriction arising from the clause itself.

8.2. Retention bonuses

The possibility is envisaged of offering Retention Bonuses to executive Directors and Managers with strategic responsibilities. To date, the retention bonus is not applicable to any executive Director or Manager with strategic responsibilities.

8.3. The "YES" Plan

On 16 April 2013, the Prysmian Shareholders' Meeting approved the stock purchase plan, at favourable conditions, for the Group's employees.

The main objectives of the YES plan are the following:

- to strengthen the commitment and the involvement of employees;
- to make shareholders, customers and employees share their interests in the long term;
- to foster the internal perception of the Prysmian Group as "One Company".

The Plan, intended for the Group's employees, has been implemented in 27 countries and offers to the employees the opportunity to purchase Prysmian shares, with a discount granted in the form of treasury shares, within three annual purchase windows (2014, 2015 and 2016), while accepting time constraints in relation to shares availability. A maximum number of 500,000 treasury shares are reserved for the Plan.

The employees who participate in the Plan may purchase Prysmian shares with a specific discount that will be granted in the form of treasury shares, equal to 1% for Senior Executives (the CEO, Executive Directors and Managers with Strategic Responsibilities), 15% for managers and 25% for the remaining employees so as to encourage the participation of employees at all levels. For each category, a maximum annual investment has been set, i.e. Euro 13,335 for Senior Executives and Managers, Euro 8,000 for all other employees, within each purchase window. All participants, except for Senior Executives, will receive an entry bonus equal to 6 shares.

The Plan has been launched globally in 2013 and has reached 35% participation among the eligible employees.²

9. Treatment envisaged for end of service or termination of employment relationship

The possibility is envisaged of providing executive Directors with the payment of compensation for termination of the employment relationship; it is predetermined in terms of the amount and includes what is due to the executive pursuant to the national contract. Some Directors are currently entitled to such compensation.

No *ex ante* agreements are envisaged for Managers with strategic responsibilities. Therefore, should the employment relationship be terminated, the provisions envisaged by the relevant national contract apply.

² For additional details regarding the Plan, please refer to the Information Document available on the website www.prysmiangroup.com.

As regards future appointments of new Executive Directors and/or Managers with strategic responsibilities, the Company undertakes not to enter into *ex ante* agreements for termination of office or of an employment relationship that are not in line with the provisions of the Code of Conduct and Corporate Governance best practice, in compliance with the laws and local collective bargaining agreements and in any case based on a payment not exceeding a total of 2 yearly pays.

10. Pay structure for auditors

A specific long-term incentive plan is envisaged for the manager of the Internal Audit Department, with objectives in line with his responsibilities; therefore, he has been excluded from the long-term incentive Plan, in compliance with the indications of Article 6 of the Code of Conduct for Listed Companies (2011 Edition).

SECTION II

This section of the Remuneration Report illustrates each of the items which make up Directors and Managers with strategic responsibilities remuneration, and highlights its consistency with the policies described in the first section of the document.

I. Chairman of the Board of Directors

The remuneration of Mr Massimo Tononi, Chairman of the Board of Directors, totally amounts to Euro 90,000 of which Euro 40,000 as an Independent Director, Euro 30,000 for his position as Chairman of the Board of Directors and Euro 20,000 as a member of the Remuneration and Appointments Committee.

II. Chief Executive Officer

Remuneration of Valerio Battista, Chief Executive Officer of the Prysmian Group, is made up as follows:

- *Fixed remuneration*: Euro 1,115,500, including gross annual pay of Euro 970,000 and the fee for the non-competition clause of Euro 145,500 for the 2013 portion. This clause, which applies to the 2011-2014 period, envisages the payment of the fee in four annual instalments of equal value.
- *Annual cash variable pay*: the value of accrued 2013 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective has not been achieved.
- *2011-2013 performance share*: Valerio Battista is among the beneficiaries of the Performance Share Plan; pursuant to this Plan, he will receive a total of 258,437 options to acquire shares in 2014, a part of which may be exercised for free and another part following payment of an exercise price of Euro 0.10, i.e. the share par value. A maximum of 301,034 options (cap) can be allocated. The share price, at the time of allocation of 2 September 2011, was Euro 10.63.³ Following approval by the Shareholders' Meeting of the 2013 Financial Statements, given the 2011 – 2013 Adjusted Cumulative EBITDA value reached (between target and maximum), a total number of 293,510 rights may be exercised, of which 117,171 may be exercised for free and 176,339 following payment of an exercise price of Euro 0.10, i.e. the share par value. These rights can be exercised from September 2014 to December 2014. 25% of the exercised rights will be subject to a lock-up period of two years.
- *Co-investment*: within the co-investment plan related to the 2011-2013 LTI Plan, Valerio Battista co-invested part of the annual bonus of 2011 and 2012 in accordance with a dynamic profile. Following approval of the 2013 Financial Statements by the Shareholders' Meeting, upon reaching the 2011 – 2013 Adjusted Cumulative EBITDA value to which the co-investment payment was subject, the co-invested amounts and related multipliers will be paid in 2014 based on the methods described in paragraph 5.2.2; in particular:
 - *as regards the 2011 co-investment, Euro 1,695,633 will be paid*
 - *as regards the 2012 co-investment, Euro 1,448,611 will be paid.*
- *2010-2012 Long-Term Cash Plan*: Valerio Battista was among the beneficiaries of the long-term cash plan, which was closed in advance in 2011. The accrued bonus relating to this plan totals Euro 1,012,632: Euro 253,158 was paid in 2013; on the other hand, Euro 759,474, corresponding to 75% of the accrued bonus, was deferred under the new Co-investment Plan in accordance with a dynamic profile. This amount, following approval of the 2013 Financial Statements by the Shareholders' Meeting, will be increased to a total of Euro 1,898,685 and repaid in 2014 subject to the achievement of the 2011 - 2013 Adjusted Cumulative EBITDA value.

³ The Tables in the following pages show the Plan fair value that takes into account the 2013 amount, equal to 12/28 of the actually allocated rights.

- *Benefits*: the value of the non-cash benefits package allocated to the Chief Executive Officer is Euro 10,005.

In addition, on 1/6/2006 compensation of 4.5 million Euro was defined for Valerio Battista in view of early termination of the employment relationship. This compensation accrues if termination of the contract occurs at the Company's initiative, is not connected to performance criteria and is consistent with the severance pay pursuant to the national collective bargaining agreement.

Valerio Battista has chosen to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the first share purchase cycle which will occur in May 2014. Thanks to this investment he will receive the set forth discount, equal to 1% of the investment, in the form of treasury shares. To date it is not possible to estimate the corresponding number of shares that will be actually purchased by Valerio Battista.

III. Executive directors

Remuneration of **Fabio Ignazio Romeo, Senior Vice President Energy Business** of the Prysmian Group, is made up as follows:

- *Fixed remuneration*: Euro 701,710, including gross annual pay of Euro 601,710 and the fee for the non-competition clause of Euro 100,000 for the 2013 portion. This clause, which applies to the 2013-2016 period, envisages the payment of the fee in four annual instalments of equal value.
- *Annual cash variable pay*: the value of accrued 2013 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective has not been achieved.
- *2011-2013 performance share*: Fabio Ignazio Romeo is among the beneficiaries of the Performance Share Plan; pursuant to this Plan, upon achievement of the defined target performance conditions, he will receive a total of 106,857 options to acquire shares in 2014, a part of which may be exercised for free and another part following payment of an exercise price of Euro 0.10, i.e. the share par value. A maximum of 124,492 options (cap) can be allocated. The share price, at the time of allocation of 2 September 2011, was Euro 10.63.⁴ Following approval by the Shareholders' Meeting of the 2013 Financial Statements, given the 2011 – 2013 Adjusted Cumulative EBITDA value reached (between target and maximum), a total number of 121,380 rights may be exercised, of which 48,456 may be exercised for free and 72,924 following payment of an exercise price of Euro 0.10, i.e. the share par value. These rights can be exercised from September 2014 to December 2014. 25% of the exercised rights will be subject to a lock-up period of two years.
- *Co-investment*: within the co-investment plan related to the 2011-2013 LTI Plan, Fabio Ignazio Romeo co-invested part of the annual bonus for 2011 and 2012 in accordance with a dynamic profile. Following approval of the 2013 Financial Statements by the Shareholders' Meeting, upon reaching the 2011 – 2013 Adjusted Cumulative EBITDA value to which the co-investment payment was subject, the co-invested amounts and related multipliers will be paid in 2014 based on the methods described in paragraph 5.2.2; in particular:
 - *as regards the 2011 co-investment, Euro 788,869 will be paid*
 - *as regards the 2012 co-investment, Euro 553,610 will be paid.*
- *Long-Term Cash Plan 2010-2012*: Fabio Ignazio Romeo was among the beneficiaries of the long-term cash plan, which was closed in advance in 2011. The accrued bonus relating to this plan totals Euro 411,368: Euro 102,842 was paid in 2013; on the other hand, Euro 308,526, corresponding to 75% of the accrued bonus, was deferred under the new Co-investment Plan in accordance with a dynamic profile. This amount, following approval of the 2013 Financial

⁴ The Tables in the following pages show the Plan fair value that takes into account the 2013 amount, equal to 12/28 of the actually allocated rights.

Statements by the Shareholders' Meeting, will be increased to a total of Euro 771,315 and repaid in 2014 subject to the achievement of the 2011 - 2013 Adjusted Cumulative EBITDA value.

- *Benefits*: the value of the non-cash benefits package allocated to Fabio Ignazio Romeo is Euro 6,078.

Fabio Romeo has chosen to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the first share purchase cycle which will occur in May 2014. Thanks to this investment he will receive the set forth discount, equal to 1% of the investment, in the form of shares. To date it is not possible to estimate the corresponding number of shares that will be actually allocated to Fabio Romeo.

Remuneration of **Pier Francesco Facchini, Chief Financial Officer** of the Prysmian Group, is made up as follows:

- *Fixed remuneration* paid during 2013 amounts to Euro 519,231. In fact, the gross annual remuneration paid to Pier Francesco Facchini was increased from the previous Euro 500,000 to Euro 525,000 as of 01 April 2013.
- *Annual cash variable pay*: the value of accrued 2013 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective has not been achieved.
- *2011-2013 performance share*: Pier Francesco Facchini is among the beneficiaries of the Performance Share Plan; pursuant to this Plan, upon achievement of the defined target performance conditions, he will receive a total of 88,810 options to acquire shares in 2014, a part of which may be exercised for free and another part following payment of an exercise price of Euro 0.10, i.e. the share par value. A maximum of 103,448 options (cap) can be allocated. The share price, at the time of allocation of 2 September 2011, was Euro 10.63⁵. Following approval by the Shareholders' Meeting of the 2013 Financial Statements, given the 2011 - 2013 Adjusted Cumulative EBITDA value reached (between target and maximum), a total number of 100,863 rights may be exercised, of which 40,265 may be exercised for free and 60,598 following payment of an exercise price of Euro 0.10, i.e. the share par value. These rights can be exercised from September 2014 to December 2014. 25% of the exercised rights will be subject to a lock-up period of two years.
- *Co-investment*: within the co-investment plan related to the 2011-2013 LTI Plan, Pier Francesco Facchini co-invested part of the annual bonus of 2011 and 2012 in accordance with a dynamic profile. Following approval of the 2013 Financial Statements by the Shareholders' Meeting, upon reaching the 2011 - 2013 Adjusted Cumulative EBITDA value to which the co-investment payment was subject, the co-invested amounts and related multipliers will be paid in 2014 based on the methods described in paragraph 5.2.2; in particular:
 - *as regards the 2011 co-investment, Euro 655,523 will be paid*
 - *as regards the 2012 co-investment, Euro 560,016 will be paid.*
- *2010-2012 Long-Term Cash Plan*: Pier Francesco Facchini was included the beneficiaries of the long-term cash plan, which was closed in advance in 2011. The accrued bonus relating to this plan totals Euro 336,211: Euro 84,053 was paid in 2013; on the other hand, Euro 252,128, corresponding to 75% of the accrued bonus, was deferred under the new Co-investment Plan in accordance with a dynamic profile. This amount, following approval of the 2013 Financial Statements by the Shareholders' Meeting, will be increased to a total of Euro 630,396 and repaid in 2014 subject to the achievement of the 2011 - 2013 Adjusted Cumulative EBITDA value.
- *Stock option*: Pier Francesco Facchini is among the beneficiaries of the 2006 Stock Option Plan; pursuant to this plan, he received 392,203 options. Of these, 19,051 have been exercised in 2013 at an exercise price of Euro 4.65.

⁵ The Tables in the following pages show the Plan fair value that takes into account the 2013 amount, equal to 12/28 of the actually allocated rights.

- *Benefits*: the value of the non-cash benefits package allocated to Pier Francesco Facchini is Euro 5,941.

In addition, on 8/1/2007 compensation equal to 24 months of his gross annual pay was defined for Pier Francesco Facchini in view of early termination of the employment relationship. This compensation accrues if termination of the contract occurs at the Company's initiative and is not connected to performance criteria.

Mr Pier Francesco Facchini has chosen to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the first share purchase cycle which will occur in May 2014. Thanks to this investment he will receive the set forth discount, equal to 1% of the investment, in the form of shares. To date it is not possible to estimate the corresponding number of shares that will be actually assigned to Pier Francesco Facchini.

Remuneration of **Frank Dorjee, Chief Strategy Officer** of the Prysmian Group, is made up as follows:

- *Fixed remuneration*: Euro 900,000, including gross annual pay of Euro 600,000, of which are paid by Prysmian S.p.A and Euro 240,000 by the subsidiary Draka Holding N.V., and the fee for the non-competition clause of Euro 300,000 for the three-year period 2014-2016.
- *Annual cash variable pay*: the value of accrued 2013 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective has not been achieved.
- *2011-2013 performance share*: Frank Dorjee is among the beneficiaries of the Performance Share Plan; pursuant to this Plan, upon achievement of the defined target performance conditions, he will receive a total of 106,572 options to acquire shares in 2014, a part of which may be exercised for free and another part following payment of an exercise price of Euro 0.10, i.e. the share par value. A maximum of 124,138 options (cap) can be allocated. The share price, at the time of allocation of 2 September 2011, was Euro 10.63⁶. Following approval by the Shareholders' Meeting of the 2013 Financial Statements, given the 2011 – 2013 Adjusted Cumulative EBITDA value reached (between target and maximum), a total number of 121,035 rights may be exercised, of which 48,318 may be exercised for free and 72,717 following payment of an exercise price of Euro 0.10, i.e. the share par value. These rights can be exercised from September 2014 to December 2014. 25% of the exercised rights will be subject to a lock-up period of two years.
- *Co-investment*: within the co-investment plan related to the 2011-2013 LTI Plan, Frank Dorjee co-invested part of the annual bonus of 2011 and 2012 in accordance with a dynamic profile. Following approval of the 2013 Financial Statements by the Shareholders' Meeting, upon reaching the 2011 – 2013 Adjusted Cumulative EBITDA value to which the co-investment payment was subject, the co-invested amounts and related multipliers will be paid in 2014 based on the methods described in paragraph 5.2.2; in particular:
 - *as regards the 2011 co-investment, Euro 183,094 will be paid*
 - *as regards the 2012 co-investment, Euro 134,404 will be paid.*
- *Benefits*: the value of the non-cash benefits package allocated to Frank Dorjee is Euro 2,666.

On 31 December 2013, the employment relationship between Mr Frank Dorjee and the Prysmian Group was terminated; therefore, as previously indicated, he received a compensation of Euro 2.5 million for early termination of the employment relationship. It was set forth that this compensation would accrue both in case of termination at the Company's initiative or at the Manager's without any links to specific performance criteria. This compensation was decided at following the successful acquisition of Draka, of which Frank Dorjee was Chief Executive Officer.

A 2-year consulting contract with a total value of Euro 325,000 has been entered into by Frank Dorjee and Prysmian SpA for a period following termination of the employment relationship.

⁶ The Tables in the following pages show the Plan fair value that takes into account the 2013 amount, equal to 12/28 of the actually allocated rights.

IV. Non-executive directors

Remuneration of non-executive directors exclusively consists of a fixed fee equal to Euro 40,000. Non-executive directors who are members of committees receive a further fixed fee of Euro 20,000 for each committee.

V. Auditors

The Shareholders' Meeting of 16 April 2013 appointed the Board of Statutory Auditors, composed of Pellegrino Libroia, Chairman, Paolo Lazzati and Maria Luisa Mosconi, standing Auditors, setting at Euro 75,000 (gross) the annual fee for the Chairman and at Euro 50,000 (gross) the annual fee for each standing auditor. The Board of Statutory Auditors as appointed will serve until the Shareholders' Meeting which will approve the financial statements as at 31 December 2015.

VI. Managers with strategic responsibilities

Remuneration of Managers with strategic responsibilities, at an aggregate level, is made up as follows⁷:

- *Fixed remuneration* of Euro 911,635, including gross annual pay of Euro 841,635 and the fee for the non-competition clause of Euro 70,000 for the 2013 portion. These clauses, which apply to the 2011-2014 period, envisage the payment of the fees in four annual instalments.
- *Annual cash variable pay*: the value of accrued 2013 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective has not been achieved.
- *2011-2013 performance share*: Executives with strategic responsibilities are among the beneficiaries of the Performance Share Plan; pursuant to this Plan, upon achievement of the defined performance target conditions, they will receive total of 95,403 options to acquire shares in 2014, a part of which may be exercised for free and another part following payment of an exercise price of Euro 0.10, i.e. the share par value. A maximum of 143,104 options (cap) can be allocated. The share price, at the time of allocation of 2 September 2011, was Euro 10.63.⁸ Following approval by the Shareholders' Meeting of the 2013 Financial Statements, given the 2011 – 2013 Adjusted Cumulative EBITDA value reached (between target and maximum), a total number of 108,350 rights may be exercised, of which 43,254 may be exercised for free and 65,096 following payment of an exercise price of Euro 0.10, i.e. the share par value. These rights can be exercised from September 2014 to December 2014. 25% of the exercised rights will be subject to a lock-up period of two years.
- *Co-investment*: within the co-investment plan related to the 2011-2013 LTI Plan, the Managers with strategic responsibilities co-invested part of the annual bonus of 2011 and 2012. Following approval of the 2013 Financial Statements by the Shareholders' Meeting, upon reaching the 2011 – 2013 Adjusted Cumulative EBITDA value to which the co-investment payment was subject, the co-invested amounts and related multipliers will be paid in 2014 based on the methods described in paragraph 5.2.2; in particular:
 - *as regards the 2011 co-investment, Euro 617,577 will be paid*
 - *as regards the 2012 co-investment, Euro 530,622 will be paid.*

⁷ All values are in euros; exchange rate: 1 euro = 0.849 GBP (2013 average)

⁸ The Tables in the following pages show the Plan fair value that takes into account the 2013 amount, equal to 12/28 of the actually allocated rights.

- *Benefits*: the value of the non-cash benefits package allocated to the Executives with strategic responsibilities is Euro 16,090.

The Managers with strategic responsibilities have chosen to participate in the Group employee stock purchase plan (YES), with a total investment of Euro 16,335 in the first share purchase cycle which will occur in May 2014. Thanks to this investment they will receive the set forth discount, equal to 1% of the investment, in the form of shares. To date it is not possible to estimate the corresponding number of shares that will be actually assigned to them.

On 30 June 2013, the employment relationship between one of the Managers with Strategic Responsibilities and the Prysmian Group was terminated; the Manager received a compensation of Euro 1,215,790 for early termination of the employment relationship, calculated based on the clauses of his individual contract and on the Regulations applied to the long-term 2011-2013 Incentive Plan with reference to the early termination of the employment relationship, with an additional amount granted pursuant to non-competition, "non-solicitation" and confidentiality clauses.

The data relating to Executives with strategic responsibilities refer to the following people:

- Massimo Battaini (from 1/1/2013 to 31/12/2013),
- Phil Edwards (from 1/1/2013 -30/06/2013),
- Philippe Vanhille (from 01/07/2013 to 31/12/2013)

Pay tables

Table 1- Fees paid to members of the Board of Directors, general managers and other managers with strategic responsibilities

	Full name	Position held	Term of office	End of term of office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity		Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	End-of-service or post-employment benefits	
							Bonuses and other incentives	Profit sharing						
	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8	
1	Valerio Battista	Chief Executive Officer	1/1/2013 - 31/12/2013	2015										
	I) Remuneration form the company which prepares the financial statements					1.115.500		5.042.929		10.005	2.720	6.171.154	1.329.590	
	(II) Remuneration from subsidiaries and associates													
	(III) Total					1.115.500		5.042.929		10.005	2.720	6.171.154	1.329.590	
Notes					of which: 970.000 euro as Gross Annual Salary; 145.500 euro as fee for non-competition clause					Travel allowance		corresponds to the total of the fair value of the Plans set out in Tables 2 and 3A		
2	Fabio Romeo	Senior Vice President Energy Business	1/1/2013 - 31/12/2013	2015										
	I) Remuneration form the company which prepares the financial statements					701.710		2.113.794		6.078	6.800	2.828.382	549.847	
	(II) Remuneration from subsidiaries and associates													
	(III) Total					701.710		2.113.794		6.078	6.800	2.828.382	549.847	
Notes					of which: 601.710 euro as Gross Annual Salary; 100.000 euro as fee for non-competition clause					Travel allowance		corresponds to the total of the fair value of the Plans set out in Tables 2 and 3A		
3	Pier Francesco Facchini	Chief Financial Officer	1/1/2012 - 31/12/2012	2015										
	I) Remuneration form the company which prepares the financial statements					519.231		1.845.935		5.941	2.465	2.373.572	456.906	
	(II) Remuneration from subsidiaries and associates													
	(III) Total					519.231		1.845.935		5.941	2.465	2.373.572	456.906	
Notes										Travel allowance		corresponds to the total of the fair value of the Plans set out in Tables 2 and 3A		
4	Frank Dorjee	Chief Strategy Officer	1/1/2013 - 31/12/2013	2015										
	I) Remuneration form the company which prepares the financial statements					660.000		190.499		64	425	850.988	328.971	1.500.000
	(II) Remuneration from subsidiaries and associates					240.000		126.999		2.602	2.750	372.351	219.314	1.000.000
	(III) Total					900.000		317.498		2.666	3.175	1.223.339	548.284	2.500.000
Notes					of which: 600.000 euro as Gross Annual Salary; 300.000 euro as fee for non-competition clause							corresponds to the total of the fair value of the Plans set out in Tables 2 and 3A		

Table 1 – follows

	Full name	Position held	Term of office	End of term of office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	End-of-service or post-employment benefits
							Bonuses and other incentives	Profit sharing					
5	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8
	Massimo Tononi	Chairman	1/1/2013 - 31/12/2013	2015									
	I) Remuneration form the company which prepares the financial statements				70.000	20.000					90.000		
	(II) Remuneration from subsidiaries and associates												
	(III) Total				70.000	20.000					90.000		
6	Giulio Del Ninno	Independent non-executive director	1/1/2013 - 31/12/2013	2015									
	I) Remuneration form the company which prepares the financial statements				40.000	20.000					60.000		
	(II) Remuneration from subsidiaries and associates												
	Massimo Tononi				40.000	20.000					60.000		
7	Claudio De Conto	Independent non-executive director	1/1/2013 - 31/12/2013	2015									
	I) Remuneration form the company which prepares the financial statements				40.000	40.000					80.000		
	(II) Remuneration from subsidiaries and associates												
	(III) Total				40.000	40.000					80.000		
8	Fritz Froehlich	Independent non-executive director	1/1/2013 - 31/12/2013	2015									
	I) Remuneration form the company which prepares the financial statements				40.000	20.000					60.000		
	(II) Remuneration from subsidiaries and associates												
	(III) Total				40.000	20.000					60.000		
9	Maria Elena Cappello	Independent non-executive director	1/1/2013 - 31/12/2013	2015									
	I) Remuneration form the company which prepares the financial statements				40.000	20.000					60.000		
	(II) Remuneration from subsidiaries and associates												
	(III) Total				40.000	20.000					60.000		
10	Cesare d'Amico	Independent non-executive director	1/1/2013 - 31/12/2013	2015									
	I) Remuneration form the company which prepares the financial statements				40.000						40.000		
	(II) Remuneration from subsidiaries and associates												
	(III) Total				40.000						40.000		

Table 1 – follows

	Full name	Position held	Term of office	End of term of office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair value of equity remuneration	End-of-service or post-employment benefits	
							Bonuses and other incentives	Profit sharing						
	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8	
11	Giovanni Tamburi	Independent non-executive director	1/1/2013 - 31/12/2013	2015										
	I) Remuneration form the company which prepares the financial statements					40.000					40.000			
	(II) Remuneration from subsidiaries and associates													
	(III) Total					40.000					40.000			
12	Pellegrino Libroia	Chairman of the Board of Statutory Auditors	16/04/2013 - 31/12/2013	2016										
	I) Remuneration form the company which prepares the financial statements					75.000					75.000			
	(II) Remuneration from subsidiaries and associates													
	(III) Total					75.000					75.000			
13	Paolo Lazzati	Auditor	16/04/2013 - 31/12/2013	2016										
	I) Remuneration form the company which prepares the financial statements					50.000					50.000			
	(II) Remuneration from subsidiaries and associates					40.920					40.920			
	(III) Total					90.920					90.920			
14	Maria Luisa Mosconi	Auditor	16/04/2013 - 31/12/2013	2016										
	I) Remuneration form the company which prepares the financial statements					50.000					50.000			
	(II) Remuneration from subsidiaries and associates													
	(III) Total					50.000					50.000			
15	3	Managers with strategic responsibility	01/01/2012 - 31/12/2012	2015										
	I) Remuneration form the company which prepares the financial statements					550.769		1.093.985		11.475	2.890	1.659.119	411.212	
	(II) Remuneration from subsidiaries and associates					360.866		54.215		4.615	22.088	441.783	39.805	1.215.790
	(III) Total					911.635		1.148.200		16.090	24.978	2.100.902	451.017	1.215.790
	Note					of which: 841.635 euro as Gross Annual Salary; 70.000 euro as fee for non-competition clause				Travel allowance and secondment allowances		corresponds to the total of the fair value of the Plans set out in Tables 2 and 3A		

Table 2 – Stock options allocated to members of the Board of Directors, general managers and other managers with strategic responsibilities

A	B	1	Options held at the start of the year			Options allocated during the year						Options exercised during the year			Options expired in the year	Options held at the end of the year	Options accruing in the year
			2	3	4	5	6	7	8	9	10	11	12	13	14	15=2+5-11-14	16
Full name	Position held	Plan	Number of options	Exercise price	Possible exercise period (from-to)	Number of options	Exercise price	Possible exercise period (from-to)	Fair value at allocation date	Allocation date	Market price of underlying shares at the allocation of shares	Number of options	Exercise price	Market price of the underlying shares at the exercise date	Number of options	Number of options	Fair value
Valerio Battista	Chief Executive																
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		176.339	0,10	from 02/09/2014 to 02/12/2014											176.339	795.793
Remuneration from subsidiaries and associates																	
Total			176.339	0,10												176.339	795.793
Notes																	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.
Fabio Romeo	Senior Vice President Energy Business																
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		72.924	0,10	from 02/09/2014 to 02/12/2014											72.924	329.096
Remuneration from subsidiaries and associates																	
Total			72.924	0,10												72.924	329.096
Notes																	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.

Table 2 – follows

A	B	1	Options held at the start of the year			Options allocated during the year						Options exercised during the year			Options expired in the year	Options held at the end of the year	Options accruing in the year
			2	3	4	5	6	7	8	9	10	11	12	13	14	15=2+5-11-14	16
Full name	Position held	Plan	Number of options	Exercise price	Possible exercise period (from-to)	Number of options	Exercise price	Possible exercise period (from-to)	Fair value at allocation date	Allocation date	Market price of underlying shares at the allocation of shares	Number of options	Exercise price	Market price of the underlying shares at the exercise date	Number of options	Number of options	Fair value
Pier Francesco Facchini	Chief Financial Officer																
Remuneration in the company which prepares the financial statements	Stock Option Plan 2006		19.051	4,65	from 02/09/2014 to 02/12/2014							19.051	4,65	16,91			
	Performance Share 2011-2013 (resolution 14 April 2011)		60.598	0,10	from 02/09/2014 to 02/12/2014											60.598	273.470
Remuneration from subsidiaries and associates																	
Total			79.649													60.598	273.470
Notes	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.																
Frank Dorjee	Chief Strategy Officer																
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		43.630	0,10	from 02/09/2014 to 02/12/2014											43.630	196.896
	Remuneration from subsidiaries and associates																
Performance Share 2011-2013 (resolution 14 April 2011)			29.087	0,10	from 02/09/2014 to 02/12/2014											29.087	131.265
Total			72.717	0,10												72.717	328.161
Notes	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.																

Table 2 – follows

A	B	1	Options held at the start of the year			Options allocated during the year						Options exercised during the year			Options expired in the year	Options held at the end of the year	Options accruing in the year
			2	3	4	5	6	7	8	9	10	11	12	13	14	15=2+5-11-14	16
Full name	Position held	Plan	Number of options	Exercise price	Possible exercise period (from-to)	Number of options	Exercise price	Possible exercise period (from-to)	Fair value at allocation date	Allocation date	Market price of underlying shares at the allocation of shares	Number of options	Exercise price	Market price of the underlying shares at the exercise date	Number of options	Number of options	Fair value
Managers with strategic responsibility	2 people																
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		54.538	0,10	from 02/09/2014 to 02/12/2014											54.538	246.122
Remuneration from subsidiaries and associates	Performance Share 2011-2013 (resolution 14 April 2011)		10.558	0,10	from 02/09/2014 to 02/12/2014											10.558	23.823
Total			65.096	0,10												65.096	269.946
Notes	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated and to 6/28 for the manager appointed on 01/06/2013																

Table 3A - Incentive plans based on financial instruments other than stock options, in favour of members of the Board of Directors, general managers and other managers with strategic responsibilities

A	B	1	Financial instruments allocated in previous years that did not vest in the year		Financial instruments allocated in the year					Financial instruments that vested during the year and were not allocated	Financial instruments that vested during the year and could be allocated		Financial instruments accruing in the year
			2	3	4	5	6	7	8		9	10	
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Valerio Battista	Chief Executive Officer												
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		117.171	02/09/2014									533.798
Remuneration from subsidiaries and associates													
Total			117.171										533.798
Notes													This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.
Fabio Romeo	Senior Vice President Energy Business												
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		48.456	02/09/2014									220.752
Remuneration from subsidiaries and associates													
Total			48.456										220.752
Notes													This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.

Table 3A – follows

A	B	1	Financial instruments allocated in previous years that did not vest in the year		Financial instruments allocated in the year					Financial instruments that vested during the year and were not allocated	Financial instruments that vested during the year and could be allocated		Financial instruments accruing in the year
			2	3	4	5	6	7	8	9	10	11	12
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Pier Francesco Facchini	Chief Financial Officer												
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		40.265	02/09/2014									183.436
Remuneration from subsidiaries and associates													
Total			40.265										183.436
Notes	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.												
Frank Dorjee	Chief Strategy Officer												
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		28.991	02/09/2014									132.075
Remuneration from subsidiaries and associates	Performance Share 2011-2013 (resolution 14 April 2011)		19.327	02/09/2014									88.048
Total			48.318										220.123
Notes	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.												

Table 3A – follows

A	B	1	Financial instruments allocated in previous years that did not vest in the year		Financial instruments allocated in the year					Financial instruments that vested during the year and were not allocated	Financial instruments that vested during the year and could be allocated		Financial instruments accruing in the year
			2	3	4	5	6	7	8		9	10	
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Managers with strategic responsibility	2 people												
Remuneration in the company which prepares the financial statements		Performance Share 2011-2013 (resolution 14 April 2011)	36.238	02/09/2014									165.090
Remuneration from subsidiaries and associates		Performance Share 2011-2013 (resolution 14 April 2011)	7.016	02/09/2014									15.981
Total			43.254										181.071
Notes	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated and to 6/28 for the manager appointed on 01/06/2013												

Table 3B – Cash incentive plans in favour of members of the Board of Directors, general managers and other managers with strategic responsibilities

A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Valerio Battista	Chief Executive Officer								
Remuneration in the company which prepares the financial statements		Plan A (MBO 2012 to be paid in 2013)	0	0			3.144.244		
		Long-Term Cash Incentive Plan					1.898.685		
Remuneration from subsidiaries and associates									
Total			0	0			5.042.929		
Notes							This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013		
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Fabio Romeo	Senior Vice President energy Business								
Remuneration in the company which prepares the financial statements		Plan A (MBO 2012 to be paid in 2013)	0	0			1.342.479		
		Long-Term Cash Incentive Plan					771.315		
Remuneration from subsidiaries and associates									
Total			0	0			2.113.794		
Notes							This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013		

Table 3B – follows

A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Pier Francesco Facchini	<i>Chief Financial Officer</i>		Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in the company which prepares the financial statements	Plan A (MBO 2012 to be paid in 2013)	0	0				1,215.539		
	Long-Term Cash Incentive Plan						630.396		
Remuneration from subsidiaries and associates									
Total		0	0				1.845.935		
Notes	This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013								
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
Frank Dorjee	<i>Chief Strategy Officer</i>		Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in the company which prepares the financial statements	Plan A (MBO 2012 to be paid in 2013)	0	0				190.499		
Remuneration from subsidiaries and associates	Plan A (MBO 2012 to be paid in 2013)	0	0				126.999		
Total		0	0				317.498		
Notes	This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013								
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
Other managers with strategic responsibility			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in the company which prepares the financial statements	Plan A (MBO 2012 to be paid in 2013)	0	0				1,093.985		
Remuneration from subsidiaries and associates	Plan A (MBO 2012 to be paid in 2013)	0	0				54.215		
	Retention Bonus								
Total		0	0				1.148.200		
Notes	This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013								

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FULL NAME	POSITION HELD	INVESTEE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES BOUGHT	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR
Valerio Battista	Chief Executive Officer	Prysmian S.p.A	3.024.748	0	0	3.024.748
Pier Francesco Facchini	Director	Prysmian S.p.A	90.000	19.051	19.051	90.000
Cesare d'Amico (1)	Director	Prysmian S.p.A	216.000	0	0	216.000
Frank Dorjee	Director	Prysmian S.p.A	6.555	0	0	6.555

TABLE 2: Equity investments of other managers with strategic responsibility

NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITY	INVESTEE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES BOUGHT	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR
1	Prysmian S.p.A.	8.800	0	0	8.800