

REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER TEN OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 12 APRIL 2018, UPON THE REMUNERATION POLICY OF PRYSMIAN GROUP, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

10. Consultation on the Prysmian Group's remuneration policies.

Shareholders,

Art. 123-ter of Italian Legislative Decree 58/1998, relating to transparency of the remuneration of listed company directors, requires listed companies to make a remuneration report publicly available at least 21 days before the shareholders' annual general meeting.

We have therefore convened the meeting in order to submit you the Prysmian Group's "Remuneration Report", approved by the Board of Directors and attached to the present report.

The Remuneration Report has been prepared in accordance with Appendix 3A, Format 7-bis of Consob Issuer Regulation 11971/99 and consists of two sections: section one describing the remuneration policy for members of the governing bodies and for key management personnel and the procedures used to adopt and implement this policy; section two describing in detail:

- a) the remuneration of members of the governing and control bodies as well as of general managers,
- b) the remuneration of any other key management personnel, whose total compensation received during the year (obtained by summing monetary and share-based compensation) is higher than the highest total compensation paid to anyone in a) above.

Pursuant to art. 123-ter, par. 6, of Italian Legislative Decree 58/1998, the Shareholders' Meeting is required to adopt a non-binding resolution for or against section one of the Remuneration Report.

* * *

Shareholders,

now, therefore, we invite you to express your opinion to the following:

"With regard to the Remuneration Report by the Board of Directors, the Shareholders' Meeting expresses a favourable opinion on section one of the Remuneration Report, containing the description of the remuneration policy for members of the governing bodies and for key management personnel and the procedures used to adopt and implement this policy of the Prysmian Group."

Milan, 13 March 2018

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CHAIRMAN'S LETTER

Dear Shareholders,

it gives me great pleasure to provide you with the 2017 Remuneration Report.

The aim of this document is to increase our stakeholders' awareness of our remuneration policies and show that they are consistent with our business strategies.

In 2017, our focus on remuneration related issues within the Prysmian Group remained strong, especially in light of the General Cable operation at year-end. Completion of the acquisition of 100% of the share capital of General Cable Corporation, expected by the third quarter of 2018, will result in the consolidation and renewal of instruments introduced in previous years with the objective of pursuing a Group remuneration policy consistent with a responsible approach based on performance, sustainability and transparent dialogue with investors. The new scope will bring with it new integration and retention challenges, areas in which the remuneration policy plays a key role.

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

Among the most important actions taken by the Remuneration, Nomination and Sustainability Committee during 2017 to support the Board of Directors, we must mention the establishment of the new long-term Incentive Plan (LTI 2018-2020) for managers and key people in the Group, consisting of a Performance Shares Plan and a Plan to co-invest the annual bonus for 2018, 2019 and 2020 that will be submitted for approval by the Shareholders' Meeting on 12 April 2018.

During 2017, to support the Board of Directors, the Remuneration, Nomination and Sustainability Committee also monitored the implementation of the employee stock purchase plan "YES" (Your Employee Shares): a plan which allowed more than 50% of the Group employees to purchase company shares at favourable conditions, having them become shareholders. The Committee advised the Board to extend this Plan to the scope of the General Cable Corporation following the completion of the acquisition, in order to strengthen the involvement of the new employees and their sense of belonging to our Group. This proposal will be submitted for the approval of the Shareholders' Meeting on 12 April 2018.

During 2017, the Committee continued promoting initiatives intended to increase the Group's sustainability at different levels and particularly as regards environmental, social and economic aspects. In 2018, for the first time, the Sustainability Report was presented together with the Group's Financial Statements.

In 2017, the Committee also offered its support in the construction and revision of the remuneration packages of Executive Directors and Directors with specific functions, Managers with strategic responsibilities and the Internal Control & Compliance Senior Vice President of the Group, in line with the Group's internal policies and the best market practices.

The Committee played a central role in the preparation of the document that contains the Description of the Policies applied with regard to the composition of the Board of Directors and the Board of Statutory Auditors, supplementing the provisions and requirements of Article 123 of the Consolidated Law on Finance (TUF) with the best international practices, introducing a matrix evaluation system and enhancing diversity aspects.

In 2018, Prysmian will continue its current approach aimed at creating an effective and competitive remuneration system, in light of the new corporate scope, such as to favour the integration of the two companies and to 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.

This Remuneration Report has been approved by the Board of Directors on 07 March 2018 and Section I will be submitted for an advisory vote to the Ordinary Shareholders' Meeting pursuant to applicable laws.

The Chairman of the Remuneration, Nomination and Sustainability Committee
Giovanni Tamburi

SENTENCE TO BE WRITTEN NEXT TO THE LETTER: *The results achieved in this last year, confirm the quality of the Prysmian Group employees. The remuneration systems we adopt aim to achieve sustainable performance over time, creating value for our shareholders.*

Cornerstones of Prysmian’s Remuneration Policy

The following principles inspire the Remuneration Policy for Executive Directors and Directors with specific functions, as well as Managers with Strategic Responsibilities of the Prysmian Group:

- 1 Focus on performance and value creation
- 2 Attractiveness and motivation
- 3 Sustainability
- 4 Transparency and governance
- 5 Participation

Elements of pay

The main elements and characteristics of the remuneration packages of the Executive Directors and Directors with specific functions, as well as Managers with strategic responsibilities of the Prysmian Group, are summarized as follows:

Element of pay	Purpose and principles	Key characteristics
Fixed remuneration	It is remuneration for the position held, so as to ensure attractiveness and motivation	<ul style="list-style-type: none"> - Defined in line with the complexity and the responsibilities of the role in order to ensure equal treatment. - Monitored in relation to the external market to guarantee the right level of competition and defined on the basis of individual performance and potential.
Annual bonus (MBO)	It establishes a clear connection between remuneration and annual performance	<ul style="list-style-type: none"> - The payment of the annual bonus is subject to the achievement of predetermined Group economic and financial performance levels. The annual bonus is linked to income (Adjusted EBITDA) and financial (Net Financial Position) key indicators. - In consideration of the extraordinary merger and acquisition of General Cable Corporation, which, if successfully completed, will significantly change the scope of Group activities, performance targets will be set for the current scope until the quarter in which the transaction is concluded, and after closing, performance targets for the combined company with the aim of accelerating integration and the synergies arising from the same. The performance targets subject to the payment of the 2018 annual bonus post-closing will include specific targets regarding the cost synergies deriving from the merger. - The value of the bonus depends on the degree to which the Group’s objectives are reached - A maximum level (cap) is set and a multiplier that is connected with the assessment of individual performance (P3).
Co-investment	It ensures coherence between annual and multi-year performance, fostering the active involvement of the management	<p>A share ranging between 25% and 75% of the annual bonus pertaining to 2018, 2019 and 2020 is co-invested for a maximum period of three years, with an ex-ante decision in 2018 by the management regarding the levels of investment for the following three years.</p> <p>At the end of the 2018-2020 three-year period, upon achieving the three-year goals of Adjusted EBITDA, the repayment of the portion of the co-invested bonus is envisaged, increased according to the co-invested percentage bonus; the portions are returned in the form of shares.</p> <ul style="list-style-type: none"> - The Adjusted EBITDA objective is a minimum performance condition and a gate threshold; in case of failure to achieve the same, the right to receive the

		<p>increase of co-invested bonuses lapses and the amounts invested are reimbursed to a lesser extent, in the form of shares.</p> <ul style="list-style-type: none"> - The allocation of shares is also subject to the performance of Total Shareholder Return (TSR) over the three-year period, compared to the TSR of the Stoxx 600 Industrial Goods and Services index. The TSR result serves as a demultiplier (up to a maximum reduction of 25%) and multiplier (up to a maximum increase of 12.5%). -The plan is based on performance targets post combination with General Cable Corporation; the successful completion of the acquisition within 2018 represents a binding condition for the implementation of the plan itself.
Performance share	It encourages the alignment of individual interests with those of the stakeholders from a long-term perspective	<ul style="list-style-type: none"> - The plan provides for the free allocation of Prysmian shares at the end of a three-year performance period (2018-2020), subject to achieving the performance conditions measured over the period. - The number of shares to be assigned will depend on the level of achievement of the three-year objectives of cumulative Adjusted EBITDA, which serves as a minimum performance condition and gate threshold, and Net Financial Position at the end of the three years. - The allocation of shares is also subject to the performance of Total Shareholder Return (TSR) over the three-year period, compared to the TSR of the Stoxx 600 Industrial Goods and Services index. The TSR result serves as a demultiplier (up to a maximum reduction of 25%) and multiplier (up to a maximum increase of 12.5%). -The plan is based on performance targets post combination with General Cable Corporation; the successful completion of the acquisition within 2018 represents a binding condition for the implementation of the plan itself.
Benefits	They supplement the provisions of the social security plan and applicable contracts, to ensure a suitable level of total remuneration.	<ul style="list-style-type: none"> - Social security and healthcare benefits - Company car.
End of service or termination indemnity	Specific agreements with a view to retention e alignment of Prysmian's long-term interests	- No more than 24 months, in compliance with local laws and contracts
Non-competition agreements	Specific agreements with a view to ensuring medium-term protection of Prysmian	- Defined in relation to the duration and extent of the restriction

Pay-mix

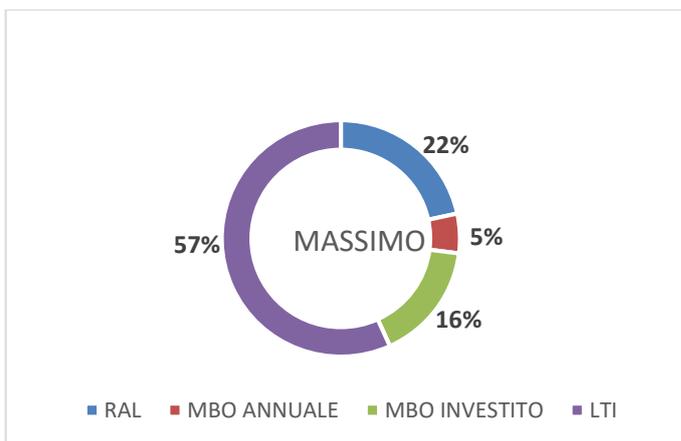
The remuneration package of the Executive Directors and Directors with specific functions, as well as the Managers with Strategic Responsibilities of the Prysmian Group, is as follows:

- 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 remuneration is mostly paid in shares (participation in value creation)

CEO and General Manager, Valerio Battista

	Fixed remuneration	Variable annual remuneration	Variable medium/long-term remuneration	Variable long-term remuneration
CEO, target	29	5	15	51
	Fixed remuneration	Variable annual remuneration	Variable medium/long-term remuneration	Variable long-term remuneration
CEO, maximum	22	5	16	57

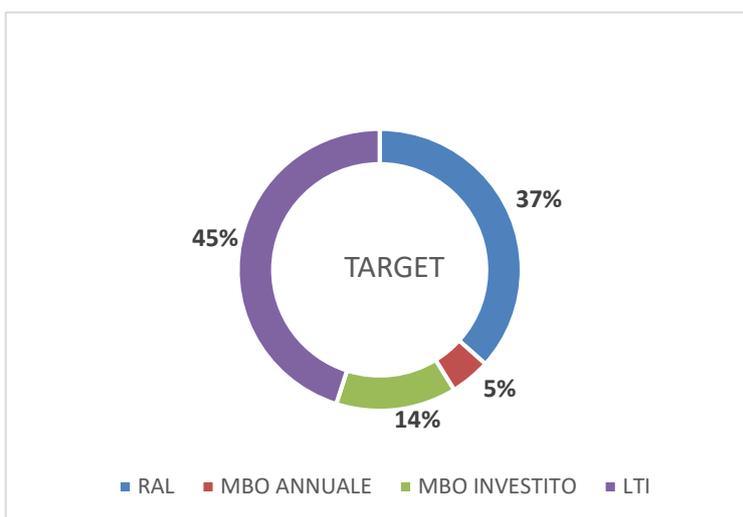


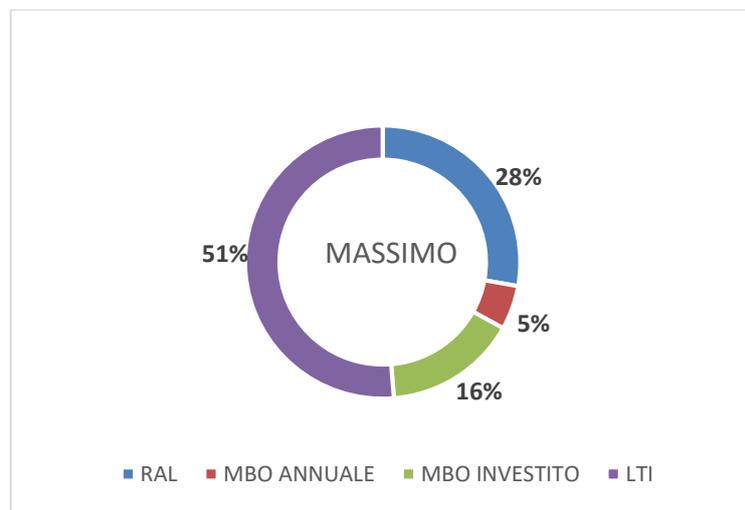


Executive Directors and Managers with Strategic Responsibilities

	Fixed remuneration	Variable annual remuneration	Variable medium/long-term remuneration	Variable long-term remuneration
MSR, target	36	5	14	45

	Fixed remuneration	Variable annual remuneration	Variable medium/long-term remuneration	Variable long-term remuneration
MSR, maximum	28	5	16	51





The performance share and co-investment value is calculated on the plan's face value basis in terms of shares. The pay-mix is calculated based on the actual potential total payment (cash, shares) in the 2018-2020 period during which the long-term incentive plan will be in effect, assuming a dynamic investment profile with regard to the annual bonus. Any other forms of remuneration (non-competition agreements, retention bonuses) described in section II of the Report are not considered in the pay-mix analysis, just as the multiplier/demultiplier of the annual bonus connected with the assessment of performance for Executive Directors with specific functions and Managers with strategic responsibilities, are not taken into account.

Pay-mix and performance-related pay

Monetary and share pay, short- and long-term pay-mix

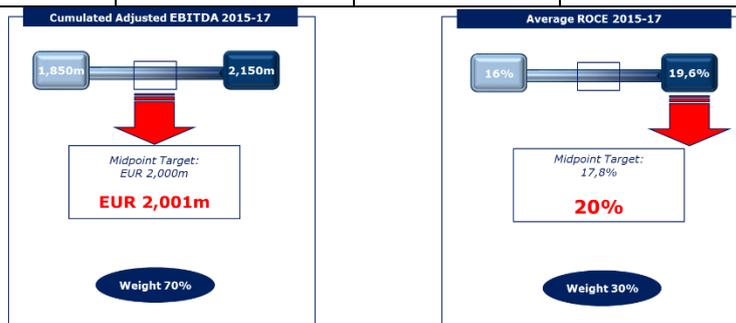
	Target	Maximum
Chief Executive Officer and General Manager		
Monetary pay-mix	34	27
Share pay-mix (deferred over time)	66	73
Executive Directors and Managers with Strategic Responsibilities		
Monetary pay-mix	41	33
Share pay-mix (deferred over time)	59	67

Long-Term Incentive 2015-2017: Value creation for the shareholders

The final balance, valid for all Participants of the Long-Term Incentive 2015-2017, is shown in the table and chart below. The Group exceeded the maximum target for ROCE and achieved average performance for Adjusted EBITDA. Participants will receive shares, corresponding to the rights acquired as at 31 December 2017, in May 2018, following the Shareholders' Meeting called to approve the 2017 Financial Statements. These shares, as envisaged by the Plan, will be subject to lock-up constraints and Malus and Claw Back clauses.

Performance indicators 2015-2017

	Cumulative Group Adjusted EBITDA (weight 70%)	Average Group ROCE (weight 30%)	Distribution curves
Minimum performance (target)	€ 1,850 m	16%	100
Maximum performance (cap)	€ 2,150 m	19.6%	150
Actual	€ 2,001 m	20%	133

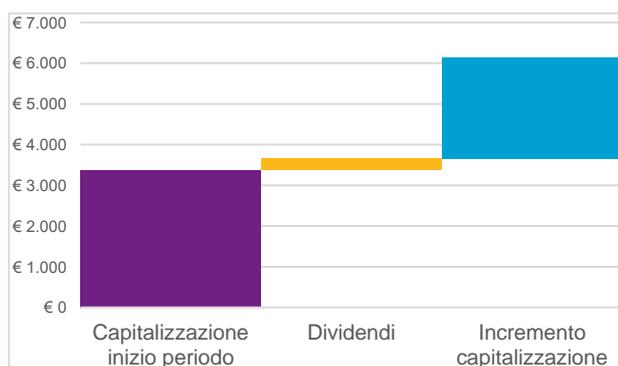


Performance: 132,62

During the 2015-2017 period, Prysmian increased its value by over 80%, in terms of share price growth and dividends paid to shareholders. In line with the remuneration policy's purpose of improving performance and participation in value creation, the variable share-based remuneration systems (co-investment and performance shares) distributed approximately 1.5%* of the value created to the top management of the company (CEO, Executive Directors and Managers with Strategic Responsibilities). This value, created with the company's top management, derives half from the performance share plan and half from the top management's investment in the annual bonus obtained (co-investment).

*Determined on the date of XX

Value created between the grant date and xxx (2015-2017)



Participation of top management in value creation



2018 Objectives of the CEO, Executive Directors and Managers with Strategic Responsibilities – ex-ante disclosure

In consideration of the extraordinary merger and acquisition of General Cable Corporation, which, if successfully completed, will significantly change the Group’s scope, performance targets will be set according to the current scope until the quarter in which closing will take place, and following the closing quarter, performance targets will be set for the combined company with the aim of accelerating integration and the synergies arising from the same. The goals of the Chief Executive Officer and General Director of Prysmian, approved by the Board of Directors in the meeting held on 27 February 2018, on the proposal of the Remuneration, Nomination and Sustainability Committee, are shown below:

Period prior to the closing date of the acquisition of General Cable Corporation, limited to the current scope of Prysmian

Stessi pesi per AD, Amministratori esecutivi e DIRS	ON OFF	Obiettivo cancellato	Adjusted EBITDA Gruppo (gennaio – fine trimestre del closing)
	60	Obiettivi di performance	Adjusted EBITDA Gruppo (gennaio – fine trimestre del closing)
40	Posizione Finanziaria Netta Gruppo (fine del trimestre del closing)		

Period following the closing date of the merger and acquisition transaction, considering the new scope to be assumed by Prysmian

	ON OFF	Obiettivo cancello	Posizione Finanziaria Netta di Gruppo (a dicembre 2018)
Stessi pesi per AD, Amministratori, esecutivi e DIRS	40	Obiettivi di performance	Adjusted EBITDA Gruppo (trimestre successivo al closing – dicembre 2018)
	40		Posizione Finanziaria Netta di Gruppo (a dicembre 2018)
	20		Costi fissi di Gruppo

No disclosure is given on the target performance level for each indicator because it is price-sensitive information. Each year in May, Prysmian informs investors of the expected performance range. The targets included in the schemes are those specified in the corporate financial statements and are measured using the same reporting criteria.

Given the strategic nature of the acquisition and the desire to operate as a single company with common performance targets immediately following the completion of such transaction, the 2018 targets have been simplified and focused on key economic and financial indicators. 2018 should be considered a year of transition; **sustainability goals**, already considered important by the company, **will be reintroduced to the MBO system in 2019**, together with targets focused more on individual roles and the performance of Business Units.

SECTION I

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.

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, on the one hand, and performance, both individual and of the Group, on the other.

The Remuneration Policy described in this document applies to the members of the Group's Board of Directors and Managers with Strategic Responsibilities.

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

Full name	Office	Position	Control and Risks Committee	Remuneration, Nomination and Sustainability Committee
Tononi Massimo *	Chairman	Independent non-executive director	-	Member
Battista Valerio	Chief Executive Officer and General Manager	Executive director	-	-
Battaini Massimo	Director	Executive director	-	-
Cappello Maria Elena **	Director	Independent non-executive director	Member	-
Capponi Alberto **	Director	Independent non-executive director	-	-
De Conto Claudio **	Director	Independent non-executive director	Chairman	Member
de Virgiliis Monica **	Director	Independent non-executive director	-	-
Facchini Pier Francesco	Director	Executive director	-	-
Mariani Maria Letizia **	Director	Independent non-executive director	Member	-
Romeo Fabio Ignazio	Director	Executive director	-	-
Tamburi Giovanni **	Director	Independent non-executive director	-	Chairman

[*] meeting the independence requirements set forth by Art. 148, paragraph 3, of Italian Legislative Decree no. 58 of 24 February 1998.

[**] meeting the independence requirements set forth by Art. 148, paragraph 3, of Italian Legislative Decree no. 58 of 24 February 1998 and by the Code of Conduct for Listed Companies - most recently amended in July 2015 - approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. [Italian Stock Exchange], ABI [Italian Banking Association], ANIA [Italian National Association of Insurance Companies], Assogestioni [Italian Association of Asset Management Companies], Assonime [Association of the Italian Joint Stock Companies] and Confindustria [General Confederation of Italian Industry].

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	Job Title
Hendricus Christiaan Nieman*	Senior Vice President Business Energy Products
Andrea Pirondini	Chief Operating Officer
Philippe Vanhille	Senior Vice President Business Telecom Business
Cristiano Tortelli	Senior Vice President Oil & Gas + SURF

[*] Replaced in February 2018 by Francesco Fanciulli

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

This 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 assess and formulate proposals made to the Board of Directors regarding share incentive plans, stock options, public shareholding and similar incentive and retention plans applicable to the Management and the employees of Group companies that are owned by the Company;
- to carry out preliminary investigations for the preparation of succession plans for Executive directors if the Board of Directors resolves to adopt them.
- supervise sustainability issues linked to the Company's business operations and its interactions with all the stakeholders. In particular:
 - o 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: Giovanni Tamburi, Chairman, Claudio De Conto and Massimo Tononi.

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

2017 ACTIVITIES

During 2017, the Committee met 6 times and all the members of the Committee took part in all but one meetings.

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 analysis of information relating to sustainability, as given in the Sustainability Report;
- the support in defining the new share purchase plan at special conditions for Group employees ("YES Plan") and the monitoring of progress;
- the analysis of planning for human resources to review the succession plan for the Group's senior management;
- the preparation of the document that contains the Description of Policies applied in relation to the composition of the Board of Directors and the Board of Statutory Auditors.

The Remuneration, Nomination and Sustainability Committee, while providing advice and making

proposals, draws on the support of two independent external consultants, Korn Ferry Hay Group and Willis Tower Watson, which provide information on trends, practices, and market pay levels on a global scale in order to monitor the fairness of Top Management pay.

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.

Graphic layout of the scheme

Period	Focus
January - March	<ul style="list-style-type: none"> • Check on the implementation of the 2016 policy • 2017 policy principles • Balance of the 2016 annual incentive scheme • 2017 Annual incentive scheme • Verification of the suitability of the remuneration levels for the CEO and Managers with Strategic Responsibilities • 2017 Remuneration Report • Sustainability Report
April - June	<ul style="list-style-type: none"> • YES Monitoring • Sustainability Monitoring
July - August	<ul style="list-style-type: none"> • YES Monitoring • Succession Plans feedback
September - December	<ul style="list-style-type: none"> • Succession plans • New LTI 2018-2020 • YES revision for 2019-2020 • Description of Policies applied in relation to the composition of the Board of Directors and the Board of Statutory Auditors.

In the final months of 2017 and the early months of 2018, also considering the merger and acquisition of General Cable Corporation, the Committee prepared a new short-term incentive plan and a medium-long term incentive plan for the Group in line with the previous co-investment plan and performance shares plan. The medium-long term incentive plan will be submitted for approval by the Shareholders' Meeting of 12 April 2018, and its effective implementation will be subject to the successful completion of the merger and acquisition of General Cable Corporation.

3. Remuneration policy principles

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, in line with investors' expectations
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 develop 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 do so through the share Incentive Plans

Comparison with the market plays an important role in the preparation of the remuneration policy. As from last year, 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 16 April 2015 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 530,000 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 7 independent non-executive directors, pursuant to the Consolidated Law on Finance (TUF),
- (ii) Euro 60,000 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 scheduled on 12 April 2018, for the approval of the financial statements as at 31 December 2017. The 2018 remuneration policy guidelines will thus be applied to the new Board of Directors, which will be responsible for the specific determination of remuneration due to Directors with powers of attorney and to Non-Executive Directors for participation in board committees, implementing the applicable legislative and statutory provisions.

5. Remuneration of Executive Directors and Managers with Strategic Responsibilities –

elements of pay

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 2018.

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.

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).

Since 2017, the evaluation criteria used to define the Remuneration Policy for the Group's management includes potential, assessed through the method P4 - Prysmian People Performance Potential and for the top levels of the Group involves an assessment process carried out by Spencer Stuart, aimed at providing the Board of Directors with an independent opinion on the top resources involved in the Group's succession plan. The aim is to integrate the main 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, the Korn Ferry Hay Group, 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
- Philips Lighting

- Saab
- Safran
- Thales
- Zodiac Aerospace

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 short and medium/long-term remuneration

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

- Annual bonus (MBO – Management by objectives), in 2018 it will be divided into two performance periods: the first going from January 2018 until the quarter of the extraordinary merger closing and acquisition transaction; the second period, based on performance targets for the combined company, for the remaining quarters of the year;
- Co-investment plan;
- performance share.

5.3.1. Annual bonus (MBO - Management by objectives)

Purposes

The variable annual incentive system (MBO - Management By Objectives) designed by the Group for employees holding positions of responsibility aims to align individual conduct with the organization's annual strategic objectives, rewarding the beneficiary for the results achieved in the short-term (1 year).

For the year 2018, considering the extraordinary transaction regarding the merger and acquisition of General Cable Corporation, the plan is exceptionally and temporarily divided into two parts:

- The first part aimed at achieving the 2018 performance targets of Prysmian at a constant scope, until the quarter of the closing date;
- The second part aimed at achieving the performance targets of the combined company, which will start from the quarter following the closing date and continue until the end of 2018; this second part is aimed at ensuring management's focus on operating as a single company with immediate effect from the closing date of the transaction, pursuing the synergies offered by the extraordinary transaction from the outset.

The annual variable incentive system is revised 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 will vary depending on the level of achievement of each objective assigned up to the pre-set maximum (cap).

A multiplier (+15%)/demultiplier (-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/demultiplier does not, however, apply to the Group's Chief Executive Officer and General Director.

Performance conditions

The 2018 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:

for the first part, until the closing date

- **An ON/OFF condition**, represented by the Adjusted EBITDA of the current scope of the Group, the achievement of which will determine access to the system; in case of failure to achieve the condition for access, no incentives will be disbursed;
- **Two economic/financial objectives** with different weights and independent from one another, assigned to all members of the Group's management;

for the second part

- **An ON/OFF condition**, represented by the Net Financial Position of the combined company, the achievement of which will determine access to the system; in case of failure to achieve the condition for access, no incentives will be disbursed;
- **Three economic/financial objectives** with different weights and independent from one another, assigned to all members of the Group's management, post combination.

Performance - incentive connection

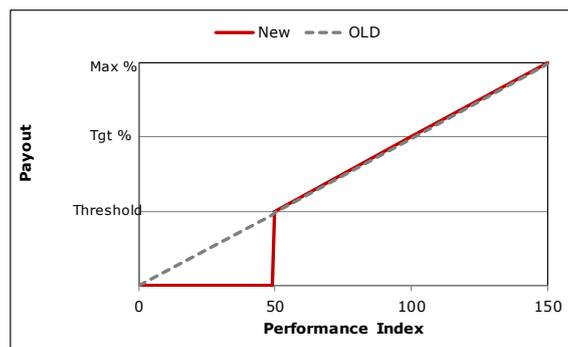
All the objectives include an entry level (min.) and a maximum limit (max.).

- 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 indicator 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.

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

The payment of the annual Bonus will take 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.

Although linked to performance targets on periods and scopes prior and subsequent to the closing date of the merger and acquisition transaction, there will be no changes to the timing of the actual disbursement of the 2018 bonus, which will take place in 2019 after the approval of the consolidated financial statements.

5.3.2. Co-investment plan

The Plan to defer and co-invest part of the accrued annual bonus (MBO) and valid for the 2018-2020 period represents one of the components of the long-term Incentive Plan, together with the Performance Share Plan, also proposed for the 2018-2020 period and described below. The 2018-2020 LTI plan will be submitted to the Shareholders' Meeting on 12 April 2018.

Recipients

The recipients of this Plan are approximately 600 key managers of the Group following the acquisition of General Cable Corporation, including 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 performance conditions for the subsidiary will also be included.

Characteristics

As provided for by the deferral and co-investment plan, part of the payment of the annual bonus accrued for 2018, 2019 and 2020 is deferred for a period respectively of three years, two years and one year:

- 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.

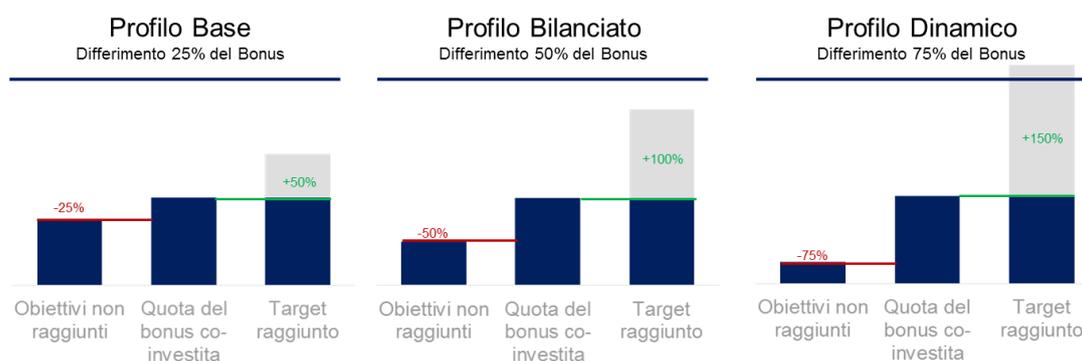
The deferral and co-investment Plan therefore also makes a significant portion of the annual incentive (MBO) and conditional on achieving the three-year objectives.

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 potentially accrued in 2018, 2019 and 2020 with the possibility of obtaining, in 2021 and in case of target level achievement of the pre-set objectives, 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 in case of target level achievement of the pre-set objectives, 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 in case of target level achievement of the pre-set objectives, 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.

Co-investment profiles and link between profiles and disbursement



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 period.

Performance conditions

The objectives to which the multiplier/demultiplier of the co-invested annual bonus is linked are:

- the Group's accumulated adjusted EBITDA in the 2018-2020 three-year 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/demultiplier.

The plan is based on performance targets post combination with General Cable Corporation; the targets also include, for the 2018 pre-closing period, the performance targets of the two stand-alone entities.

The successful completion of the acquisition in 2018 is a binding condition for the implementation of the plan.

For further details on the target metrics, reference should be made to the paragraph below.

For more details about the Plan, reference can be made to the related Information Document, available

from the website www.prysmiangroup.com, in the Investor Relation - Corporate Governance - Remuneration - Incentive Plans section).

5.3.3. Performance share

The Performance Share Plan for 2018-2020, which is subject to the approval of the Shareholders' Meeting on 12 April 2018, provides for the assignment to each participant of a minimum and maximum number of Prysmian Shares. In 2021, the beneficiaries of the plan will receive, within the aforementioned range, a number of shares based on the degree of achievement of the two three-year 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.

The Plan is based on performance targets post combination with General Cable Corporation; the targets also include, for the 2018 pre-closing period, the performance targets of the two stand-alone entities.

The successful completion of the acquisition in 2018 is a binding condition for the implementation of the plan.

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 indicators 2018-2020		Distribution curves
	Cumulative Group Adjusted EBITDA* (Weight 60%)	Group Net Financial Position as at December 2020** (Weight 40%)	
Minimum performance (target)	3,000	1,650	100
Maximum performance (cap)	3,200	1,400	150

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.

Performance - incentive connection

The assignment value if the target level of both the economic and financial objectives is achieved and the maximum level, if the maximum level of both the economic and financial objectives is achieved, will be defined for each beneficiary in relation to the role held, the contribution to results and the individual fixed remuneration levels.

In the event a performance level between the minimum and maximum is achieved, the number of performance shares allocated 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 be counted.

The TSR performance achieved by Prysmian compared to the reference index serves as

multiplier/demultiplier, increasing or reducing the actual number of shares to be granted. In case of performance in line with the index identified, 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 highest increase, even if 25% is exceeded. If performance is between -25%/0% or 0%/+25%, the 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 Plan, co-investment and performance shares. For the latter, starting from the result obtained from the separate balance of the two performance objectives, cumulative Group Adjusted EBITDA and the Group Net Financial Position.

In any case, the maximum number of shares may not exceed the maximum number of Shares initially granted to each Participant multiplied by 12.5% (cap).

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 which the beneficiaries are not allowed to dispose of part of the shares that may have been allocated to them. For Executive directors and Managers with Strategic Responsibilities, this lock-up will be applied to **100%** of shares derived from the Performance Shares, net of those sold to cover tax obligations.

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

Claw back

The plan also envisages a claw back clause 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 financial data of the Company or any other Group company such as to have an impact on the disbursement of the Shares envisaged by the Plan or in case of fraud and/or wilful misconduct.

The Malus and Claw back clauses may be locally adapted in order to comply with local regulations. The clause will concern the Group CEO and the Senior Management who report to them. It will 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, in the Investor Relation - Corporate Governance - Remuneration - Incentive Plans section).

5.4. Benefits

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

- supplementary pension plan;
- supplementary medical insurance;
- insurance policy for accidents that may occur outside the professional environment;
- 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 will be revised 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. The only existing retention bonus was paid and closed in December 2017.

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 regulation 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 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 shareholding campaign carried out in December 2016 and in December 2017 confirmed significant participation (approximately 7500 participants) and an investment of over 11M€. More than 54% of the employees are currently Prysmian shareholders, representing around 1% of the company's share capital.

The YES Plan represents an excellent opportunity to gather, involve and create a sense of belonging among all Group employees, including those who will join the Group following the successful completion of the merger and acquisition of General Cable Corporation. 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, has thus been submitted for approval by the Shareholders' Meeting on 12 April 2018.

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

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 termination of a Manager with Strategic Responsibilities was managed by following this procedure.

8. Pay structure for auditors

A specific long-term incentive plan has been envisaged for the Internal Control & Compliance Senior Vice President with objectives in line with his responsibilities; therefore, he has been excluded from the long-term incentive Plan (LTI 2018-2020), in compliance with the indications of Article 6 of the Code of Conduct for Listed Companies (2014 Edition). The managers responsible for financial reporting, on the other hand, participate in the Plan; the malus and clawback clauses have been included also to protect and support the positive outcome of their work.

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 2017.

1. Chairman of the Board of Directors

The remuneration of **Massimo Tononi, Chairman of the Board of Directors**, totally amounts to Euro 130,000 of which Euro 60,000 for his position as Chairman of the Board of Directors, Euro 50,000 as an Independent Director and Euro 20,000 as a member of the Remuneration, Nomination and Sustainability Committee.

The remuneration paid during 2017 amounts to an overall total of Euro 130,000, of which Euro 43,300 was paid in April, as the second instalment of the remuneration for the period from April 2016 to April 2017 and Euro 86,700 in December as the first instalment of the remuneration for 2017 – 2018.

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 pay:* Euro 1,100,000.
- *Annual cash variable pay:* the value of the accrued annual bonus 2017 (MBO) is Euro 1,036,530, which corresponds to the total envisaged on achievement of performance levels above the target, as shown in the following table.

	2017
Group Net Financial Position	ON
Group Recurring EBITDA	ON

	RESULT
Group Recurring EBITDA	53.2
Group Net Financial Position	45
M&A Projects (RemCo and BoD assessment)	30
Dow Jones Sustainability Index (2016-2017)	13.3
Total	141.3

- *Deferral and co-investment 2015-2017:* Valerio Battista is included amongst the beneficiaries of the Deferral and Co-Investment Plan concluded in December 2017, with the achievement of 133 performance points out of the maximum 150. Valerio Battista acquired the right to receive 225,441 shares in 2018, considering the co-investment profile chosen (dynamic) and the amount co-invested under the 2015 & 2016 MBO.
- *Performance share 2015-2017:* Valerio Battista is included amongst the beneficiaries of the Performance Share Plan; upon the conclusion of the Plan and the achievement of 133 performance points out of the maximum 150, Valerio Battista acquired the right to receive 247,858 shares, which

will be allocated in 2018 and subject to the lock-up constraints described in section I of this document.

- *Benefits*: the value of the non-cash benefits package allocated to the Chief Executive Officer is equal to Euro 12,618.

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.

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.
- *Annual cash variable remuneration*: the value of the 2017 annual bonus (MBO) accrued is Euro 489,012, which is the total amount agreed as a result of the achievement of performance levels that exceed the target level, as shown in the table below and upon application of the multiplier (+15% up to cap) linked to the assessment of individual performance.

	2017
Group Net Financial Position	ON
Group Recurring EBITDA	ON
	RESULT
Group Recurring EBITDA	53.2
Group Net Financial Position	45
M&A Projects (RemCo and BoD assessment)	30
Dow Jones Sustainability Index (2016-2017)	13.3
Total	141.3

- *Deferral and co-investment 2015-2017*: Fabio Ignazio Romeo is one of the beneficiaries of the Deferral and Co-investment Plan; following the conclusion of the performance period and the achievement of 133 performance points out of the maximum 150, Fabio Ignazio Romeo acquired the right to receive 101,154 shares in 2018, considering the co-investment profile chosen (dynamic) and the amount co-invested under the 2015 & 2016 MBO.
- *Performance share 2015-2017*: Fabio Ignazio Romeo is one of the beneficiaries of the Performance Share Plan; upon the conclusion of the Plan and the achievement of 133 performance points out of

the maximum 150, Fabio Ignazio Romeo acquired a total of 102,500 shares, which will be allocated in 2018.

- *Benefits*: the value of the non-cash benefits package allocated to Fabio Ignazio Romeo is equal to Euro 9,549.

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.

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

- *Fixed remuneration*: Euro 600,000.
- *Annual cash variable remuneration*: the value of the 2017 annual bonus (MBO) accrued is Euro 445,455, which is the total amount agreed as a result of the achievement of performance levels that exceed the target level, as shown in the table below and upon application of the multiplier (+15% up to cap) linked to the assessment of individual performance.

	2017
Group Net Financial Position	ON
Group Recurring EBITDA	ON
	RESULT
Group Recurring EBITDA	53.2
Group Net Financial Position	45
Group Fixed costs	27
Dow Jones Sustainability Index (2016-2017)	13.3
Total	138.3

- *Deferral and co-investment 2015-2017*: Pier Francesco Facchini is included among the beneficiaries of the Deferral and co-investment Plan; following the conclusion of the performance period and the achievement of 133 performance points out of the maximum 150, Pier Francesco Facchini acquired the right to receive 94,834 shares in 2018, considering the co-investment profile chosen (dynamic) and the amount co-invested under the 2015 & 2016 MBO.
- *Performance share 2015-2017*: Pier Francesco Facchini is included among the beneficiaries of Performance Share Plan; upon the conclusion of the Plan and the achievement of 133 performance

points out of the maximum 150, Pier Francesco Facchini acquired a total of 89,433 shares, which will be allocated in 2018.

- *Benefits*: the value of the non-cash benefits package allocated to Pier Francesco Facchini is equal to Euro 9,389.

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.

Pier Francesco Facchini chose to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the third share purchase cycle (May 2017). Thanks to this investment he has received 541 shares, 5 of which on a free basis.

The remuneration of **Massimo Battaini, Senior Vice President Energy Projects** of the Prysmian Group, is made up as follows:

- *Fixed pay*: Euro 670,000, including gross annual pay of Euro 600,000 and the fee for the non-competition agreement equal to Euro 70,000 for the 2017 portion. This clause, which applies to the period 2015-2019, envisages the payment of the fee in annual tranches.
- *Annual cash variable remuneration*: the value of the 2017 annual bonus (MBO) accrued is Euro 500,733, which is the total amount agreed as a result of the achievement of performance levels that exceed the target level, as shown in the table below and upon application of the multiplier (+15% up to cap) linked to the assessment of individual performance.

	2017
Group Net Financial Position	ON
Group Recurring EBITDA	ON

	RESULT
Business Energy Projects Recurring EBITDA	60
Group Net Financial Position	45
Group Fixed costs	27
Dow Jones Sustainability Index (2016-2017)	13.3
Total	145.1

- *Deferral and co-investment 2015-2017*: Massimo Battaini is included amongst the beneficiaries of the Deferral and Co-investment Plan; following the conclusion of the performance period and the achievement of 133 performance points out of the maximum 150, Massimo Battaini acquired the right to receive 102,963 shares in 2018, considering the co-investment profile chosen (dynamic) and the amount co-invested under the 2015 & 2016 MBO.
- *Performance share 2015-2017*: Massimo Battaini is included amongst the beneficiaries of the Performance Share Plan; upon the conclusion of the Plan and the achievement of 133 performance points out of the maximum 150, Massimo Battaini acquired a total of 91,988 shares, which will be allocated in 2018.

- *Benefits*: the value of the non-cash benefits package allocated to Massimo Battaini is Euro 9,050.

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 2017 to Mr De Conto correspond to an overall total of Euro 90,000, of which Euro 30,000 paid in April, as the second instalment of the fee for the period April 2016 to April 2017 and Euro 60,000 in December as the first instalment of the fee for 2017-2018.

The fixed fees paid during 2017 to Ms Cappello 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 2016 to April 2017 and Euro 46,700 in December as the first instalment of the fee for 2017-2018.

The fixed fees paid during 2017 to Mr Tamburi 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 2016 to April 2017 and Euro 46,700 in December as the first instalment of the fee for 2017-2018.

The fixed fees paid during 2017 to Ms de Virgiliis correspond to an overall total of Euro 50,000, of which Euro 16,700 paid in April, as the second instalment of the fee for the period April 2016 to April 2017 and Euro 33,300 in December as the first instalment of the fee for 2017-2018.

The fixed fees paid during 2017 to Mr Capponi correspond to an overall total of Euro 50,000, of which Euro 16,700 paid in April, as the second instalment of the fee for the period April 2016 to April 2017 and Euro 33,300 in December as the first instalment of the fee for 2017-2018.

The fixed fees paid during 2017 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 2016 to April 2017 and Euro 46,700 in December as the first instalment of the fee for 2017-2018.

5. 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 2017 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

The three Managers with Strategic Responsibilities, differently from managers who are also members of the Board of Directors, received, at aggregate level, pay as follows:

- *Fixed remuneration* amounts to Euro 2,387,897, including:
 - o annual gross remuneration of Euro 1,915,000,
 - o payment concerning the Non-Competition Agreements entered into with three of the Managers with Strategic Responsibilities of Euro 150,000 for the 2017 period,
 - o payment concerning the Retention Bonus signed with one Manager with Strategic Responsibilities, for a single instalment of Euro 150,000
 - o expatriation allowance for two of the Managers with Strategic Responsibilities of Euro 164,529

- compensation under a local pension plan for two of the Managers with Strategic Responsibilities of Euro 8,368.
- *Annual cash variable pay*: the value of the accrued annual bonus (MBO) for 2017 is Euro 1,180,168 which corresponds to the total envisaged on achievement of performance levels generally above the target level on the basis mainly of economic/financial indicators relating to the Group and the relevant business area.
- *Deferral and co-investment 2015-2017*: Managers with Strategic Responsibilities are included amongst the beneficiaries of the Deferral and Co-Investment Plan; following the conclusion of the performance period and the achievement of 133 performance points out of the maximum 150, Managers with Strategic Responsibilities acquired the right to receive 232,014 shares in 2018, considering the co-investment profile chosen (dynamic) and the amount co-invested under the 2015 & 2016 MBO.
- *Performance share 2015-2017*: Managers with strategic responsibilities are included amongst the beneficiaries of the Performance Share Plan; upon the conclusion of the Plan and the achievement of 133 performance points out of the maximum 150, Managers with Strategic Responsibilities acquired a total of 313,441 shares, which will be allocated in 2018.
- *Benefits*: the value of the non-cash benefits package allocated to the Managers with Strategic Responsibilities is equal to Euro 159,096

Remuneration report tables

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

	Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity Bonus e altri incentivi	Partecipazione agli utili	Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità o fine carica o di cessazione del rapporto di lavoro
	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8
1	Valerio Battista	Amministratore Delegato	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio					1.100.000		1.036.530		8.330	4.165	2.149.025	
	(II) Compensi da controllate e collegate												
	(III) Totale					1.100.000		1.036.530		8.330	4.165	2.149.025	
Note					Indennità di trasferta								
2	Fabio Romeo	Chief Strategy Officer	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio					601.710		489.012		6.468	5.100	1.102.290	
	(II) Compensi da controllate e collegate												
	(III) Totale					601.710		489.012		6.468	5.100	1.102.290	
Note					Indennità di trasferta								
3	Pier Francesco Facchini	Chief Financial Officer	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio					600.000		445.455		6.354	5.100	1.056.909	
	(II) Compensi da controllate e collegate												
	(III) Totale					600.000		445.455		6.354	5.100	1.056.909	
Note					Indennità di trasferta								
4	Massimo Battaini	SVP Business Energy Projects	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio												
	(II) Compensi da controllate e collegate					670.000		500.733		7.094	3.145	1.180.972	
	(III) Totale					670.000		500.733		7.094	3.145	1.180.972	
Note: i compensi indicati si riferiscono all'intero esercizio 2015.					di cui: 600.000 euro come Retribuzione Annua Lorda; 70.000 euro come corrispettivo del Patto di Non Concorrenza								
Indennità di trasferta													
5	Massimo Tononi	Presidente	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio					110.000	20.000					130.000	
	(II) Compensi da controllate e collegate												
	(III) Totale					110.000	20.000					130.000	
Note													
6	Monica de Virgiliis	Amministratore non esecutivo indipendente	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio					50.000						50.000	
	(II) Compensi da controllate e collegate												
	(III) Totale					50.000						50.000	
Note													
7	Claudio De Conto	Amministratore non esecutivo indipendente	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio					50.000	40.000					90.000	
	(II) Compensi da controllate e collegate												
	(III) Totale					50.000	40.000					90.000	
Note													
8	Maria Letizia Mariani	Amministratore non esecutivo indipendente	1/1/2017 - 31/12/2017	2018									
	I) Compensi nella società che redige il bilancio					50.000	20.000					70.000	
	(II) Compensi da controllate e collegate												
	(III) Totale					50.000	20.000					70.000	
Note													

Remuneration report tables (cont.)

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

	Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro	
	A	B	C	D	1	2	Bonus e altri incentivi	Partecipazione agli utili	3	4	5	6=1+2+3+4+5	7	8
9	Maria Elena Cappello	Amministratore non esecutivo indipendente	1/1/2017 - 31/12/2017	2018										
	I) Compensi nella società che redige il bilancio					50.000	20.000					70.000		
	(II) Compensi da controllate e collegate													
	(III) Totale					50.000	20.000					70.000		
<i>Note</i>														
10	Alberto Capponi	Amministratore non esecutivo indipendente	1/1/2017 - 31/12/2017	2018										
	I) Compensi nella società che redige il bilancio					50.000						50.000		
	(II) Compensi da controllate e collegate													
	(III) Totale					50.000						50.000		
<i>Note</i>														
11	Giovanni Tamburi	Amministratore non esecutivo indipendente	1/1/2017 - 31/12/2017	2018										
	I) Compensi nella società che redige il bilancio					50.000	20.000					70.000		
	(II) Compensi da controllate e collegate													
	(III) Totale					50.000	20.000					70.000		
<i>Note</i>														
12	Pellegrino Libroia	Presidente Collegio Sindacale	1/1/2017 - 31/12/2017	2019										
	I) Compensi nella società che redige il bilancio					75.000						75.000		
	(II) Compensi da controllate e collegate													
	(III) Totale					75.000						75.000		
<i>Note</i>														
13	Paolo Lazzati	Sindaco	1/1/2017 - 31/12/2017	2019										
	I) Compensi nella società che redige il bilancio					50.000						50.000		
	(II) Compensi da controllate e collegate					30.920						30.920		
	(III) Totale					80.920						80.920		
<i>Note</i>														
14	Laura Gualtieri	Sindaco	1/1/2017 - 31/12/2017	2019										
	I) Compensi nella società che redige il bilancio					50.000						50.000		
	(II) Compensi da controllate e collegate										0			
	(III) Totale					50.000						50.000		
<i>Note</i>														
15	4	Dirigenti con Responsabilità Strategica	1/1/2017 - 31/12/2017											
	I) Compensi nella società che redige il bilancio					1.804.924		700.766		102.674	142.322	2.750.686		
	(II) Compensi da controllate e collegate					410.076		479.402		56.422	44.175	990.075		
	(III) Totale					2.215.000		1.180.168		159.096	186.497	3.740.761		
<i>Note</i>					di cui: 1.915.000 euro come Retribuzione Annuale Lorda; 150.000 euro come corrispettivo del Patto di Non Concorrenza; 150.000 come								Indennità di trasferta e di espatrio e bonus pensionistico.	

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

Piani di incentivazione basati su strumenti finanziari diversi dalle stock-option, a favore dei componenti dell'organo di amministrazione, dei direttori generali e degli altri dirigenti con responsabilità strategiche													
A	B	1	Strumenti finanziari assegnati negli esercizi precedenti non vested nel corso dell'esercizio		Strumenti finanziari assegnati nel corso dell'esercizio					Strumenti finanziari vested nel corso dell'esercizio e non attribuiti	Strumenti finanziari vested nel corso dell'esercizio ed attribuibili		Strumenti finanziari di competenza dell'esercizio
			2	3	4	5	6	7	8		9	10	
Nome e Cognome	Carica	Piano	Numero e tipologia di strumenti finanziari	Periodo di vesting	Numero e tipologia di strumenti finanziari	Fair Value alla data di assegnazione	Periodo di vesting	Data di assegnazione	Prezzo di mercato all'assegnazione	Numero e tipologia di strumenti finanziari	Numero e tipologia di strumenti finanziari	Valore alla data di maturazione	Fair Value
Valerio Battista	Amministratore Delegato												
Compensi nella società che redige il bilancio		Performance Share 2015-2017	247.858	2015-2017									6.739.259,02
		Coinvestimento bonus 2015	111.321	2016-2017									3.026.817,99
		Coinvestimento bonus 2016	114.120	2017									3.102.922,80
Compensi da controllate e collegate													
Totale			473.299										12.869.000
Note													
Fabio Romeo	Chief Strategy Officer												
Compensi nella società che redige il bilancio		Performance Share 2015-2017	102.500	2015-2017									2.786.975,00
		Coinvestimento bonus 2015	54.345	2016-2017									1.477.640,55
		Coinvestimento bonus 2016	46.809	2017									1.272.736,71
Compensi da controllate e collegate													
Totale			203.654										5.537.352
Note													
Pier Francesco Facchini	Chief Financial Officer												
Compensi nella società che redige il bilancio		Performance Share 2015-2017	89.928	2015-2017									2.445.142,32
		Coinvestimento bonus 2015	47.417	2016-2017									1.289.268,23
		Coinvestimento bonus 2016	47.417	2017									1.289.268,23
Compensi da controllate e collegate													
Totale			184.762										5.023.679
Note													
Massimo Battaini	SVP Business Energy Projects												
Compensi nella società che redige il bilancio													
Compensi nella società che redige il bilancio		Performance Share 2015-2017	92.497	2015-2017									2.514.993,43
		Coinvestimento bonus 2015	48.772	2016-2017									1.326.110,68
		Coinvestimento bonus 2016	54.191	2017									1.473.453,29
Totale			195.460										5.314.557
Note													
Dirigenti con Responsabilità Strategica	4 persone												
Compensi nella società che redige il bilancio		Performance Share 2015-2017	315.175	2015-2017									8.569.608,25
		Coinvestimento bonus 2015	113.714	2016-2017									3.091.883,66
		Coinvestimento bonus 2016	118.300	2017									3.216.577,00
Compensi da controllate e collegate													
Totale			547.189										14.878.069
Note													

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

Piani di incentivazione monetari a favore dei componenti dell'organo di amministrazione, dei direttori generali e degli altri dirigenti con responsabilità strategiche									
A	B	1	2			3			4
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			(A)	(B)	(C)	(A)	(B)	(C)	
Valerio Battista	<i>Amministratore Delegato</i>		Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio		Piano MBO 2017 da pagare nel 2018	1.036.530						
Compensi da controllate e collegate									
Totale			1.036.530						
Note									
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
Fabio Romeo	<i>Chief Strategic Officer</i>		Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio		Piano MBO 2017 da pagare nel 2018	489.012						
Compensi da controllate e collegate									
Totale			489.012						
Note									
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
Pier Francesco Facchini	<i>Chief Financial Officer</i>		Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio		Piano MBO 2017 da pagare nel 2018	445.455						
Compensi da controllate e collegate									
Totale			445.455						
Note									
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
Massimo Battaini	<i>Senior Vice President Business Energy Projects</i>		Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio									
Compensi da controllate e collegate		Piano MBO 2017 da pagare nel 2018	500.733						
Totale			500.733						
Note									
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
Altri dirigenti con responsabilità strategica			Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio		Piano MBO 2017 da pagare nel 2018	700.766						
Compensi da controllate e collegate		Piano MBO 2017 da pagare nel 2018	479.402						
Totale			1.180.168						
Note									

TABLE 1: Participation of members of the management and control bodies and General Managers (1)

FULL NAME	OFFICE	INVESTEES 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
Valerio Battista	Chief Executive Officer	Prysmian S.p.A.	3,320,501	0	0	3,320,501
Pier Francesco Facchini	Director	Prysmian S.p.A.	149,793	541	0	150,334
Massimo Battaini (2)	Director	Prysmian S.p.A.	110,615	0	0	110,615
Fabio Romeo	Director	Prysmian S.p.A.	128,623	0	0	128,623

(1) Mr. Giovanni Tamburi and Mr. Alberto Capponi are, respectively, Chairman of the Board of Directors and Director of Clubtre S.p.A., a company that owned 12,690,312 shares of Prysmian S.p.A. as at 31/12/2016 and 8,690,312 shares as at 31/12/2017.

(2) Prysmian S.p.A.'s shares are partly held directly and partly held indirectly through his spouse.

TABLE 2: Participation of other Managers with Strategic Responsibilities

MANAGERS WITH STRATEGIC RESPONSIBILITIES	INVESTEES 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
4	Prysmian S.p.A.	34,549	0	0	34,549