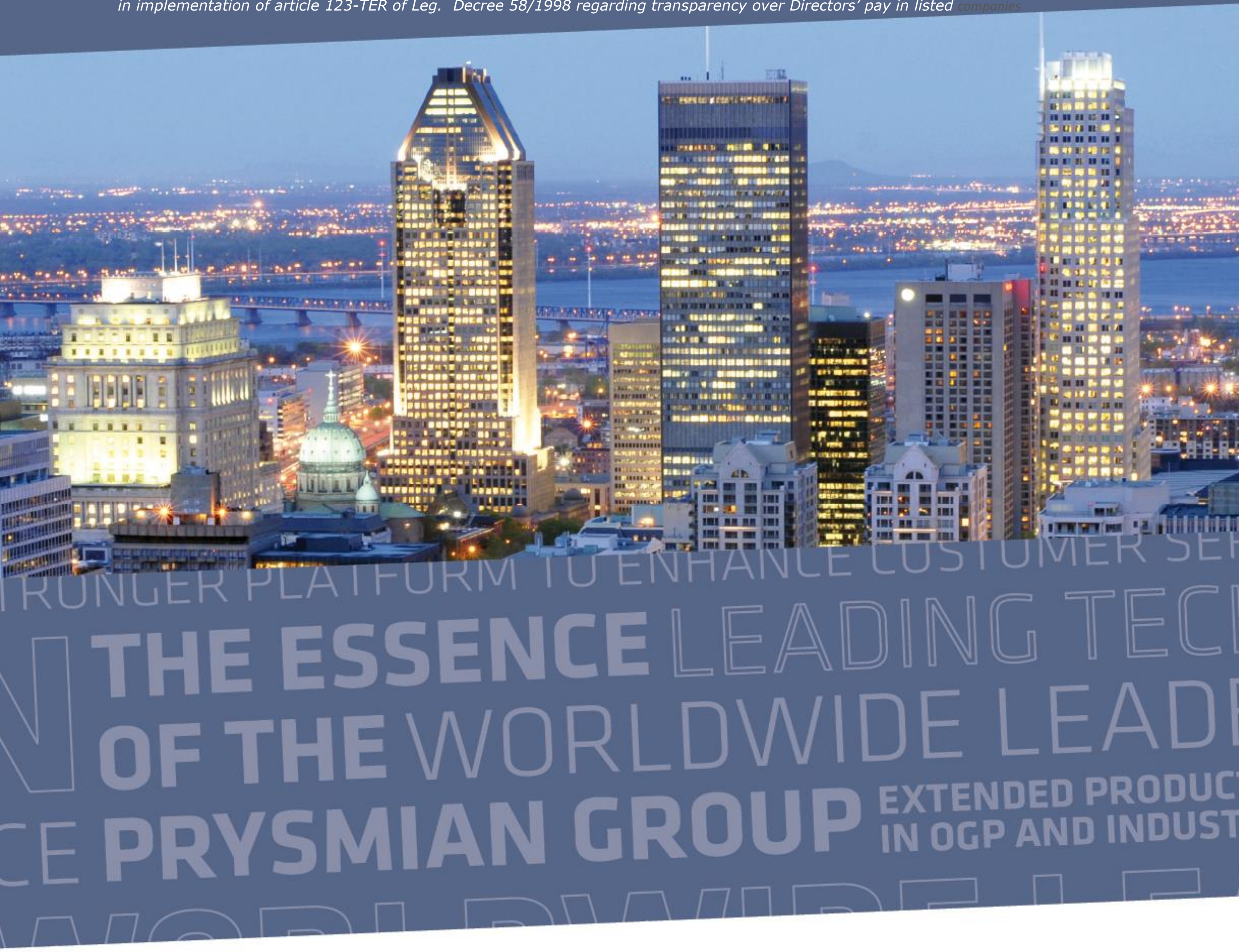
2018 Remuneration Report
Prysmian Group

Approved by the Board of Directors on May 13th, 2019

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 over Directors' pay in listed companies



Prysmian Group

PRYSMIAN

Draka

General Cable

Dear Shareholders,

I am pleased to provide you with Prysmian's 2018 Remuneration Report. The aim of this document is to improve our stakeholders' understanding of the company's remuneration policies, and, more generally, the manner in which the policies to reward our people are aligned with the business strategy.

2018 was a particularly important and challenging year for Prysmian, marked by the successful conclusion of the strategic operation to buy and integrate General Cable Corporation, completed in the second quarter of the year.

The Remuneration policy has been a key tool in driving the effective integration of General Cable, and will continue to play a central role in reinforcing the commitment of our staff and leveraging the synergies that are expected to be realised through 2021.

The key elements of our remuneration policy are unchanged compared to last year, and remain firmly tied to a responsible approach focussed on performance and sustainability. During Q1 2019, the Company engaged in dialogue with several of its shareholders regarding potential amendments to its long-term incentive plan (LTIP). Such amendments were intended to better align the LTIP with the integration roadmap with General Cable Corporation, by taking account of the execution issues associated with certain important projects that were expected to affect the Company's economic performance, thereby potentially distorting previously-defined KPIs aimed at incentivizing and retaining staff.

In light of market reaction to the fault of the Western Link announced on April 8th, the Committee deemed it appropriate to propose to the Board not to pursue such amendments, instead recommending to the Board that it closely monitor the evolution of the business in the coming months, and reassess whether the LTIP was still suitable to meet its fundamental goal of focusing management on long-term shareholder value creation while acting as an incentive and retention tool.

During 2018, the Remuneration, Nomination and Sustainability Committee also monitored the implementation of the subsidised share purchase plan, known as "YES" (Your Employee Shares), aimed at all employees. This broad share-based plan was extended to many of the new employees that joined the Group following the acquisition of General Cable Corporation, in order to strengthen their involvement in, and sense of belonging to our Group.

The Committee continued to promote initiatives aimed at improving the Group's sustainability performance at different levels, particularly as regards environmental, social and gender diversity aspects, which are also tied to our annual incentive scheme.

In 2019, Prysmian will maintain its commitment to a competitive remuneration system in order to favour the integration of the two companies and retain and reward the best talents, in line with company performance targets and the expectations of our shareholders, as well as in compliance with regulatory requirements.

Dialogue with, and transparency towards, our investors remain key elements represented by this report.

This Remuneration Report was approved by the Board of Directors on 13 May 2019, and Section I will be submitted for an advisory vote to the Ordinary Shareholders' Meeting pursuant to applicable laws.

Monica de Virgiliis
Chair of the Remuneration, Nomination and Sustainability Committee

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Organisational Integration

The merger with General Cable Corporation for the Prysmian Group represented an important challenge from the organisational viewpoint and saw us engaged in mixing the best of two different operating models, keeping talented staff and preparing the way for cultural integration, guaranteeing speed of execution and generation of value.

Integration Principles

- **Business protection:** Prevent market loss through organization design that supports the go-to-market strategy and product portfolio
- **Bottom line value creation** : enable synergy through a structure that supports lean operations, optimized sizing, and capital and cash efficiency
- **Simple structure that enables accountability**: model is easy to understand and allows for clear accountability aligned to business objectives and metrics
- **Cultural awareness and change management**: Take national and company culture into account and ensure cultural blending not a takeover
- **A sense of urgency**: Design and integrate at the right pace to reduce uncertainty and maintain momentum, building engagement from Day-1

Integration Drivers

- **Follow Business rationales:** make the organization consistent with the business needs (Global, regional, local)
- **Value Generation:** deliver synergies targets
- **Clear:** model should be easy to understand and be driven by clear goals
- **Accountable:** assign to each roles the levers to deliver results
- **Make it simple:** reduce number of first line reports, avoid unnecessary coordination structures
- **Facilitate Integration and smooth transition:** create integration teams temporarily dedicated and very focused on synergies deployment
- **Get the best of both organizations**: combine best of breeds in terms of talent, policies, practices and systems

The first three organisational levels and the main operating mechanisms of the new organisation were communicated to all employees a few days after the closing, while the structure was completed on **30 September 2018** also for all the underlying levels. These steps were fundamental to speed up the realisation of synergies.

The new organisation was built on the basis of clear integration principles, involving over 350 managers from both companies.

The organisational structure is based on these guidelines

Global functions – being "One Company"

- Governance of the main Group processes
- Control over the main spending and over consolidation of the results
- Definition of objectives of the business and of the regions, management and global strategic services, facilitate the Group network

Regions/Countries
Being close to the local market

- Responsibility for the business result
- Management, together with the BUs, of the local fixed costs

Business Unit
Integration of end to end processes

- Responsible for the business result
- Management, together with the regions, of the local fixed costs
- Coordination of commercial development

The managerial team leading the organisational structure was selected on the basis of the **"best in role"** principle. In this sense, around **500 candidates** from both companies took part in an **individual assessment process** undertaken by the independent external advisor Korn Ferry. The result of this activity, which was completed in around two months, is a **team of which around one third are managers from General Cable Corporation and two thirds from Prysmian**. The organisational integration process will be completed by the end of 2021.

Prysmian's Remuneration Policy – Summary

The main elements and characteristics of the remuneration packages of the Chief Executive Officer, Executive Directors as well as Managers with strategic responsibilities of the Prysmian Group, are summarized below.

Element	Purpose	Key characteristics	Values
Fixed pay	Remunerates for the role covered, so as to guarantee attraction and motivation of staff	Defined in line with the **complexity and responsibilities** which the role handles, so as to guarantee fair treatment Monitored compared to the **external market**, in order to guarantee an adequate level of competitiveness Also takes into consideration **individual performance and potential**	CEO - 1.100.000 euro Executive directors CSO - 601.709 euro CFO - 560.000 euro CEO NA - 700.000 euro Key Managers (1) Defined on the basis of role
Annual bonus (MBO)	Defines a clear link between pay and annual performance	Linked to **pre-set annual performance objectives** **Key performance indicators** • Income - Adjusted EBITDA • Financial - Net Financial Position • Synergies - Fixed Costs • Sustainability - Safety, Environment, Diversity **Bonus Cap -** envisaged for all beneficiaries **Individual performance P3 -** assessment of the quality of the leadership and of the individual contribution to the realisation of objectives, acts as multiplier of the vested bonus +/- 15% (not applied to CEO) **Deferral** - part of vested bonus (min 25% - max 75%) is deferred for a 3-year period and subject to further performance conditions (see co-investment)	CEO - 67-100% of gross pay (tgt-max) Executive directors/ Key managers 50-75% of gross pay (tgt-max), excluding multiplier for individual performance Other managers from 10% to 40% of gross pay at target, in relation to the role
Co-investment (2)	Guarantees coherence between annual and long-term performance, favouring the active involvement of management	Involves **deferring a share of the bonus** against the **right to receive it in shares** with an addition (multiplier) given the achievement of further **long-term performance conditions** or a deduction should they not be achieved **Deferral** - between 25% and 75% of the annual bonus for 2018, 2019 and 2020 is not cashed out but invested in rights to receive shares. The deferred amount is decided by the participants ex-ante in 2018, for the whole deferral period up to 2020. **Performance conditions** • Cumulated adjusted EBITDA, acts as a minimum performance condition and threshold • Prysmian's Total Shareholder Return (TSR) compared to the TSR of the Stoxx 600 Industrial Goods and Services index, acts as multiplier/de-	CEO - 75% of the bonus is deferred Executive directors/ Key managers from 25% to 75% of the bonus is deferred Other managers from 25% to 75% of the bonus is deferred 80% of the participants have opted to invest 50% or 75% of the bonus

<table>
<tr><th>Element</th><th>Purpose</th><th>Key characteristics</th><th>Values</th></tr>
<tr><td></td><td></td><td>multiplier (-25%/+12.5%)

Subject to achieving the objective for cumulated Adjusted EBITDA, it is envisaged to give back in shares the bonus invested, increased in relation to the deferred bonus percentage. Should the objective not be achieved, the amounts invested are given back in shares in a reduced amount

<table>
<tr><td>Bonus invested</td><td>Given back with increased amount</td><td>Given back with decreased amount</td></tr>
<tr><td>25%</td><td>Bonus x 1.5</td><td>Reduct. 25%</td></tr>
<tr><td>50%</td><td>Bonus x 2.0</td><td>Reduct. 50%</td></tr>
<tr><td>75%</td><td>Bonus x 2.5</td><td>Reduct. 75%</td></tr>
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The performance of the relative TSR acts as a multiplier/de-multiplier of the total number of shares produced by the plan as determined above: up to -25% if the Prysmian share price performs worse than the index / up to +12.5% if the Prysmian share price outperforms the index

Vesting - three-year period (2018-2020)

Cap - envisaged a maximum number of shares to be allocated for each participant and for equity incentives overall (co-investment and performance shares)</td><td></td></tr>
<tr><td>Performance shares (2)</td><td>Facilitates the alignment of individual interests to those of the shareholders in a long-term perspective</td><td>Free assignment of shares subject to performance conditions

Vesting - three-year period (2018-2020)

Performance conditions
• Cumulated Adjusted EBITDA (60%), acts also as a minimum performance condition and threshold
• Net Financial Position at end of the three years (40%)
• Prysmian's Total Shareholder Return (TSR) compared to the TSR of the Stoxx 600 Industrial Goods and Services index, acts as multiplier/de-multiplier (-25%/ +12.5%)

Cap - envisaged a maximum number of shares to be allocated for each participant and for equity incentives overall (co-investment and performance shares)

Claw back and Malus - can be activated in the case of reinstatement of the results which originated the vesting of the shares, fraud, misconduct</td><td><u>CEO</u> - 300%-450% of gross pay for the whole 3 years (tgt-max)

<u>Executive directors/ Key managers</u>
200%-300% of gross pay in for the whole 3 years (tgt-max)

<u>Other managers</u>
from 50% to 120% of gross pay in the whole three years (max 75%-180%)</td></tr>
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Element	Purpose	Key characteristics	Values
Benefit	Supplement social security and contractual benefits in a total reward perspective	Retirement and healthcare benefits, company car	
Severance	Retention and alignment to long-term interests	Severance for termination of role or ending of employment relationship in form of specific individual agreements No more than 24 months' pay, in compliance with local laws and contracts	CEO - 24 months' gross pay Executive directors/ Key Managers If envisaged, max 24 months' pay
Non-competition agreements	Protection of Prysmian in the medium term	Specific individual agreements in relation to the duration and extent of the limitation	CEO - 3 years; remuneration 40% of gross pay per year of agreement Executive directors/ Key Managers if envisaged, generally for max 3 years and with remuneration max of 33% of gross pay per year of agreement

(1) *Key Managers are executives with strategic responsibilities and other key managers who report directly to the Chief Executive Officer*

(2) *Co-investment and performance shares are the two components that make up Prysmian's LTI plan.*

Pay-mix

The remuneration package of the Executive Directors and Managers with Strategic Responsibilities of the Prysmian Group, is as follows:

- a significant portion is linked to the **achievement of predetermined results** (focus on performance)

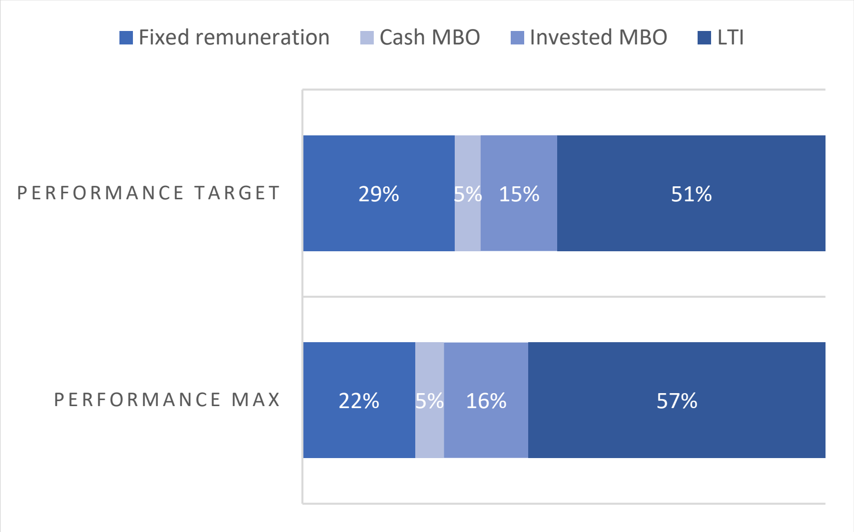
- a significant portion of the amount is **deferred over time** (sustainability)

- the variable remuneration is **largely paid in shares** (participation in value creation). For the Chief Executive Officer, around 90% of variable pay is represented by equity.

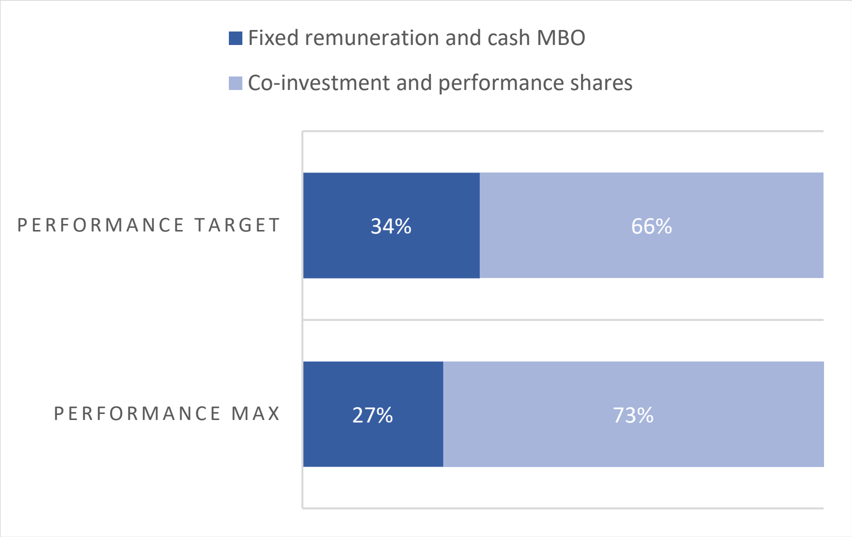
Note: For pay mix analyses, the performance share and co-investment elements, both in shares, take as a reference the face value of the award at grant of such rights. The pay-mix is calculated on an annualised basis, assuming an investment of 75% of the annual bonus and a TSR performance in line with the reference index. Any other forms of remuneration (e.g. benefits, non-competition agreements) described in section II of the report are not considered in the pay-mix analysis, just as the multiplier/de-multiplier of the annual bonus connected with the assessment of individual performance

CEO AND GENERAL MANAGER, VALERIO BATTISTA

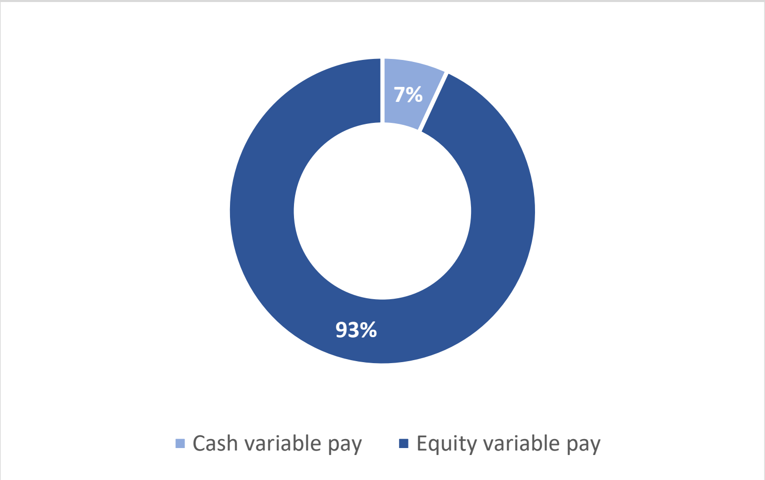
PAY MIX – TARGET and MAXIMUM performance



PAY MIX – ANNUAL CASH REMUNERATION vs LONG-TERM EQUITY-BASED REMUNERATION

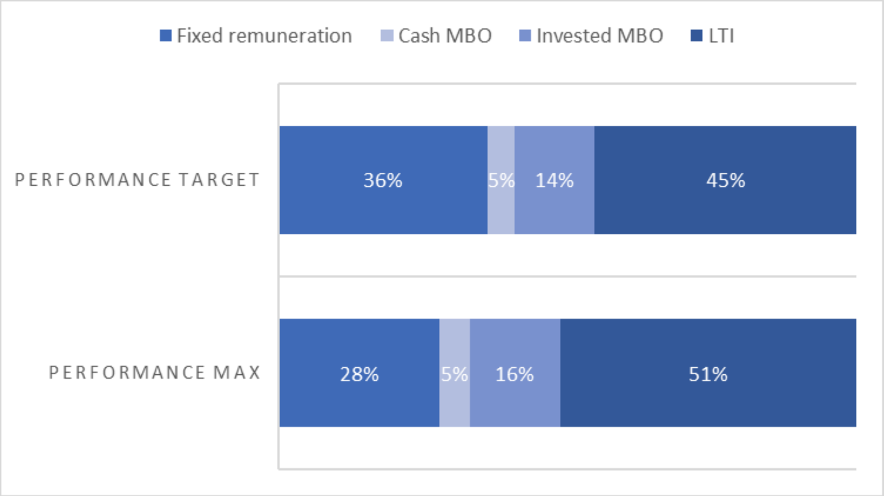


VARIABLE PAY MIX –CASH vs EQUITY REMUNERATION

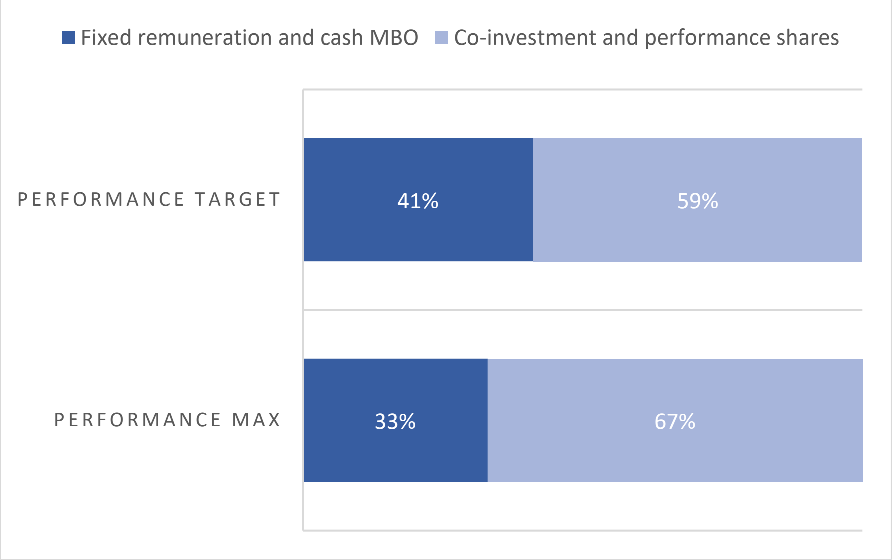


Executive Directors and Managers with Strategic Responsibilities

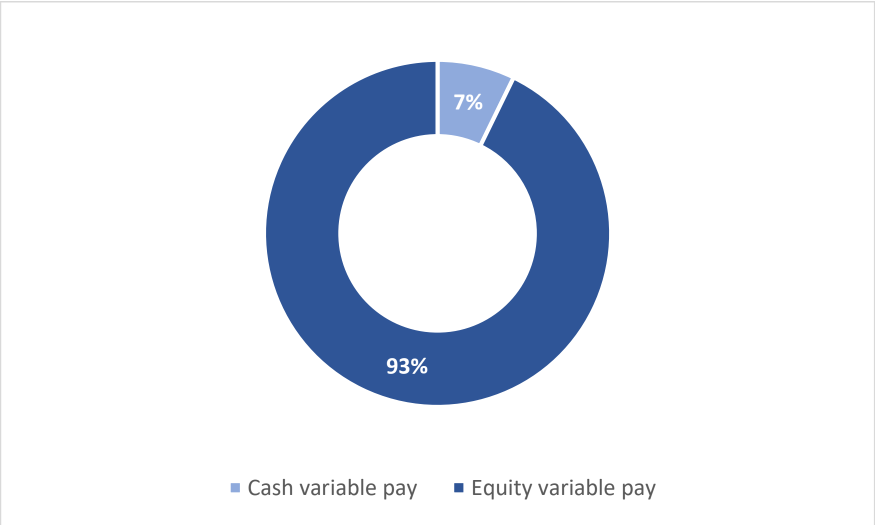
PAY MIX – TARGET and MAXIMUM performance



PAY MIX – ANNUAL CASH REMUNERATION vs LONG-TERM EQUITY-BASED REMUNERATION



VARIABLE PAY MIX –CASH vs EQUITY REMUNERATION



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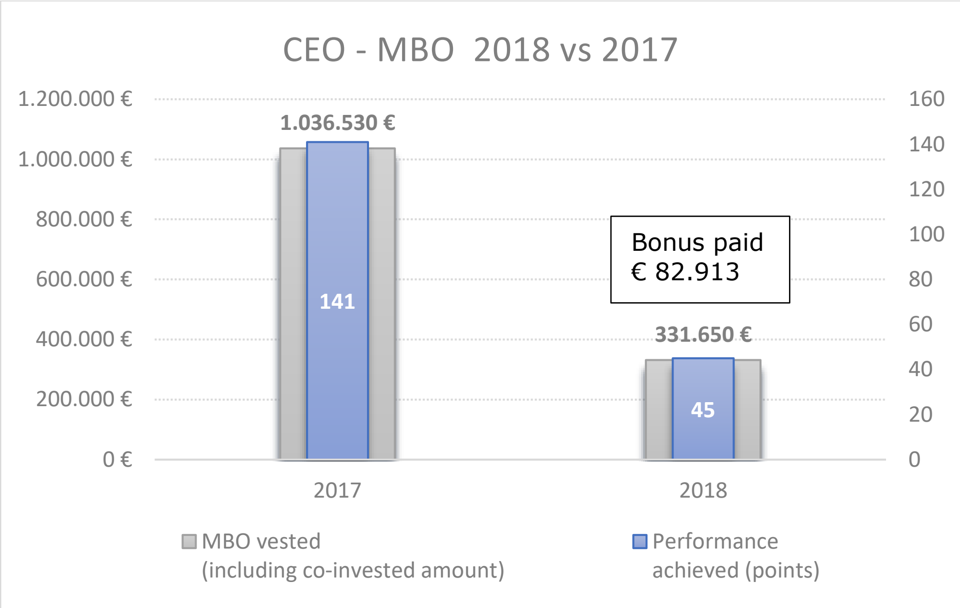
Pay for Performance

CEO'S VARIABLE REMUNERATION IN RELATION TO THE PERFORMANCE ACHIEVED



The CEO deferred 75% of his 2018 vested bonus into the LTIP 2018-2020 which is made up by two components: a co-investment component with share matching of bonus deferred, subject to achieving a 3-year performance condition, and a performance share component.

2019 Objectives – Ex-ante Disclosure

The goals of the Chief Executive Officer, approved by the Board of Directors in the meeting held on 05 March 2019, on the proposal of the Remuneration, Nomination and Sustainability Committee, are shown below.

Chief Executive Officer

ON/OFF GATE		
A	Group Net Financial Position	
B	Group Adjusted EBITDA	

	Performance goals	Weight min	Weight max
GOALS	1 Group Adjusted EBITDA	40	60
	2 Group Net Financial Position	30	45
	3 Fixed Costs	20	30
	4 Sustainability	10	15
		100	150

Targets aligned with 2019 guidance

2019 Adj. EBITDA target	950	Mid-point **985**	1,020
FCF before acquisition & disposals target [1, 2]	~ **300** ±10%		
Including restructuring & integration cash out of	*90*		

(1) No further impact from WL; The 2019 guidance does not include the estimation impact from the application of IFRS 16

(2) Including WL cash impact related to February 19th problem and assuming no cash impact from Brazilian Antitrust decision

A maximum amount (Cap) of 100% fixed pay is applied on achieving the maximum score of 150 points.

The objectives of the Executive directors and Managers with Strategic Responsibilities are broken down into one shared objectives model and one with specific objectives linked to the business area managed, as shown in the following model.

Executive Directors and Managers with Strategic Responsibilities

ON/OFF GATE		
A	Group Net Financial Position	
B	Group Adjusted EBITDA	

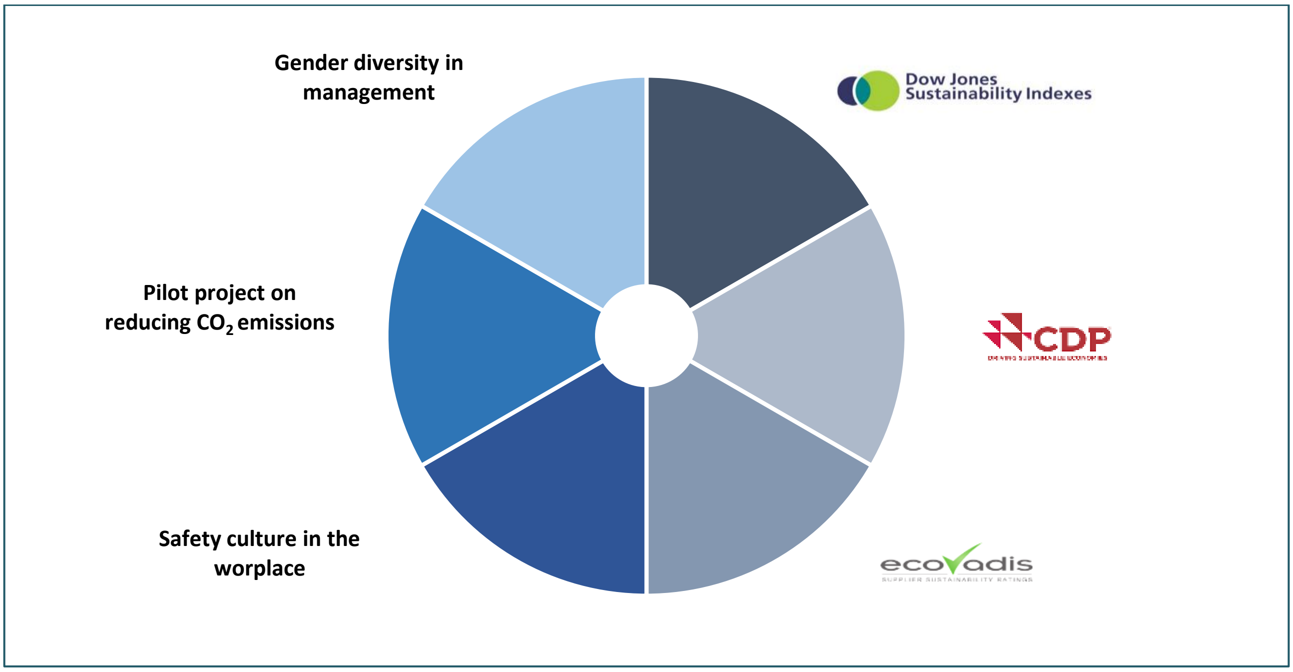
	Performance Goals	Weight min	Weight max
GOALS	1 Adjusted EBITDA (Group/BU/Region)	40	60
	2 NFP (Group/Region)	30	45
	3 Fixed Costs (Group/BU/Region) or other job specific goal	20	30
	4 Group Sustainability	10	15
		100	150

A maximum amount (Cap) of 75% of fixed pay is applied on achieving the maximum score of 150 points. In addition, it is envisaged that the bonus vested on the aforementioned objectives can be increased/decreased in relation to the individual performance assessment (+/- 15%).

Commitment to Sustainability

Part of the annual incentive is connected to achieving a sustainability goal which is common to all the Group's management. Sustainability is monitored both through the trend in internal indicators and through third-party assessment provided by sustainability indices.

The assessment of the Group's performance in relation to sustainability is carried out by the Remuneration, Nomination and Sustainability Committee on the basis of the results obtained on a series of indicators and the progress made compared to the action plans established. In particular, in formulating the assessment of the performance achieved for 2019, the Committee will adopt a reference framework which includes the elements described in summary below.



Prysmian's Long-term incentive plan (LTI) in short
(as approved by the AGM of April, 12th 2018)

Made up by two components

LTI Plan
Long-term equity-based remuneration

CO-INVESTIMENT | **PERFORMANCE SHARE**

Co-investiment – deferral of 25% to 75% of annual vested bonus into rights to receive shares, subject to performance conditions

Performance share – conditional right to receive free shares, subject to performance conditions

Tied to economic and financial objectives and value creation

Adj. cumulated EBITDA 2018-2020

ON/OFF Condition

Performance condition for CO-INVESTMENT

Adj. cumulated EBITDA 2018-2020 + Net Financial Posiiton December 2020

ON/OFF Condition+ Goal – weight 60%

Goal – weight 40%

Performance condition for PERFORMANCE SHARE

Euro STOXX 600 Ind.G&S

TSR Prysmian Group

Multiplier decreasing/ increasing shares to be allocated

Performance of the index

-25% | **+25%**

-25% | **+12,5%**

Peformance condition for both COINVESTIMENT and PERFORMANCE SHARE

Developed over a medium to long-term time horizon

2018 → **3-year performance and vesting + 2-year lock-up*** → **2022**

*on performance shares

SECTION I

Cornerstones of Prysmian's Remuneration Policy

The Remuneration Policy for the CEO, Executive Directors and Managers with strategic responsibilities for the Prysmian Group conforms to the following principles:

1 Focus on performance and value creation
2 Attractiveness and motivation
3 Sustainability

4 Governance and transparency towards shareholders

5 Participation

1. Introduction

The Remuneration Policy adopted by the Prysmian Group aims to attract and retain talented people with the skills necessary to achieve the company's objectives and to motivate the management to pursue ever better performance in compliance with the company's values and culture.

Since 2011, the Group Remuneration Policy is defined so as to align the management's interests with those of shareholders whilst pursuing the objective to create sustainable value in the medium/long term, by forging a tangible and verifiable link between pay in equity, on the one hand, and performance, both individual and of the Group, on the other. Management, thanks to this policy, are also shareholders in the Company.

The Remuneration Policy described in this document applies to the members of the Group's Board of Directors and Managers with Strategic Responsibilities. Prysmian is currently managed by a Board of twelve Directors.

Full name	Office	Position	Control and Risks Committee	Remuneration, Nomination and Sustainability Committee
De Conto Claudio (1)	Chairman	Independent non-executive director	-	Member
Amato Paolo (2)	Director	Independent non-executive director		Member
Battista Valerio	CEO and General Manager	Executive director	-	-
Battaini Massimo	Director	Executive director	-	-
Bigio Joyce Victoria (2)	Director	Independent non-executive director	Member	
Cappello Maria Elena (2)	Director	Independent non-executive director		-
de Virgiliis Monica (2)	Director	Independent non-executive director	-	Chairman
Facchini Pier Francesco	Director	Executive director	-	-

Full name	Office	Position	Control and Risks Committee	Remuneration, Nomination and Sustainability Committee
Gori Francesco (2)	Director	Independent non-executive director	Chairman	
Kung Mimi (2)	Director	Independent non-executive director		
Mariani Maria Letizia (2)	Director	Independent non-executive director	Member	-
Romeo Fabio Ignazio	Director	Executive director	-	-

(1) Independent director as per Leg. Decree 58/1998.

(2) Independent director as per Leg. Decree 58/1998 and the Self-Regulation Code for listed companies issued by Borsa Italiana S.p.A.

The Group's Managers with Strategic Responsibilities, in addition to the managers who are also members of the Company's Board of Directors, are:

Full name	Role
Francesco Fanciulli	Senior Vice President Energy
Andrea Pirondini	Chief Operating Officer
Philippe Vanhille	Senior Vice President Telecom
Hakan Ozmen	Senior Vice President Projects

2. Governance

The Remuneration, Nomination and Sustainability Committee (the "Committee") plays a key role in supporting the Board of Directors in its supervision of the Group Remuneration Policy and in designing short- and long-term incentive plans as well as public shareholding plans.

RESPONSIBILITIES OF THE COMMITTEE

The Committee – set up by the Board of Directors - has the role of providing consultancy and making proposals to the Board of Directors with reference to establishing the remuneration of the Group's Executive directors and with particular functions and Managers with Strategic Responsibilities, as indicated in the tables above, the appointment/substitution of Independent Directors, as well as the size and composition of the Board.

The main responsibilities of the **Remuneration, Nomination and Sustainability Committee** are:

- to assess and formulate any proposals to the Board of Directors with regards to the remuneration policy for the Executive Directors and Directors with specific functions, the Managers with Strategic Responsibilities, the Internal Control & Compliance Senior Vice President and the Management;

- to periodically oversee the actual implementation of the proposals made and approved by the Board of Directors concerning the remuneration of Executive Directors and Directors with specific functions, Managers with Strategic Responsibilities and the Internal Control & Compliance Senior Vice President;

- to verify the actual achievement of the performance objectives related to the incentive systems for the Executive directors and Directors with specific functions, Managers with Strategic Responsibilities and the Internal Control & Compliance Senior Vice President;

- to evaluate and make proposals to the Board of Directors on share-based incentive, stock option and stock grant plans and similar plans, in order to provide incentives and promote loyalty of the management and employees of companies in the Group which the Company heads;

- to carry out preliminary investigations for the preparation of succession plans for Executive Directors if the Board of Directors resolves to adopt them;

- to supervise sustainability issues linked to the Company's doing business and its interactions with all the stakeholders. In particular:
    - monitoring the Company's position in the main sustainability indices;
    - expressing opinions on the initiatives and programmes promoted by the Company or by subsidiaries on Corporate Social Responsibility (CSR);
    - examining, before the Board of Directors, the annual sustainability report prepared by the Company's competent departments;
    - as indicated by the Board of Directors, expressing opinions and making proposals concerning specific Corporate Social Responsibility (CSR) issues.

For a description of the Committee's duties regarding the Nomination of Directors, please refer to the "Remuneration, Nomination and Sustainability Committee" section of the Report on Corporate Governance and ownership structure.

COMPOSITION

In line with the provisions of the Regulation of the corporate bodies, the Committee currently numbers three independent non-executive Directors: Monica de Virgiliis, the Chairman, Claudio De Conto and Paolo Amato.
All the members of the Committee have long and consolidated experience and specific know-how in the economic and financial field.

2018 ACTIVITIES

During 2018, the Committee met 8 times and all the members of the Committee took part in all but one meetings for one member.

The work undertaken by the Committee, supported by the Group's Human Resources Department, in particular concerned:

- the formulation of proposals to the Board of Directors on the remuneration of the Executive directors and directors with specific functions, Managers with Strategic Responsibilities and the Internal Control & Compliance Senior Vice President, both with reference to the fixed and variable remuneration;

- the assessment of the criteria adopted in relation to both the variable incentive systems (based on the achievement of established objectives) and the remuneration policies for senior management, with particular focus on long-term incentive plans;

- the analysis of the 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 implementation, after the acquisition of General Cable, of the long-term incentive plan for the Group's key resources and constant monitoring of the variable incentive systems, also in relation to the post-merger integration process;

- the extension of the broad share ownership plan, YES, to employees who have just joined the Group following the acquisition of General Cable Corporation;

- the analysis of information relating to sustainability, as given in the Sustainability Report;

- the analysis of planning for human resources to review the succession plan for the Group's senior management;

- the definition of the policy regarding the quali-quantitative composition of the Board of Directors and the monitoring of its correct application on renewal of the Board;

- the preliminary work done to put to the Board candidates for the role of director in place of Massimo Tononi who resigned from his position as Chairman, member of the Board of Directors and member of the Company's Remuneration, Nomination and Sustainability Committee, with effect from the end of the meeting of the Board of Directors on 18 September.

The Remuneration, Nomination and Sustainability Committee, while providing advice and making proposals, draws on the support of the independent external consultant, Korn Ferry, which provided information on trends, practices, and market pay levels in order to monitor the Top Management pay fairness.

No Director took part in meetings of the Remuneration, Nomination and Sustainability Committee during which proposals relating to their own remuneration are formulated.

The Group Human Resources and Organisation Director acted as Secretary during all the Remuneration and Nomination Committee meetings.

Period	**Focus**
January - March	• Check on the implementation of 2017 policy • 2018 policy principles • Balance of 2017 annual incentive scheme • 2018 annual incentive scheme • 2018-2020 Long-term incentive plan for the management • Verification of the adequacy of the pay levels for the CEO, Executive directors and Managers with Strategic Responsibilities • Remuneration Report • Sustainability Report
April – June	• Fees for non-executive directors, for special responsibilities and for involvement on Board committees • Monitoring of broad share ownership plan YES • Sustainability Monitoring • Setting of MBO targets for the second half of the year, post-acquisition
July – August	• Monitoring of broad share ownership plan YES • Implementation of long-term incentive plan
September - December	• Constant monitoring of the pay aspects regarding the merger with General Cable Corporation • YES revision for 2019-2020 • Proposal to the Board of candidates for the position of director in place of an independent director • Setting of the guidelines for the 2019 remuneration policy

Over the first months of 2019, the Committee has:
- ✓ Drawn up some proposals to potentially change the medium/long-term incentive plan for the Group.
- ✓ Assessed the correct application of the Policy for the composition of the Board of Directors.
- ✓ Confirmed the structure of fees for directors in relation to 2019.

- ✓ Started the annual assessment of the effective operation of the Board.

3. Principles of the Remuneration Policy

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

1. **Focus on performance:** the remuneration of management consists, to a significant extent, of remuneration subject to performance conditions

2. **Attractiveness and motivation**: the remuneration levels are such to attract and retain the key resources for the organisation, as human resources are essential to the achievement of strategic objectives

3. **Sustainability**: our incentive systems has historically developed over several years, in line with the Group's risk profile, so that the management's focus is on increasing the Group's value in the long-term, in line with stakeholders' expectations.

4. **Transparency and governance**: we have a clear governance system and offer disclosure on remuneration with the aim of achieving highest transparency

5. **Participation**: we believe that involving people in the company's success is the best way to motivate them to work better and we have historically done done so through equity-based incentive plans.

Comparison with the market plays an important role in the preparation of the remuneration policy. As from 2017, the Prysmian Group has identified a small panel of companies, which are generally similar in terms of size and sectors (Electrical Components & Equipment, Heavy Electrical Equipment, Building Products, Aerospace & Defence); this is a further point of reference in defining remuneration policies, in addition to the already existing market comprising a panel of around 250 listed European companies included on the FT Europe 500 as some of the most important companies, in terms of capitalisation, in Europe.

4. Remuneration of the Chairman and of Non-Executive Directors

The Shareholders' Meeting of 12 April 2018 approved for the Board of Directors, in addition to a reimbursement of all expenses incurred on behalf of the Company, a total gross remuneration of Euro 600,000 for each year in office. The Shareholders' Meeting also granted the Board of Directors the authority to decide how such amount should be allocated to all or to just some of the directors, taking into account the specific responsibilities of each.

The Board of Directors accepted the recommendation presented by the Remuneration, Nomination and Sustainability Committee, establishing the following division for the overall annual remuneration:

(i) Euro 50,000 to each of the 8 independent non-executive directors, pursuant to the Consolidated Law on Finance (TUF),

(ii) Euro 80,000 for the Chairman of the Board of Directors,

(iii) Euro 20,000 to each of the 6 members of the internal committees.

Finally, it should be noted that the Board of Directors currently in office will expire with the Shareholders' Meeting called for the approval of the financial statements as at 31 December 2020.

5. Remuneration of Executive Directors and Managers with Strategic Responsibilities

The remuneration structure of Executive Directors and Directors with specific functions and Managers with Strategic Responsibilities is defined by Prysmian with a twofold goal; on the one hand, it aims to attract and retain resources with appropriate professional qualities enabling them to achieve the company's objectives, whilst on the other it seeks to bring the Management's interests in line with those of the shareholders, thereby guaranteeing the sustainability of the business and results in the medium- and long-term.
This section of the report describes the key elements and the guidelines of the Remuneration Policy for the year 2019.

5.1. Fixed remuneration

Fixed remuneration levels for Executive Directors with specific functions as well as Managers with strategic responsibilities (hereinafter the "Top Management") are defined according to the complexity, actual responsibilities, the experience required for the position and the reference remuneration market.

Following the acquisition of General Cable Corporation, the Group has equipped itself with a new organisational structure which, for the purposes of market comparison and in relation to the internal fairness of pay, was assessed with the assistance of the independent consultant Korn Ferry.

Once a year, the Remuneration, Nomination and Sustainability Committee prepares a remuneration policy proposal for the Top Management submitted for approval by the Board of Directors. This policy may entail an update to the fixed remuneration. These revisions must take into account a range of factors including competitiveness compared to market remuneration data, sustainability, internal fairness, the individual performance assessed through a global performance assessment system (**P3 – Prysmian People Performance**). As from 2017, the assessment criteria for the definition of the Group management remuneration policy will also include the potential, assessed using a method defined as P4 – Prysmian People Performance Potential. For the position of Chief Executive Officer and the Group's senior managers, this program is integrated with an assessment process aimed at providing the Board of Directors with the opinion of an expert third-party on the senior managers involved in the Group's succession plan. This process will be planned up to the end of 2019. The aim is to integrate the findings of the succession planning process into remuneration decisions, encouraging the growth of the internal successors identified and their retention, while integrating the pipeline, through selected programs such as the Graduate Program or the SELL IT and MAKE IT programs, with long-term investments as necessary.

5.2. Pay for Performance

As for the competitiveness in relation to the market, the comparison with the remuneration market is carried out with the support of a job evaluation method which enables consistent comparison and ensures a competitive position in the external market. For Top Management positions, the reference market consists of a panel of around 250 listed European companies included on the FT Europe 500 as some of the most important companies in terms of capitalisation in Europe. The market has been studied by an independent external company, Korn Ferry, which specialises in remuneration matters.

The Prysmian Group has also identified a second, smaller panel of companies similar to Prysmian in terms of size and business sectors (Electrical Components & Equipment, Heavy Electrical Equipment, Building Products, Aerospace & Defence), which is a further point of reference in defining the remuneration policies. This panel consists of the following companies:

- Areva
- Assa Abloy
- Dassault Aviation
- Gamesa Corporacion Tecnologica
- Legrand
- Leonardo Finmeccanica
- MTU Aero Engines
- Nexans
- Osram Licht
- Signify
- Saab
- Safran
- Thales

As far as the individual performance is concerned, all the employees of the Prysmian Group, including senior managers, are subject to a formal annual performance assessment system (P3). This system envisages the assessment of employees' performance on two fronts: in terms of achieving operational results and in terms of aligning to the values and leadership model adopted by the Group.

The fixed component of the Top Management remuneration package is of relative importance if the total remuneration package is considered. This limited weight, yet which is sufficient and appropriate even in the event that the variable part should not be disbursed due to failure to achieve the associated objectives, is such as to reduce excessively risk-oriented behaviour, to discourage initiatives focused solely on short-term results.

5.3. Variable Remuneration

The variable component within the remuneration packages offered in Prysmian consist of three main elements:

- **Annual bonus** (MBO - Management by objectives);
- Annual **bonus deferral** with investment in company shares (**co-investment**); and
- **Performance share**.

All the variable pay components have a maximum ceiling (Cap).

5.3.1. Annual Bonus Scheme

Purposes

The variable annual bonus scheme (MBO - Management By Objectives) is adopted for employees holding positions of responsibility and it aims to align individual performance with the organization's annual strategic objectives, rewarding the beneficiary for the results achieved in the short-term (1 year).

The annual variable bonus scheme is reviewed each year by the Remuneration, Nomination and Sustainability Committee, which submits to the Board of Directors the objectives for the Executive Directors and Managers with strategic responsibilities, identifying the various metrics.

Characteristics

The MBO plan is subject to a strict regulation and the annual communication process is clear and transparent to all participants. Each participant is assigned percentages (maximum and minimum) of their gross annual pay in the case of achieving the performance objectives at **target** level and at the **maximum** level. The incentive percentages are defined in relation to the strategic nature of the role, with the aim of balancing the fixed and variable remuneration according to the position held and the impact on results.
The final balance and payment of the bonus within this percentage range varies depending on the level of achievement of each objective assigned up to the pre-set maximum (cap).
A multiplier (+15%)/de-multiplier (-15%) of the total value of the MBO connected with the assessment of individual performance (P3) is taken into account. In determining the bonus disbursed, the economic/financial objectives and the employee's qualitative performance and conduct are taken into consideration. This multiplier/de-multiplier does not, however, apply to the Group's Chief Executive Officer.

Performance conditions

The 2019 MBO Plan is aimed at ensuring the management's focus on achieving the important synergy targets arising from the merger with General Cable Corporation and envisages:

- **A twofold ON/OFF condition**, represented by the Group Adjusted EBITDA and Group Net Financial Position, the achievement of which will determine access to the system; in case of failure to achieve even only one condition for access, no incentives will be disbursed;
- **two economic and financial objectives** with different weightings and independent from each other and assigned to all the Group's management, in line with the business area or geographic area; for the central departments, these objectives are measured at Group level;
- **an objective** linked to the **function or business area**; this objective is normally of an economic or financial nature, or in terms of planning and operating efficiency;
- **an objective** regarding **sustainability** assigned to all the Group's management at every level.

Performance - incentive connection

All the objectives include an entry level (min.) and a maximum limit (max.).

- If the entry level value is not achieved, the performance indicator reached in relation to that given target will be zero;
- If, on the other hand, the target is achieved for values ranging between the entry level and maximum value, the performance achieved will be calculated by linear interpolation;
- in the case of exceeding the maximum value, the performance index achieved will in any case be equal to the maximum value.

The total performance index of the target scheme is 100, which corresponds to payment of the minimum bonus percentage, and 150 as a maximum which corresponds to the payment of the maximum bonus percentage (Cap).

If the final performance index obtained is less than 50 points, the incentive disbursed will be zero.
Should the final performance index obtained be between 50 and 150 the final bonus value will be calculated in a linearly proportional manner. Considering the existence of an on-off condition, the threshold of 50 points has been considered as consistent in terms of ensuring the achievement of a performance level that is at least satisfactory.

A multiplier (+15%)/de-multiplier (-15%) is applied to the final incentive value, depending on the assessment of individual performance (P3). It is recalled that this multiplier/de-multiplier does not, however, apply to the Group's Chief Executive Officer.

The payment of the annual bonus takes place on a proportional basis depending on how many months the person has been at the Group during the performance period, but a minimum working period of nine months in the year is required to receive the proportional amount of the bonus. New recruits will be involved only if they joined the company before July each year.

The bonus is paid in the year following that in which it vests in relation to the performance achieved, generally in May, following approval of the consolidated financial statements.

5.3.2. Co-investment

The deferral and co-investment plan of the annual incentive (MBO) vested is one of the components of the long-term incentive plan (LTI plan), together with the performance shares plan. The plan has a three-year vesting period (2018-2020).

Recipients
Approximately 600 group key managers benefit from this plan on a global level, including the executive directors and managers with strategic responsibilities. Employees of the company Oman Cable Industry SAOG, a subsidiary of the Prysmian Group, may also participate, for which a combination of performance conditions for the Group and the subsidiary is provided.

Characteristics
The co-investment is based on deferral of the annual bonus and envisages that part of the annual bonus vested relating to 2018, 2019 and 2020 performance is deferred. Such deferral gives rise to the right to receive shares on fulfilment of performance conditions. In particular:

- if predetermined three-year performance targets of the Group are achieved, the deferred portion will be returned increased according to the co-investment profile chosen, in the form of Prysmian shares;

- if, on the other hand, said objectives are not achieved, this amount will be returned, again in the form of shares, but reduced by a pre-determined percentage, which changes depending on the chosen co-investment profile.

The deferral and co-investment plan therefore also makes a significant portion of the annual incentive (MBO) conditional on achieving the multi-year objectives.

Co-investment profiles
The co-investment profiles for the annual bonus from among which the beneficiaries can choose and to which different risk levels are associated are the following:

- ***Basic profile****:* the participant co-invests 25% of their annual bonus accrued in 2018, 2019 and 2020 with the possibility of obtaining, in 2021 and upon meeting the performance condition, a multiple of 1.5 times the amount co-invested (including the co-investment itself), or of losing 25% of the co-invested amount should the performance target not be achieved.

- ***Balanced profile***: the participant co-invests 50% of their annual bonus accrued in 2018, 2019 and 2020 with the possibility of obtaining, in 2021 and upon meeting the performance condition, a multiple of 2 times the amount co-invested (including the co-investment itself), or of losing 50% of the co-invested amount should the performance target not be achieved.

- ***Dynamic profile***: the participant co-invests 75% of their annual bonus accrued in 2018, 2019 and 2020 with the possibility of obtaining, in 2021 and upon meeting the performance condition, a multiple of 2.5 times the amount co-invested (including the co-investment itself), or of losing 75% of the co-invested amount should the performance target not be achieved.

The choice among the different profiles is made ex-ante when accepting the plan (in 2018) and can no longer be changed during the 2018-2020 vesting period.

The deferred bonus is co-invested at the share reference price set by the Board in February 2018, at the time the Board resolved to propose such plan for approval at the April 2018 Annual General Meeting that approved it. Such share refence price is around 27 euro.

Performance conditions
The objectives to which the co-invested annual bonus is linked are:

- the Group's cumulated adjusted EBITDA in the 2018-2020 period, which serves as the minimum performance condition and absolute gate threshold;
- Prysmian's Total Shareholder Return compared to the Total Shareholder Return of the Stoxx 600 Industrial Goods and Services Index, which serves as multiplier/de-multiplier.

For more details about the Plan, reference can be made to the related Information Document, available from the website www.prysmiangroup.com, Investor Relation - Corporate Governance - Remuneration.

5.3.3. Performance share

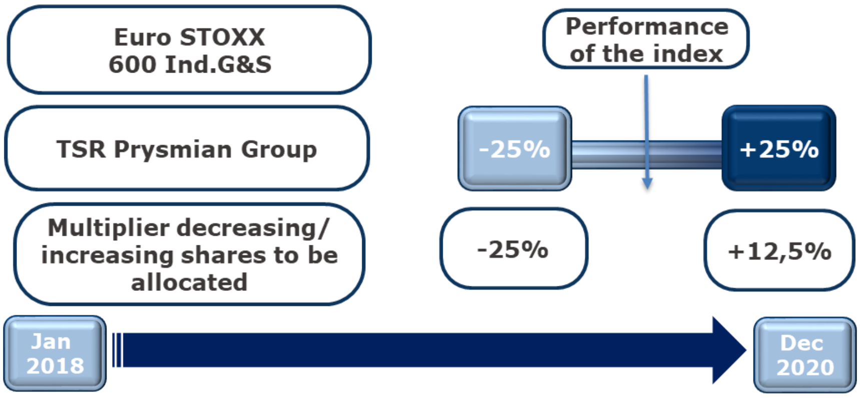
The performance share plan provides for the assignment to each participant of the conditional right to receive a minimum and maximum number of Prysmian shares. Such conditional grant of shares vests over a three-year period (2018-2020). In 2021, the beneficiaries of the plan will receive, within the aforementioned range, a number of shares based on the degree of achievement of two economic/financial objectives of the Group and based on the performance of Prysmian's Total Shareholder Return compared to the Total Shareholder Return of the Stoxx 600 Industrial Goods and Services index.

Performance conditions
The effective allocation of the shares to beneficiaries is subject to the three-year performance level in terms of cumulative Adjusted EBITDA over the 2018-2020 period (weight 60%), which serves as the minimum performance condition and absolute gate threshold, and to the Net Financial Position of the Group at December 2020 (weight 40%).

	Performance conditions 2018-2020[3]		
	Cumulative Group Adjusted EBITDA Weight 60%	Group Net Financial Position as at December 2020 Weight 40%	Distribution curves
Minimum performance (€M)	3.000	1.650	100
Maximum performance (€M)	3.200	1.400	150

[3] *The three-year targets and results, at the proposal of the Remuneration, Nomination and Sustainability Committee, might be updated to take into consideration the already well-known impacts regarding the execution of the Western Link project, for participants other than senior management reporting directly to the CEO. These impacts have already been considered as it regards the final results of the 2018 MBO scheme, again for the same participants as above.*

Moreover, the number of shares relating to the performance share component may increase or decrease on the basis of an additional performance condition, relating to the performance of Prysmian's Total Shareholder Return compared to the Total Shareholder Return of the Stoxx 600 Industrial Goods and Services index as shown below.



Performance - incentive connection
The grant value upon meeting performance conditions at minimum and at maximum level is defined for each beneficiary in relation to the role held, the expected contribution to results and the individual fixed remuneration.

In the event a performance level between the minimum and maximum is achieved, the number of performance shares vested will be defined by linear interpolation, separately for both targets envisaged, i.e. cumulative Group Adjusted EBITDA and Group Net Financial Position. If the target Group Net Financial Position is not achieved, only the shares deriving from the result of cumulative Group Adjusted EBITDA will vest.

The TSR performance achieved by Prysmian compared to the reference index serves as multiplier/de-multiplier, increasing or reducing the actual number of shares to be allocated. Where company performance is in line with the performance of the identified index, the Total Shareholder Return will be neutral. If instead, performance is 25% lower than the index identified, the number of total shares will be reduced by 25%, which represents the maximum reduction even in case of a negative performance greater than 25%. If performance is 25% higher than the index identified, the total number of shares will be increased by 12.5%. This percentage represents the maximum expected increase, even if the positive variance is greater than 25%. Where TSR relative performance is between -25%/0% or 0%/+25%, the percentage decrease or increase will be calculated by linear interpolation between 0 and -25% or 0 and +12.5%.

The mechanism described above, as already mentioned, is applied to the two components of the LTI plan, co-investment and performance share.

In any case, the maximum number of shares allocated under the LTI plan cannot exceed the total number of shares servicing the plan.

Lock-up
In compliance with Art. 6 of the *Code of Conduct for Listed Companies* a **lock-up** period, deemed of medium/long term nature (**2 years**) is also envisaged. During the lock-up period, beneficiaries are not allowed to dispose of 100% of the shares (net of shares sold to cover taxes) that have been allocated to them. This provision applies, besides for the Chief Executive Officer, also for all the Senior Managers (currently 20) who report directly to the CEO.

Moreover, for Executive directors and Managers with Strategic Responsibilities, **10%** of the Shares assigned are defined as "**career shares**": beneficiaries cannot sell them until the end of their career at Prysmian.

Claw back
The plan also envisages claw back clauses with a 4-year duration and a malus clause with a 2-year duration, aimed at partially or totally recovering the bonus paid, which will be activated in case of objective circumstances that lead to the reinstatement of the economic-financial results of the Company or any other Group company to such an extent that, if known in advance, would have an impact on the disbursement of the shares envisaged by the plan. The claw back clauses also apply in case of fraud and/or wilful misconduct.

The malus and clawback clauses have been adapted locally in all countries so as to be compatible with local regulations. The clauses is applicable for the CEO and the senior management who report to him. They also cover the other participants if involved in fraud or wilful misconduct.

For more details about the plan, reference can be made to the related Information Document, available from the website www.prysmiangroup.com, Investor Relation - Corporate Governance - Remuneration.

5.4. Benefits

The total pay offer is integrated by the following additional benefits:

- supplementary pension plan;
- supplementary medical insurance;
- non-professional accident policy;
- company car;
- meal vouchers.

These benefits are adapted to local contexts, taking into account the characteristics of the reference market and regulations.

6. Other Elements

6.1 Non-competition agreements

Prysmian envisages the possibility of signing non-competition agreements for Executive directors and Managers with Strategic Responsibilities and other employees with key roles within the organization.
In conformity with case law and practice, these agreements provide for the payment of a percentage of annual fixed remuneration, according to the duration and extent of the restriction arising from the agreement itself.
The non-competition agreements in place provide for the payment of this remuneration whilst employment contracts remain valid. As regards the Executive Directors and Managers with Strategic Responsibilities, the Company has established that, progressively, in stipulating new agreements, said remuneration will only be paid upon termination of employment in line with consolidated market practices.

The restriction relates to the sector in which the Group operates and has a variable territorial scope depending on the position held by the individual beneficiary.
For example, in 2015, the agreement of the Chief Executive Officer was revised and brought into line with the new Policy, and in 2017, the non-competition agreement of an Executive Director was revised and brought into line with this new Policy. In 2018, two others were revised, both for Managers with Strategic Responsibilities.

6.2 Retention Bonus

Without prejudice to its possible offer, to date no retention bonus is applicable to any Executive Director or Manager with Strategic Responsibilities.

6.3 The "YES" Plan

Late 2013, the Prysmian Group launched YES (Your Employee Shares Plan), a public shareholding plan intended for all employees. The Plan has been adopted by 28 different countries, promoted through an intense communication campaign and dedicated training sessions. The plan provides for that employees can purchase Prysmian shares, within certain time frames scheduled in 2014, 2015 and 2016, at special conditions and as long as they agree not to sell the shares for at least 36 months after purchase. Employees thus received shares with a variable discount - 1% for the Chief Executive Officer and Senior Managers, 15% for Executives and 25% for the other employees - thereby fostering the participation of employees on all levels. Additionally, by way of a welcome bonus, all participants were given 6 bonus shares. The goals pursued by the launch of the plan are to increase the involvement, sense of belonging and understanding of business by employees, to ensure that the interests of shareholders, customers and employees converge over the long-term and to strengthen the internal perception of the Prysmian Group as a single company, a real "one company". In short, the desire expressed through the launch of this Plan is to have employees become permanent shareholders, making them the owners of a small part of the company in which they work.
The YES programme has proven to be a real success, chosen by over 7,200 employees: around 44% of the company's workforce entitled to do so have become shareholders. In some countries, participation in the Plan was very high during the first three years, reaching, for example, almost all employees in Romania, 89% in Turkey and around 80% in the Milan Headquarters. Employees have invested a total of 16.8M€ and 420,000 bonus shares have been used.

This great participation convinced Prysmian to extend the programme for another 3 years, introducing some new features. The Shareholders' Meeting held in April 2016 approved to extend the plan through to 2019, increasing the number of bonus shares at the time of subscription (8 for those who have already taken part, 3 in subsequent years), introduced a loyalty bonus for those choosing to extend the share lock-up period, and ensuring greater flexibility in the management of the plan (multiple windows, purchase close to subscription, exit clauses connected with personal life events).

The YES Plan represents an excellent opportunity to gather, involve and create a sense of belonging among all Group employees, including those who joined the Group following the merger and acquisition of General Cable Corporation. The Shareholders' Meeting of 12 April 2018 approved the extension of the YES Plan until 2020, which envisages a subscription bonus of 8 bonus shares for all Group employees and no changes to the other aspects of the program. Between the end of 2018 and the first few months of 2019, a new campaign was launched to join the YES program, which was also extended to the Group's new employees from General Cable Corporation. The campaign is still ongoing in some countries, but the results already achieved at the date of the publication of this Report confirm the positive history of the program as a participatory instrument.

The overall adhesion is calculated at around 6,000 employees for 2019, with an investment envisaged in Prysmian shares of around 6 million euro. Around a quarter of the participants to the 2019 YES campaign are new employees who joined the Group thanks to the merger.

For further details about the YES Plan, reference can be made to the related Information Document, available from the website www.prysmiangroup.com, Investor Relation - Corporate Governance - Remuneration.

7. End of Service or Termination Indemnity

As regards 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 2-year remuneration.

The agreement for early termination of the employment contract of the Chief Executive Officer provides for an indemnity equal to **24 months'** basic salary, to be paid if the contract is terminated by the company, by mutual consent, due to substantial changes to the role and office or death and permanent invalidity, but not in the case of dismissal for cause. In 2018, the early terminations of two Managers with Strategic Responsibilities were managed by following this procedure.

8. Pay Structure for the Audit Function

A specific cash long-term incentive plan has been envisaged for the Internal Control & Compliance Senior Vice President with objectives in line with his responsibilities.

SIDEBYSIDE
Creating opportunity through diversity

Diversity and Equal Opportunities

Prysmian has set itself the strategic aim in the management of human resources, of enhancing diversity and equal opportunities. In exchange for this commitment, the Group has undertaken a process that started with the implementation of a global Diversity and Inclusion Policy and the development of dedicated supporting initiatives.

At the end of 2016, Prysmian launched a "Side By Side" programme, aiming to promote and support diversity in the company. The scope of activities initially regarded support of gender diversity before thereafter extending to include other types of diversity (age, culture, etc.).

The programme is based on four pillars:

- **RECRUITMENT/CAREER & PROMOTION**, in other words the collection of actions aimed at implementing selection, recruitment and promotion processes which are free of stereotypes and only reward talent and merit.
- **TRAINING/AWARENESS**, in other words the development and provision of training and awareness-raising initiatives on the issue of diversity, in order to promote an inclusive leadership style and to guarantee the widest possible sharing and involvement by the company's staff.
- **COMMUNICATION**, both internal and external.

The project was presented and approved by the Senior Management Team at the end of 2016. During 2017, with the creation of a Central Committee and definition of the guidelines, various regions, countries and Business Areas in the Prysmian Group launched the project in their perimeters, following the central directives, but adapting the activities to their specific needs. Among these there currently stand out Brazil, the Energy Projects Business Area and the Regions of Central East Europe and North Europe.

More specifically, the portfolio of the activities started in 2017, consolidated in 2018 and to be continued in 2019, includes:

1. **The definition of a global Diversity Recruitment Policy**. On the one hand, this imposes on all those involved in recruitment processes, whether inside or outside the organisation, compliance with a recruitment methodology which makes it possible to recruit resources aligned to the needs of the business and to the leadership style of the Prysmian Group. On the other, it aims to drive recruiters to make recruitment choices which are as objective as possible and free from stereotypes linked to gender and other forms of diversity. In the medium/long term, the Diversity Recruitment Policy also sets the objective of supporting the creation of a more balanced pipeline where diversity in all its forms is fairly represented;
2. **The inclusion of the issue of diversity and the management of diversity in all the School of Management programs**, in other words in the training provided by the Prysmian Group Academy which seeks to train the Group's leaders;

3. **The planning of training on Unconscious Bias** to be provided through the Digital Academy;
4. **The planning and the launch of the WLP (Women Leadership Program)**, now in its third edition. This training program is aimed at talented female staff in the company and, through their development, aims to feed the in-house pipeline for succession plans;
5. **The study of a Mentoring program for talented female staff**, to be provided through a training program of in-house mentors;
6. **The undertaking of the Gender Pay Gap Analysis**, which is already underway in Germany as a pilot project in partnership with Korn Ferry and which will then be extended to other countries;
7. **The launch of internal and external communication campaigns on the project and success stories based on cases of diversity of every kind** (age, culture, gender).

OUR GOAL

12% FEMALES IN EXECUTIVE POSITIONS

10% FEMALES IN TOP MANAGEMENT POSITIONS

The strategic objective is to increase the presence of women at the various organisational levels by the end of 2021 and to include it as a fundamental characteristic of leadership and an essential condition in recruitment processes. From this viewpoint, one of the new values of the Prysmian Group, **trust**, legitimates also the focus on diversity as an essential driver of the development of the company and business in coming years.

Our most valuable asset. Our People.

The performance assessment system, commonly called "(P3) Prysmian People Performance", was introduced in Prysmian in 2012. In 2015, in conformity with the provisions of the Self-Regulation Code of Borsa Italiana on succession plans, the Group, as requested by the Remuneration, Nomination and Sustainability Committee, decided to also develop assessment systems for potential, adopting a structured process to identify talent and to draw up succession plans. For the first time, in 2016, a structured process was introduced in the Group to identify talent, the "P4" (Prysmian People Performance Potential).

PERFORMANCE ASSESSMENT

In 2018, after the acquisition of and integration with General Cable Corporation, the Leadership model was revised to integrate and valorise the best of the two cultures, the Prysmian Group and General Cable Corporation.
A new Leadership Model was established based on values and defined in 6 Leadership Principles which aim to set out and align the conduct expected in regard to the new values: **DRIVE, TRUST, SIMPLICITY.** This is the result of an extended bottom-up approach following the acquisition. It represents the conduct expected to make the company become what we want it to be.

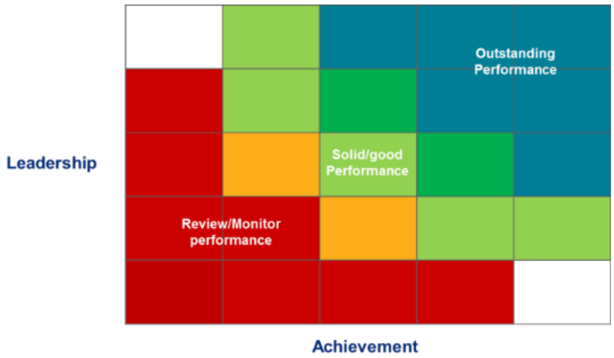
	LEADERSHIP PRINCIPLES	
DRIVE	We are customer focused	Actively explore and understand customer needs. Make customers the top priority and go the extra-mile to exceed expectations.
	We think ahead	Consider market trends and strategic goals to anticipate the future. Pursue focused innovation and improvement.
TRUST	We value diversity	Embrace diversity and inclusion leveraging on the value that it can bring to promote collaboration and cooperation within the organization.
	We empower people	Foster a culture of ownership and accountability. Always act as a role model, ensuring integrity and delivering on promises.
SIMPLICITY	We take action	Keep things simple in order to facilitate timely and focused decisions. Balance a short term value within a mid term perspective.
	We deliver results	Achieve consistent results, focusing on priorities and ensuring both effectiveness and efficiency in the process of delivery.

Subsequently and logically, the P3 performance system was updated to the new Leadership Model emphasising and encouraging also a culture in which people are proactive and promote their own development.

The P3 sets the following targets:

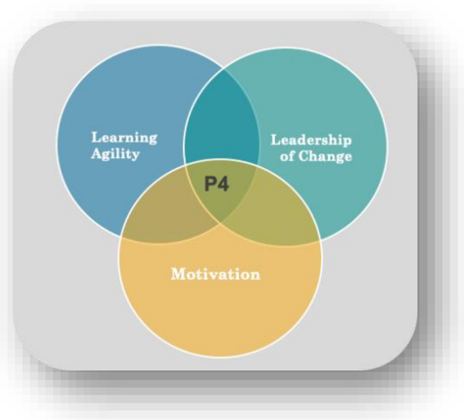
- **to bring the individual objectives into line with those of the Group,** thereby motivating each and every employee to do his/her best, generating value for the whole organisation and building a single corporate identity;
- **to strengthen leadership and enable better alignment to the new global culture**;
- **to improve communication between managers and staff**, facilitating conversation and clarity;
- **to reward the most deserving resources**, based on meritocratic assessments.
- **to clarify the definition of good performance**: a clear definition of objectives and expected conduct;
- **to build a culture of continuous feedback** which leads to a stronger relationship between managers and staff;
- **assessment** of the quantitative and qualitative results achieved;
- **to calibrate performance**: the sharing and discussion of the assessments made by management at various levels and also shared through corporate committees, enables managers themselves to have a standard reference benchmark.

- **to share final feedback**: employees receive final structured feedback. In this stage, managers play a key role in the growth and development of their staff.



MANAGEMENT OF TALENT AND STAFF DEVELEOPMENT

The P4 process too was updated following the acquisition of General Cable Corporation and the indicators of potential were redefined in line with the new Leadership Model. Prysmian People Performance Potential is the result of a structured analysis to identify the key indicators which can help foresee the performance and success of employees in more responsible roles.



The new framework includes three indicators needed to identify talent in the organisation:

Learning agility: constant desire to learn and improve. Drive and interest to acquire new skills and face new and more complex situations.
Leadership of change: quick understanding of the context and ability to move in complex environments with the skill to influence and promote change, despite possible unforeseen events or discontinuity.
Motivation: energy, enthusiasm and determination in daily activities, representing a real model for others. Continuous and effective focus on achieving objectives.

The process is based on **Prysmian's concept of talent defined as CONSISTENT PERFORMANCE + POTENTIAL:**

- "**Consistent performance**" refers to the ability to have achieved excellent performance results in the previous two years (this is calculated using an algorithm of the P3 assessment system);
- "**Potential**" refers to the combination of the 3 indicators described previously.

It plays a key role in the organisation because it is the basis for succession plans and is the benchmark to assess admission to the managerial development programs of the Prysmian Group Academy, such as the International Leadership Program, the Advance Leadership Program (both managed internally by the Prysmian Group Academy) and the Global Executive MBA (GEMBA) undertaken, after the first two programs, at SDA Bocconi University.

Prysmian Group Academy, more generally, supports the development of staff worldwide by developing skills and abilities in 3 key areas:

- Managerial - School of Management
- Professional - Professional School
- Digital - Digital Lab

PRYSMIAN GROUP ACADEMY

All this is an important asset to best support the Group's competitive advantage and to face new business challenges.

SECTION II

This section of the Remuneration Report illustrates each of the items making up the remuneration of Executive Directors and Directors with specific functions and of Managers with Strategic Responsibilities, and highlights its consistency with the policies described in the first section of the document published in 2018.

1. Chairman of the Board of Directors

Massimo Tononi held the role of **Chairman of the Board of Directors** up to 18 September 2018, when he resigned as Independent Director and Chairman of the Board of Directors. His remuneration totalled Euro 105.733 of which Euro 53.300 for his position as Chairman of the Board of Directors, Euro 37.500 as an Independent Director and Euro 14.933 as a member of the Remuneration, Nomination and Sustainability Committee.

As from 18 September 2018, **Claudio De Conto**, an Independent Director, took over the role of **Chairman of the Board of Directors**. The remuneration of Claudio De Conto, Chairman of the Board of Directors, totally amounts to Euro 107.800 of which Euro 31.100 for his position as Chairman of the Board of Directors, Euro 50.000 as an Independent Director and Euro 26,700 as a member of the Remuneration, Nomination and Sustainability Committee.

2. Chief Executive Officer

The remuneration of **Valerio Battista, Chief Executive Officer and General Manager** of the Prysmian Group, is made up as follows:

Fixed remuneration: Euro 1.100.000.

Annual cash variable pay
The value of the annual bonus 2018 (MBO) vested is 331.650 euro. This amount reflects the total performance results achieved in the two halves into which the MBO plan for 2018 was exceptionally broken down. For the first half of 2018, the access condition consisting of Group Adjusted EBITDA for the period January-June 2018 was not achieved and therefore no bonus vested. As for the second half, the level of achievement of the objectives is shown in the following table.

	2° half 2018
Group Net Financial Position	ON

	RESULT
Jul-Dec 2018 Group Adjusted EBITDA	0
Group Net Financial Position	60
Group fixed costs	30
Total	90

Valerio Battista takes part in the co-investment plan with a dynamic profile and therefore the amount of the bonus for 2018 to be paid was 82.913 euro, while the value of the co-invested bonus was 248.738 euro.

Co-investment
Valerio Battista is among the beneficiaries of the deferral and co-investment plan for 2018-2020.

Performance shares
Valerio Battista is among the beneficiaries of the performance shares plan for 2018-2020 which assigned him the right to receive shares in 2021, on achievement of the plan's performance objectives.

Benefits
The value of the non-cash benefits package allocated to the Chief Executive Officer is Euro 11.329.

As from 01/03/2015 a new agreement has been stipulated with Valerio Battista in case of early termination of his employment contract, providing for an indemnity equal to **24 months' salary** to be disbursed if the contract is terminated on the initiative of the Company due to consensual termination, to significant changes in role and position or death and permanent disability.

In addition, Valerio Battista holds a **Non-Competition Agreement** starting from the same date which includes a non-competition obligation for three years from terminating the employment relationship, for whatever reason it might occur. The remuneration for accepting this restriction is 40% of the basic remuneration, multiplied by the number of years the agreement is in force (three) and will be paid only on termination of the employment relationship.

Valerio Battista has chosen to participate in the Group employee share purchase plan (YES), with an investment of Euro 13.335 in the year 2018. Thanks to this investment he has received 540 shares, 6 of which on a free basis.

3. Executive Directors

The remuneration of **Fabio Ignazio Romeo, Chief Strategy Officer** of the Prysmian Group, is made up as follows:

Fixed remuneration: Euro 601.709.

Variable annual pay: the value of the annual bonus for 2018 (MBO) vested is 155.692 euro, including application of the multiplier (+15%) linked to the assessment of individual performance. This amount reflects the total performance achieved in the two halves into which the MBO plan for 2018 was exceptionally divided. For the first half of 2018, the access condition consisting of Group Adjusted EBITDA for the period January-June 2018 was not met and therefore no bonus vested. As for the second half, the level of achievement of the objectives is set out in the following table.

	2nd half 2018
Group Net Financial Position	ON

	RESULT
Jul-Dec 2018 Group Adjusted EBITDA	0
Group Net Financial Position	60
Group fixed costs	30
Total	90

Fabio Ignazio Romeo takes part in the co-investment plan with a dynamic profile and therefore the amount of the bonus for 2018 to be paid was 38.923 euro, while the value of the co-invested bonus was 116.769 euro.

Co-investment
He is among the beneficiaries of the deferral and co-investment plan for 2018-2020.

Performance shares
He is among the beneficiaries of the performance shares plan for 2018-2020 which assigned him the right to receive shares in 2021, on achievement of the plan's performance objectives.

Benefits
The value of the non-cash benefits package allocated to Fabio Ignazio Romeo is Euro 9.780.

As from 06/03/2017 a new agreement has been stipulated with Fabio Romeo in case of early termination of his employment contract, providing for an indemnity equal to **24 months' salary** to be disbursed if the contract is terminated on the initiative of the Company due to consensual termination, to significant changes in role and position or death and permanent disability.

In addition, Fabio Romeo holds a **Non-Competition Agreement** starting from the same date which has replaced the previous plan and includes a non-competition obligation for three years from terminating the employment relationship, for whatever reason it might occur. The remuneration for accepting this restriction is 33% of the basic remuneration, multiplied by the number of years the agreement is in force (three) and will be paid only on termination of the employment relationship.

Fabio Ignazio Romeo has chosen to participate in the Group employee share purchase plan (YES), with an investment of Euro 13.335 in the year 2018. Thanks to this investment he has received 540 shares, 6 of which on a free basis.

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

Fixed remuneration: Euro 560.000.

Annual cash variable pay
The value of the annual bonus for 2018 (MBO) vested is 144.900 euro, including application of the multiplier (+15%) linked to the assessment of individual performance. This amount reflects the total performance achieved in the two halves into which the MBO plan for 2018 was exceptionally divided. For the first half of 2018, the access condition consisting of Group Adjusted EBITDA for the period January-June 2018 was not met and therefore no bonus vested. As for the second half, the level of achievement of the objectives is set out in the following table.

	2nd half 2018
Group Net Financial Position	ON

	RESULT
Jul-Dec 2018 Group Adjusted EBITDA	0
Group Net Financial Position	60
Group fixed costs	30
Total	90

Pier Francesco Facchini takes part in the co-investment plan with a balanced profile and therefore the amount of the bonus for 2018 to be paid was 72.450 euro, while the value of the co-invested bonus was 72.450 euro.

Co-investment
He is among the beneficiaries of the deferral and co-investment plan for 2018-2020.

Performance shares
He is among the beneficiaries of the performance shares plan for 2018-2020 which assigned him the right to receive shares in 2021, on achievement of the plan's performance objectives.

Benefits
The value of the non-cash benefits package allocated to Pier Francesco Facchini is Euro 10.349.

Starting on 08/01/2007 an indemnity 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 indemnity accrues if termination of the contract occurs at the Company's initiative and is not connected to performance criteria.

The remuneration of **Massimo Battaini, CEO North America** of the Prysmian Group, is made up as follows:

Fixed pay: Euro 889.508, including gross annual pay of Euro 700.000, the fee for the non-competition agreement equal to Euro 105.000 for the 2018 portion and expatriation allowance equal to Euro 84.508. The non-competition agreement, which applies to the period 2015-2019, envisages the payment of the fee in annual tranches.

Annual cash variable pay
The value of the annual bonus for 2018 (MBO) vested is 181.125 euro, including application of the multiplier (+15%) linked to the assessment of individual performance. This amount reflects the total performance achieved in the two halves into which the MBO plan for 2018 was exceptionally divided. For the first half of 2018, the access condition consisting of Group Adjusted EBITDA for the period January-June 2018 was not met and therefore no bonus vested. As for the second half, the level of achievement of the objectives is set out in the following table.

	2nd half 2018
Group Net Financial Position	ON

	RESULT
Jul-Dec 2018 Group Adjusted EBITDA	0
Group Net Financial Position	60
Group fixed costs	30
Total	90

Massimo Battaini takes part in the co-investment plan with a balanced profile and therefore the amount of the bonus for 2018 to be paid was 90.562,5 euro, while the value of the co-invested bonus was 90.562,50 euro.

Co-investment
He is among the beneficiaries of the deferral and co-investment plan for 2018-2020.

Performance shares
He is among the beneficiaries of the performance shares plan for 2018-2020 which assigned him the right to receive shares in 2021, on achievement of the plan's performance objectives.

Benefits
The value of the non-cash benefits package allocated to Massimo Battaini is Euro 70.974.

4. Non-Executive Directors

Remuneration of non-executive directors consists exclusively of fixed compensation of Euro 50.000. Non-executive directors who are members of committees also receive additional fixed compensation of Euro 20.000 for each office held within the two committees.

The fixed fees paid during 2018 to Ms Cappello correspond to an overall total of Euro 56.600, of which Euro 23.300 paid in April, as the second instalment of the fee for the period April 2017 to April 2018 and Euro 33.300 in December as the first instalment of the fee for 2018 - 2019.

The fixed fees paid during 2018 to Ms de Virgiliis correspond to an overall total of Euro 63.400, of which Euro 16.700 paid in April, as the second instalment of the fee for the period April 2017 to April 2018 and Euro 46.700 in December as the first instalment of the fee for 2018-2019.

The fixed fees paid during 2018 to Ms Mariani correspond to an overall total of Euro 70.000, of which Euro 23.300 paid in April, as the second instalment of the fee for the period April 2017 to April 2018 and Euro 46.700 in December as the first instalment of the fee for 2018-2019.

The fixed fees paid during 2018 to Ms Kung correspond to an overall total of Euro 33.300 paid in December as the first instalment of the fee for 2018-2019.

The fixed fees paid during 2018 to Ms Bigio correspond to an overall total of Euro 46.700 paid in December as the first instalment of the fee for 2018-2019.

The fixed fees paid during 2018 to Mr Amato correspond to an overall total of Euro 46.700 paid in December as the first instalment of the fee for 2018-2019.

The fixed fees paid during 2018 to Mr Gori correspond to an overall total of Euro 27.200 paid in December as the first instalment of the fee for 2018-2019.

The fixed fees paid during 2018 to Mr Tamburi correspond to an overall total of Euro 23.300 paid in April, as the second instalment of the fee for the period April 2017 to April 2018.

The fixed fees paid during 2018 to Mr Capponi correspond to an overall total of Euro 16.700 paid in April, as the second instalment of the fee for the period April 2017 to April 2018.

5. Statutory Auditors

The remuneration of the auditors consists solely of a fixed fee of Euro 75.000 for the Chairman and Euro 50.000 for each standing auditor.

Paolo Lazzati, besides the fee of Euro 50.000 as auditor, during 2018 received a fee of Euro 30.920 per annum as auditor of the subsidiaries Prysmian Cavi e Sistemi S.r.l. and Prysmian PowerLink S.r.l.

6. Managers with Strategic Responsibilities

There were six Managers with Strategic Responsibilities, other than managers who are also members of the Board of Directors, who even only for part of the year were identified as Managers with Strategic Responsibilities and, at aggregate level, their pay was as follows:

Fixed remuneration amounts to Euro 2.592.509, including:

- annual gross remuneration of Euro 1.873.005,
- payment concerning the Non-Competition Agreements entered into with two of the Managers with Strategic Responsibilities of Euro 339.637 for the 2018 period,
- other payments by way of compensation connected to expatriation of 379.867 euro.

Annual cash variable pay
The value of the annual bonus for 2018 (MBO) vested is 509.213 euro in consideration of the failure to meet the performance objectives for the first half of the year and the achievement of 90 points in the second half of 2018, as already set out for the Chief Executive Officer and the other Executive directors. The bonus vested includes application of the multiplier where applicable (+/-15%) linked to the assessment of individual performance.

Managers with Strategic Responsibilities take part in the co-investment plan with different investment profiles. The total bonus for 2018 to be paid is 223.707 euro, while the value of the bonus co-invested is 285.506 euro.

Co-investment
Managers with Strategic Responsibilities are among the beneficiaries of the deferral and co-investment plan for 2018-2020.

Performance shares
Managers with Strategic Responsibilities are among the beneficiaries of the performance shares plan for 2018-2020 which assigned them the right to receive shares in 2021, on achievement of the plan's performance objectives.

Benefits
The value of the non-cash benefits package allocated to the Managers with strategic responsibilities is Euro 184.421.

Owing to changes, severance for the termination of the employment relationship was recognised of 1.852.000 euro for two managers.

Remuneration report tables

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

Full name	Office	Period in which the office was held	Expiry of office	Fixed pay	Fees for participation on committees	Variable non-equity pay		Non-monetary benefits	Other fees	Total	Fair Value of fees paid in equity		Severance indemnities for end of office or for termination of employment
						Bonuses and other incentives	Share of profits				LTI 2018-2020*	LTI 2015-2017 (shares assigned after Shareholders' Meeting of 12 April 2018)*	
A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8	9
Valerio Battista													
Fees in the company which draws up the financial statements	CEO - Issuer's Director	1-1-2018 to 31-12-2018	2021	1.100.000 €		82.913 €		11.329 €		1.194.242 €	1.382.459 euro if the allocation is considered; 49.928 euro in the financial statements	12.869.000 €	
Fees from subsidiaries or associates													
Total				***1.100.000 €***		***82.913 €***		***11.329 €***		***1.194.242 €***		***12.869.000 €***	
Massimo Battaini													
Fees in the company which draws up the financial statements													
Fees from subsidiaries or associates	NA CEO - Issuer's Director	1-1-2018 to 31-12-2018	2021	889.508 euro (of which gross annual salary 700.000 euro, Non-Competition Agreement 105.000 euro and expatriation compensation 84,508 euro)		90.563 €		70.974 euro (includes benefits for expatriation, home and school)		1.051.045 €	520.115 euro if the allocation is considered; 36.357 euro in the financial statements	5.300.718 €	
Total				***889.508 €***		***90.563 €***		***70.974 €***		***1.051.045 €***		***5.300.718 €***	
Pier Francesco Facchini													
Fees in the company which draws up the financial statements	CFO - Issuer's Director	1-1-2018 to 31-12-2018	2021	560.000 €		72.450 €		10.349 €		642.799 €	416.095 euro if the allocation is considered; 29.085 euro in the financial statements	5.010.220 €	
Fees from subsidiaries or associates													
Total				***560.000 €***		***72.450 €***		***10.349 €***		***642.799 €***		***5.010.220 €***	
Fabio Romeo													
Fees in the company which draws up the financial statements	CSO - Issuer's Director	1-1-2018 to 31-12-2018	2021	601.709 €		38.923 €		9.780 €		650.412 €	556.468 euro if the allocation is considered; 23.439 euro in the financial statements	5.537.352 €	
Fees from subsidiaries or associates													
Total				***601.709 €***		***38.923 €***		***9.780 €***		***650.412 €***		***5.537.352 €***	
Claudio De Conto													
Fees in the company which draws up the financial statements	Issuer's Chairman & Director	1-1-2018 to 31-12-2018	2021	81.100 euro (31.100 euro for position as Chairman, 50.000 euro as Director)	26.700 €					107.800 €			
Fees from subsidiaries or associates													
Total				***81.100 €***	***26.700 €***					***107.800 €***			
Massimo Tononi													
Fees in the company which draws up the financial statements	Issuer's Chairman & Director	1-1-2018 to 17-09-2018		90.800 euro (53.300 euro for position as Chairman, 37.500 euro as Direcrtor)	14.933 €					105.733 €			
Fees from subsidiaries or associates													
Total				***90.800 €***	***14.933 €***					***105.733 €***			
Maria Elena Cappello													
Fees in the company which draws up the financial statements	Issuer's Director	1-1-2018 to 31-12-2018	2021	50.000 €	6.600 €					56.600 €			
Fees from subsidiaries or associates													
Total				***50.000 €***	***6.600 €***					***56.600 €***			
Monica De Virgiliis													
Fees in the company which draws up the financial statements	Issuer's Director	1-1-2018 to 31-12-2018	2021	50.000 €	13.400 €					63.400 €			
Fees from subsidiaries or associates													
Total				***50.000 €***	***13.400 €***					***63.400 €***			

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

Full name	Office	Period in which the office was held	Expiry of office	Fixed pay	Fees for participation on committees	Variable non-equity pay		Non-monetary benefits	Other fees	Total	Fair Value of fees paid in equity		Severance indemnities for end of office or for termination of employment
						Bonuses and other incentives	Share of profits				LTI 2018-2020*	LTI 2015-2017 (shares assigned after Shareholders' Meeting of 12 April 2018)*	
A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8	9
Maria Letizia Mariani	Issuer's Director	1-1-2018 to 31-12-2018	2021										
Fees in the company which draws up the financial statements				50.000 €	20.000 €					70.000 €			
Fees from subsidiaries or associates													
Total				***50.000 €***	***20.000 €***					***70.000 €***			
Mimi Kung	Issuer's Director	12-04-2018 to 31-12-2018	2021										
Fees in the company which draws up the financial statements				33.300 €						33.300 €			
Fees from subsidiaries or associates													
Total				***33.300 €***						***33.300 €***			
Joyce Victoria Bigio	Issuer's Director	12-04-2018 to 31-12-2018	2021										
Fees in the company which draws up the financial statements				33.300 €	13.400 €					46.700 €			
Fees from subsidiaries or associates													
Total				***33.300 €***	***13.400 €***					***46.700 €***			
Paolo Amato	Issuer's Director	12-04-2018 to 31-12-2018	2021										
Fees in the company which draws up the financial statements				33.300 €	13.400 €					46.700 €			
Fees from subsidiaries or associates													
Total				***33.300 €***	***13.400 €***					***46.700 €***			
Francesco Gori	Issuer's Director	18-09-2018 to 31-12-2018	2021										
Fees in the company which draws up the financial statements				19.400 €	7.800 €					27.200 €			
Fees from subsidiaries or associates													
Total				***19.400 €***	***7.800 €***					***27.200 €***			
Giovanni Tamburi	Issuer's Director	1-01-2018 to 11-04-2018											
Fees in the company which draws up the financial statements				16.700 €	6.600 €					23.300 €			
Fees from subsidiaries or associates													
Total				***16.700 €***	***6.600 €***					***23.300 €***			
Alberto Capponi	Issuer's Director	1-01-2018 to 11-04-2018											
Fees in the company which draws up the financial statements				16.700 €						16.700 €			
Fees from subsidiaries or associates													
Total				***16.700 €***						***16.700 €***			
Pellegrino Libroia	Chairman of the Board of Statutory Auditors	1-01-2018 to 31-12-2018	2019										
Fees in the company which draws up the financial statements				75.000 €						75.000 €			
Fees from subsidiaries or associates													
Total				***75.000 €***						***75.000 €***			
Paolo Lazzati	Auditors	1-01-2018 to 31-12-2018	2019										
Fees in the company which draws up the financial statements				50.000 €						50.000 €			
Fees from subsidiaries or associates				30.920 €						30.920 €			
Total				***80.920 €***						***80.920 €***			
Laura Gualtieri	Auditors	1-01-2018 to 31-12-2018	2019										
Fees in the company which draws up the financial statements				50.000 €						50.000 €			
Fees from subsidiaries or associates													
Total				***50.000 €***						***50.000 €***			
Managers with Strategic Responsibilities	6 people (4 people changed in the year)	there have been changes, with one person leaving in February 2018 and one in October 2018; with new entrants in February and July 2018		**				***			1.623.289 euro if the allocation is considered; 81.853 euro in the financial statements		
Fees in the company which draws up the financial statements				1.271.083 €		65.964 €		73.569 €		1.410.616 €			1.010.000 €
Fees from subsidiaries or associates				1.321.425 €		157.743 €		110.852 €		1.590.020 €		22.635.050 €	842.000 €
Total				***2.592.508 €***		***223.707 €***		***184.421 €***		***3.000.636 €***		***22.635.050 €***	***1.852.000 €***

* see the Table recording "Incentive Plans Financial Instruments"

** gross annual pay, 1.873.005 euro; fee relating to Non-Competition Agreements 339.637 euro; other payments by way of compensation connected to expatriation of 379.867 euro

*** also includes the expatriation benefits and the tax impact of international assignments

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

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																
				Financial instruments assigned in previous years and not vested in the year		Financial instruments allocated in the year							Financial instruments vested in the year and not allocated	Financial instruments vested in the year and to be allocated		Financial instruments accruing in the year
A	B	1		2	3	4.a	4.b	4.c	5	6	7	8	9	10	11	12
Full name	**Office**	**Plan**		**Number and type of financial instruments**	**Vesting period**	**Number and type of financial instruments****			**Fair value at the date of the assignment**	**Vesting period**	**Date of the allocation**	**Market price of the allocation**	**Number and type of financial instruments**	**Number and type of financial instruments**	**Value at the vesting date**	**Fair Value******
Valerio Battista	CEO - Issuer's Director	LTI 2015-2017												Ordinary Prysmian Spa shares for a total of 473.299 (of which 247.858 as Perf. Shares, 225.441 as co-investment); of these 223.618 were sold for tax and contributory cover (sell to cover); 130.753 are still under lock-up	The price at 29 December 2017 was 26,287 euro; they were assigned after the Shareholders' Meeting of 12 April 2018	12.869.000 €
		LTI 2018-2020	2018-2020 performance share			Ordinary Shares of Prysmian S.p.A.	40.756	-	21,67 €	for allocation up to 31-Dec.-2020	Allocated by the Shareholders' Meeting of 12 April 2018; communicated June-August 2018 for Perf. Shares; During vesting of the 2018 bonus, for Co-investment	12 April 2018 price equal to 23,648 euro; 1 June 2018 price equal to 23,416 euro				1.382.459 euro if the allocation is considered
			Co-investment of 2018 bonus			Ordinary Shares of Prysmian S.p.A.	23.040	2.304								49.928 euro in the financial statements
Massimo Battaini	NA CEO - Issuer's Director	LTI 2015-2017												Ordinary Prysmian Spa shares for a total of 194.951 (of which 91.988 as Perf. Shares, 102,963 as co-investment); of these 92.118 were sold for tax and contributory cover (sell to cover); 48.522 are still under lock-up	The price at 29 December 2017 was 26,287 euro; they were assigned after the Shareholders' Meeting of 12 April 2018	5.300.718 €
		LTI 2018-2020	2018-2020 performance share			Ordinary Shares of Prysmian S.p.A.	17.291	-	21,67 €	for allocation up to 31-Dec.-2020	Allocated by the Shareholders' Meeting of 12 April 2018; communicated June-August 2018 for Perf. Shares; During vesting of the 2018 bonus, for Co-investment	12 April 2018 price equal to 23,648€; 1 June 2018 price equal to 23,416€				520.115 euro if the allocation is considered
			Co-investment of 2018 bonus			Ordinary Shares of Prysmian S.p.A.	6.711	1.678								36.357 euro in the financial statements
Pier Francesco Facchini	CFO - Issuer's Director	LTI 2015-2017												Ordinary Prysmian Spa shares for a total of 184,267 (of which 89,433 as Perf. Shares, 94,834 as co-investment); of these 87,076 were sold for tax and contributory cover (sell to cover); 47.171 are still under lock-up	The price at 29 December 2017 was 26,287 euro; they were assigned after the Shareholders' Meeting of 12 April 2018	5.010.220 €
		LTI 2018-2020	2018-2020 performance share			Ordinary Shares of Prysmian S.p.A.	13.833	-	21,67 €	for allocation up to 31-Dec.-2020	Allocated by the Shareholders' Meeting of 12 April 2018; communicated June-August 2018 for Perf. Shares; During vesting of the 2018 bonus, for Co-investment	12 April 2018 price equal to 23,648€; 1 June 2018 price equal to 23,416€				416.095 euro if the allocation is considered
			Co-investment of 2018 bonus			Ordinary Shares of Prysmian S.p.A.	5.369	1.342								29.085 euro in the financial statements
Fabio Ignazio Romeo	CSO - Issuer's Director	LTI 2015-2017												Ordinary Prysmian Spa shares for a total of 203.654 (of which 102.500 as Perf. Shares, 101,154 as co-investment); of these 96.230 were sold for tax and contributory cover (sell to cover); 54.067 are still under lock-up	The price at 29 December 2017 was 26,287 euro; they were assigned after the Shareholders' Meeting of 12 April 2018	5.537.352 €
		LTI 2018-2020	2018-2020 performance share			Ordinary Shares of Prysmian S.p.A.	14.863	-	21,67 €	for allocation up to 31-Dec.-2020	Allocated by the Shareholders' Meeting of 12 April 2018; communicated June-August 2018 for Perf. Shares; During vesting of the 2018 bonus, for Co-investment	12 April 2018 price equal to 23,648€; 1 June 2018 price equal to 23,416€				556.468 euro if the allocation is considered
			Co-investment of 2018 bonus			Ordinary Shares of Prysmian S.p.A.	10.816	1.082								23.439 euro in the financial statements
Managers with Strategic Responsibilities	6 people (4 people changed over the year)***	LTI 2015-2017												Ordinary Prysmian Spa shares for a total of 832.477 (of which 462.176 as Perf. Shares, 370,301 as co-investment); of these 383.706 were sold for tax and contributory cover (sell to cover); 248.775 are still under lock-up	The price at 29 December 2017 was 26,287 euro; they were assigned after the Shareholders' Meeting of 12 April 2018	22.635.050 €
		LTI 2018-2020	2018-2020 performance share			Ordinary Shares of Prysmian S.p.A.	50.437	-	21,67 €	for allocation up to 31-Dec.-2020	Allocated by the Shareholders' Meeting of 12 April 2018; communicated June-August 2018 for Perf. Shares; During vesting of the 2018 bonus, for Co-investment	12 April 2018 price equal to 23,648€; 1 June 2018 price equal to 23,416€				1.623.289 euro if the allocation is considered
			Co-investment of 2018 bonus			Ordinary Shares of Prysmian S.p.A.	24.472	3.777								81.853 euro in the financial statements

Notes:

LTI 2018-2020 - The Ordinary Shareholders' Meeting of 12 April 2018 approved the Plan

** The table reports financial instruments teoretically granted as performance shares for year 2018 at target and 2018 co-investment expressed in shares. They are compared to what was recorded for 2018 in company's statement of accounts.

*** All 6 took part in the LTI 2015-2017; only 4 in that of 2018-2020

**** For the LTI 2015-2017 the Fair Value at 31 December 2017 was 27,19 euro; for the 2018-2020 Plan the Fair Value at 12 April 2018 was 21,67 euro

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

Cash incentive plans in favour of members of the Board of Directors, general managers and other managers with strategic responsibilities									
(A)	(B)	1	2		4.b	5	6	7	8
Full name	**Office**	**Plan**	**Bonus for the year**			**Bonus 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									
Fees in the company which draws up the financial statements	CEO - Issuer's Director	MBO 2018 plan to be paid in 2019	82.913 €						
Fees from subsidiaries or associates									
Massimo Battaini									
Fees in the company which draws up the financial statements	NA CEO - Issuer's Director	MBO 2018 plan to be paid in 2019							
Fees from subsidiaries or associates			90.563 €						
Pier Francesco Facchini									
Fees in the company which draws up the financial statements	CFO - Issuer's Director	MBO 2018 plan to be paid in 2019	72.450 €						
Fees from subsidiaries or associates									
Fabio Ignazio Romeo									
Fees in the company which draws up the financial statements	CSO - Issuer's Director	MBO 2018 plan to be paid in 2019	38.923 €						
Fees from subsidiaries or associates									
Managers with Strategic Responsibilities									
Fees in the company which draws up the financial statements	6 people (4 people changed in the year; only 4 are eligible for payment)	MBO 2018 plan to be paid in 2019	65.964 €						
Fees from subsidiaries or associates			157.743 €						

Notes:

*Part of the 2018 bonus is co-invested and transformed into shares in the LTI 2018-2020; the key data is in the previous table

Model No. 7- ter
TABLE 1: Participation of members of the management and control bodies and General Managers

Full name	Office	Investee company	Number of shares owned at the end of the previous financial year (1)	Number of shares assigned (2)	Number of shares sold	Number of shares owned at the end of the current financial year (3)
Claudio De Conto	Chairman of the Board of Directors		0	0	0	0
Valerio Battista	CEO and Gen. Manager	Prysmian S.p.A.	3,320,501	977,551	223,618	4,074,434
Paolo Amato	Director (in charge as from 12/4/2018)		0	0	0	0
Massimo Battaini (4)	Director	Prysmian S.p.A.	110,615	222,341	92,118	240,838
Joyce Victoria Bigio	Director (in charge as from 12/4/2018)	Prysmian S.p.A.	0	500	0	500
Maria Elena Cappello	Director		0	0	0	0
Monica De Virgiliis	Director		0	0	0	0
Pier Francesco Facchini	Director	Prysmian S.p.A.	150,334	222,269	87,076	285,527
Francesco Gori	Director (in charge as from 18/09/2018)		0	0	0	0
Mimi Kung	Director (in charge as from 12/04/2018)		0	0	0	0
Maria Letizia Mariani	Director		0	0	0	0
Fabio Romeo	Director	Prysmian S.p.A.	128,623	235,781	96,230	268,174
Massimo Tononi	Chairman of the Board of Directors (in charge until 18/09/2018)		0	0	0	0
Alberto Capponi (5)	Director (in charge until 12/04/2018)		0	0	0	0
Giovanni Tamburi (5)	Director (in charge until 12/04/2018)		0	0	0	0
Pellegrino Libroia	Chairman of the Board of Statutory Auditors		0	0	0	0
Laura Gualtieri	Standing Auditor		0	0	0	0
Paolo Lazzati	Standing Auditor		0	0	0	0
Claudia Mezzabotta	Alternate Auditor		0	0	0	0
Michele Milano	Alternate Auditor		0	0	0	0

(1) Number of shares held at the time of appointment, if this occurred during the year.
(2) These also include the shares (i) assigned as part of the participation in incentive plans, (ii) acquired/assigned as part of the share-based participation plans and (iii) deriving from the underwriting of new shares from a share capital increase.

(3) Number of shares held at the time of leaving the position, if this occurred during the year.

(4) Shares partly held directly and partly held indirectly through his spouse.

(5) The directors Giovanni Tamburi and Alberto Capponi, who left their positions owing to the expiry of their mandates on 12 April 2018, are respectively the Chairman of the Board of Directors and a director of Clubtre S.p.A., a company which held at 31/12/2017 and at 12/04/2018 no. 8,690,312 shares in Prysmian S.p.A. and which were all kept until 31/12/2018. In addition, they are respectively the Chairman of the Board of Directors and a Director of Tamburi Investment Partners S.p.A., a company which did not hold any shares in Prysmian S.p.A. at 31/12/2017, while it held no. 1,754,000 Prysmian shares at 31/12/2018.

TABLE 2: Participation of other Managers with Strategic responsibilities

Managers with strategic responsibilities (1)	Investee company	Number of shares owned at the end of the previous financial year	Number of shares assigned	Number of shares sold	Number of shares owned at the end of the current financial year
6	Prysmian S.p.A.	111,592	526,790	241,754	396,628

(1) Two Managers with Strategic Responsibilities out of the six indicated in the table ended their employment during the year.