

REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER TWO OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 5 JUNE 2019, THE PROPOSAL TO ALLOCATE THE NET PROFIT OF THE YEAR, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

2. Allocation of net profit for the year and distribution of dividend.

Shareholders,

the Board of Directors proposes to resolve, from the profit for the 2018 financial year and on profit reserves, the distribution of a gross dividend of Euro 0.43 to each voting ordinary share. Considering the outstanding ordinary shares, equal to no. 268,144,246, and the no. 5,086,214 treasury shares directly owned as of today, which have no right to profits, the total amount to be distributed would be equal to approximately Euro 113 million.

The number of shares with right to profits will be calculated with reference to the evidence of the accounts in relation to the end of the accounting day under art. 83-*terdecies* of Legislative Decree no. 58/1998 (so called "record date").

It is furthermore reminded that allocation of Euro 1,013,230 to the "Legal Reserve" is required, in order to have such reserve equal to one-fifth of share capital, as required by art. 2430 of the Italian Civil Code.

Finally, considering the year 2019 calendar approved by Borsa Italiana S.p.A., we propose that the dividend will be payable from 26 June 2019, with record date on 25 June 2019 and shares going ex-div on 24 June 2019.

Considering the above, we propose that you adopt the following resolution:

"The Shareholders' Meeting,

examined the financial statements at 31 December 2018, which closes with a net profit of Euro 95,815,574,

RESOLVES

to allocate the net profit for the year of Euro 95,815,574 as follows:

- *Euro 1,013,230 to the "Legal Reserve", thereby reaching one-fifth of share capital at 31 December 2018, as required by art. 2430 of the Italian Civil Code;*
- *to each voting ordinary share (considering the treasury shares directly owned) a gross dividend of Euro 0.43, drawn for a total of approximately Euro 95 million from the profit for the year and approximately Euro 18 million from the following available earnings reserves: "Retained earnings".*

The dividend will be payable from 26 June 2019, with record date on 25 June 2019 and shares going ex-div on 24 June 2019".

Milan, 30 April 2019

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