

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 16 APRIL 2015, 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 Ordinary 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."

* * *

REMUNERATION REPORT

Courtesy Translation



Issuer: **PRYSMIAN S.p.A.**
Website: www.prysmiangroup.com

Year of the Report: **2014**
Date Report approved: **25 February 2015**

Prysmian
Group



CONTENTS

| | |
|---|----|
| | 1 |
| Chairman’s Letter | 3 |
| Recitals | 4 |
| SECTION I | 4 |
| 1. Introduction..... | 4 |
| 2. Governance | 5 |
| 3. Remuneration policy principles | 6 |
| 4. Remuneration of the Chairman and of non-executive Directors..... | 7 |
| 5. Remuneration of executive Directors and Managers with strategic responsibilities – elements of pay | 8 |
| 5.1. <i>Fixed remuneration</i> | 8 |
| 5.2. <i>Variable short and medium/long-term remuneration</i> | 9 |
| 5.2.1. <i>Annual bonus (MBO)</i> | 9 |
| 5.2.2. <i>Deferral and co-investment</i> | 10 |
| 5.2.3. <i>Performance share</i> | 11 |
| 5.3. <i>Benefits</i> | 12 |
| 6. Pay-mix | 12 |
| 8. Other elements | 14 |
| 8.1. <i>Non-competition clauses</i> | 14 |
| 8.2. <i>Retention bonuses</i> | 14 |
| 8.3. <i>The “YES” Plan</i> | 14 |
| 9. Treatment envisaged for end of service or termination of employment relationship | 15 |
| 10. Pay structure for auditors | 15 |
| SECTION II..... | 16 |
| I. Chairman of the Board of Directors..... | 16 |
| II. Chief Executive Officer | 16 |
| III. Executive directors | 17 |
| IV. Non-executive directors..... | 18 |
| V. Auditors | 19 |
| VI. Managers with strategic responsibilities | 19 |
| Pay tables | 20 |

Chairman's Letter

Dear Shareholders,

I am delighted to present the Remuneration Report for 2014 which will be put to the Shareholders' meeting.

In 2014, all topics related to remuneration within the Prysmian Group were given, as always, the utmost attention. We have pursued the objective of strengthening and upgrading the pay tools we introduced in previous years while continuing to build on a Group pay policy in line with a responsible approach focused on performance, sustainability and a transparent dialogue with investors. Dialogue and transparency with investors remain key elements which we believe are symbolically represented by this report.

One of the most significant activities carried out by the Remuneration and Appointments Committee in 2014 to support the Board of Directors has been the monitoring of the first window implementation of the employee stock purchase plan "YES" (Your Employee Shares): a plan that allowed all the interested Group employees (executives, white collar and blue collar) in 27 different countries to purchase company shares at favourable terms and through which we are further increasing the employees engagement as well as their sense of belonging to the Group.

Another relevant activity for which the Committee has offered the Board its support was the evaluation of the failure to execute the long-term Incentive Plan (performance shares) and the deferral and co-investment plan of the annual bonus for the period 2014-2016, as already approved by the Shareholders' Meeting, as a result of a problem that had arisen when implementing the WesterLink project. The delay accrued in the project, as a result of technical problems, has in fact led to a revision of the budget forecasts for the current year that resulted in the decision not to launch the Plan.

Finally, the Committee was asked to provide its own support in relation to the creation and revision of remuneration packages for the Executive directors, the Managers with Strategic Responsibilities and the Group's Internal Audit Manager. Said packages have been defined in line with the Group's internal policies and with market best practices.

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

This Remuneration Report has been approved by the Board of Directors on 25 February 2015 and section I will be submitted for an advisory vote to the Ordinary Shareholders' Meeting pursuant to applicable laws.

The Chairman of the Remuneration and Appointments Committee

Giulio Del Ninno

Recitals

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

- Section I, which explains the Remuneration Policy to be adopted in the year 2015;
- Section II, which explains the final balance in terms of the Remuneration Policy actually adopted in the year 2014.

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 management to pursue ever better performance in compliance with the company's values and culture.

The Group Pay Policy is defined so as to align the Management's interests with those of shareholders whilst pursuing the primary objective to create sustainable value in the medium to long term, by forging a real and verifiable link between the 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 Board of Directors and to Managers with strategic responsibilities.

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

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

| Full name | Position held | Qualification | Control and Risks Committee | Remuneration and Appointments Committee |
|--------------------|---------------|------------------------------------|-----------------------------|---|
| Giovanni Tamburi** | Director | Independent non-executive director | - | - |

[*] 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 the "Self-Regulatory Code for Listed Companies" (July 2014) issued by the Corporate Governance Committee of Borsa Italiana S.p.A.

[***] Massimo Battaini was appointed executive director by resolution passed by the Board of Directors on 25/02/2014 in lieu of Frank Dorjee, who remained in office until 25/02/2014.

During the period 01/01/2014 - 24/02/2014, Massimo Battaini was already Manager with strategic responsibilities of the Group with the same role of Senior Vice President Business Energy Projects as he still holds today.

- 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 |

2. Governance

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

On an annual basis, in fact, the Remuneration and Appointments Committee puts the Pay Policy to the approval of the Board of Directors and supervises its application during the year.

The Board of Directors set up the Remuneration and Appointments Committee and appointed its members. This Committee 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 Managers with strategic responsibilities, as indicated in the table, the appointment/substitution of independent Directors, as well as the size and composition of the Board.

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

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

The main responsibilities of the Remuneration and Appointments Committee are:

- to assess and formulate the remuneration policy for executive Directors with particular functions;
- to examine and discuss pay policy proposals for Managers with strategic responsibilities;
- to assess and formulate any proposals made by the Company regarding management remuneration policies;
- to periodically oversee the effective implementation of the proposals made and approved by the

Board of Directors as regards the remuneration of Managers with strategic responsibilities;

- to verify the achievement of the performance objectives related to the incentive systems for the Executive directors and Managers with strategic responsibilities.
- to assess and formulate proposals made to the Board of Directors regarding share incentive plans, stock options, public ownership of shares and similar incentive and retention plans applicable to management and employees of Group companies that are owned by the Company;
- to carry out preliminary investigations into the implementation of the executive directors succession plans if the Board of Directors resolves to adopt them.

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

In 2014, the Committee met 5 times and all the members took part in the meetings. The work undertaken by the Committee, with the support of the Group Human Resources Department, in particular concerned:

- the formulation of proposals to be submitted to the Board of Directors regarding the remuneration of the Company's executive directors and managers with strategic responsibilities as regards both the fixed and variable parts of the remuneration;
- the assessment of the criteria adopted in relation to both the variable incentive systems (based on the achievement of established objectives) and the pay policies for senior management;
- the analysis of all information concerning the Prysmian Group remuneration policy as described in the remuneration report approved by the Board of Directors and also submitted for examination to the Shareholders' Meeting;
- support in implementing the first purchasing window in relation to the Group employee stock purchase plan ("YES");
- the definition of the new long-term Incentive Plan for the three years 2014-2016 and the closely-related deferral and co-investment plan;
- the decision not to implement the medium- and long-term Incentive Plan for the three years 2014-2016.

In 2015, the committee has started working on the design and structure of the new Long Term Incentive plan 2015-2017.

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

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

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

3. Remuneration policy principles

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

- **to adopt a clear and transparent governance model:**
"to pursue the creation of a balanced corporate governance system useful to achieve economic

and financial objectives while fully safeguarding shareholders, together with the achievement of better performance”

- **to support the corporate strategy, attract and retain key human resources for the organisation:**
“people are essential to achieve the strategic objectives”
- **to ensure consistency between the management “total remuneration” and the Group’s performance, in line with the shareholders’ expectations:**
“the essential driver of Prysmian’s remuneration systems is the business performance, in fact, a significant part of management’s remuneration, both short and medium term, depends on the achievement of performance objectives in line with the investors’ expectations”
- **to implement policies in line with the risk profile, through an appropriate balance among the various elements of pay, aimed at supporting value creation:**
“the remuneration systems philosophy favours a concept of performance measured over a time horizon which is sufficient to guarantee sustainability and value creation in the long term.”
- **to foster the Group’s employees involvement through the purchase and ownership of shares:**
“through the YES plan and stock retention policies, Prysmian aims at increasing the number of employee shareholders who can participate in the success of the company”

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

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

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

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

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

The remuneration structure of executive directors and directors assigned specific duties 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 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 2015.

| | | |
|---|--|---|
| FIXED REMUNERATION | <p>ANNUAL PAY</p> <ul style="list-style-type: none"> - defined in line with the complexity of the role - benchmarked vs key European market in order to guarantee competitiveness and internal fairness, taking into account the individual performance. | <p>BENEFITS</p> <p>Social security and healthcare benefits as well as assistance in work life balance which supplement the minimum national healthcare/pension plans and other contractual requirements.</p> |
| SHORT AND MEDIUM/LONG-TERM REMUNERATION | <p>MBO</p> <ul style="list-style-type: none"> - the actual payout is connected to the achievement of the preset annual economic and financial targets at Group/Business Unit level - net financial position and EBITDA are the common indicators and the minimum condition necessary to accrue the bonus - the pay opportunities linked to the annual incentive system are defined as a % of annual pay; a maximum payment level (cap) is envisaged. <p>CO-INVESTMENT</p> <p>the co-investment system is valid for the period 2015-2017:</p> <ul style="list-style-type: none"> - the mechanism envisages that part of the accrued annual bonus is deferred for a maximum period of three years - the payment of the increased portion in Prysmian shares is subordinate to achieving a Group three-year economic and financial target (Adjusted Cumulative EBITDA and Cumulative ROCE 2015-2017) - should one or both objectives not be achieved, the payment of a reduced portion of the deferred bonus in Prysmian shares is envisaged. | |
| | <p>PERFORMANCE SHARE</p> <ul style="list-style-type: none"> - This is a share-based plan with a three-year vesting period which is linked to achievement of three-year performance conditions: in 2018 directors will receive a number of Prysmian shares between a preset minimum and maximum amount depending on the achievement of the Adjusted Cumulative EBITDA and Cumulative ROCE objectives for 2015-2017. | |

5.1. Fixed remuneration

The Executive directors and the Managers with strategic responsibilities' fixed pay levels are set at the moment of hiring according to the complexity, the actual responsibilities and the experience required of the job, as well as to the reference remuneration 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.

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

The fixed component of the remuneration package is of relative importance on the total remuneration package of the individual directors (paragraph 6, pay mix). 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 connected objectives, is such as to reduce excessively risk-oriented behavior, to discourage initiatives focused on short-term results and to enable a flexible approach to be taken towards the variable component.

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

This policy may entail an update to the fixed remuneration. These potential revisions consider various factors, including the competitiveness with respect to the market remuneration data, sustainability, internal fairness and individual performance. It is therefore a meritocratic approach that is made even more objective by the introduction, in 2013, of a global performance assessment system (P3 - Prysmian People Performance) that is coherent and homogeneous throughout the Group.

This formal system for the annual performance assessment concerns, on an annual basis, all employees, including top executives, in terms of achievements and alignment to the Group's value model.

5.2. Variable short and medium/long-term remuneration

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

- annual bonus (short term)
- co-investment of annual bonus + multiplier (medium term)
- performance share (long term)

5.2.1. Annual bonus (MBO)

The variable annual incentive system (MBO - Management By Objectives) designed by the Group for certain 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).

The annual variable incentive system is defined each year by the Appointments and Remunerations Committee that proposes the objectives for the Executive directors and Managers with strategic responsibilities to the Board of Directors, identifying the various metrics.

Each participant is assigned incentive percentages, at minimum and maximum, on the basis of their gross annual remuneration. The final payout will vary depending on the degree to which the objectives assigned have been achieved, up to a pre-defined cap. The incentive percentages are defined in relation to the hierarchical level and are consistent with the strategic nature of the role, with the aim of balancing the fixed and variable remuneration according to position and impact on results.

A multiplier/demultiplier of the final value of the MBO is then envisaged, linked to the individual performance assessment (P3), but always up to the **cap** identified in advance for each. In determining the bonus disbursed, qualitative performance and the employee's conduct are therefore also taken into consideration. The MBO plan has a very rigorous plan and each year the rules are communicated clearly and transparently to all participants.

The disbursement of the annual bonus will take place on a pro quota basis according to the months effectively spent with the Group during the performance period with a minimum working period of 9 months. The new hires will participate only if hired before July of each year.

Continuing on from previous years, the MBO 2015 plan will envisage:

- two access conditions (on/off); one of a financial nature, linked to Group liquidity, the Group Net Financial Position, and one that is economic and connected to the Group's profitability, the Group EBITDA.
- two economic/financial objectives relating to the relevant organizational unit
- two objectives established according to the role played by the individual and which are also qualitative in nature and, for the functions where applicable, linked to sustainability criteria.

Below is a schematic presentation of the objectives for the management figures and the related weight on target for 2015.

| Objective | Weight on target |
|---|------------------|
| Group net financial position | ON OFF condition |
| Group EBITDA | ON OFF condition |
| Group EBITDA/EBITDA relating to business managed (e.g. Telecom Business EBITDA) | 40% / 50% |
| Group Net Financial Position | 20% |
| Group fixed costs | 20% / 10% |
| Individual objective | 20% |

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

| | | Annual bonus (MBO) – payout % on fixed remuneration | |
|--|-----------------|--|--|
| | | Chief Executive Officer | Executive directors - Managers with strategic responsibilities |
| on-off condition | < threshold | <i>no payment</i> | |
| | > threshold | <i>payout is proportional to the level of objectives achievement</i> | |
| level of achievement of the pre-set 4 objectives | < Target (100) | 0% | 0% |
| | Target (100) | 66.7% | 50% |
| | Maximum (150) | 100% | 75% |
| | > Maximum (150) | 100% (cap) | 75% (cap) |

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

5.2.2. Deferral and co-investment

The Deferral and co-investment plan concerning part of the annual incentive (MBO) accrued, will be valid for the two years 2015-2016 and is one of the components of the Long Term Incentive Plan, together with Performance Share, proposed for the three years 2015-2017 and described in the paragraph below. The LTI plan 2015-2017 has been approved by the Board of Directors on 25 February 2015 and which will

be submitted for the approval of the Shareholders' Meeting on 16 April 2015.

Approximately **300 group key managers** will benefit from this Plan, including the Executive directors and Managers with strategic responsibilities. It is a non-compulsory plan but one that constitutes the essential condition for the beneficiaries to access the performance share plan.

Similarly to the Deferral and co-investment plan approved in 2014 but not implemented, the Deferral and co-investment plan will envisage part of the payment of the annual bonus accrued for 2015 and 2016 being deferred for a period respectively of two years and one year and, if certain pre-determined three-year Group performance objectives are achieved, returned increased in the form of Prysmian shares. If, on the other hand, said performance objectives should not be achieved, this amount will be returned, again in the form of shares, but reduced, depending on the chosen co-investment profile, as explained below.

The Deferral and co-investment plan therefore also makes a good portion of the annual incentive (MBO) deferred and conditional on achieving the three-year objectives.

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 his annual bonus potentially accrued in 2015 and 2016 with the possibility of obtaining, in 2018 and in case of target level achievement of the pre-set objectives, a multiple of 1.5 times the amount co-invested in Prysmian shares (including the Co-investment itself), or of losing 25% of the co-invested amount should the Target not be achieved.
- **Balanced Profile:** the participant co-invests 50% of his annual bonus accrued in 2015 and 2016 with the possibility of obtaining, in 2018 and in case of target level achievement of the pre-set objectives, a multiple of 2 times the amount co-invested in Prysmian shares (including the Co-investment itself), or of losing 50% of the co-invested amount should the Target not be achieved.
- **Dynamic Profile:** the participant co-invests 75% of his annual bonus accrued in 2015 and 2016 with the possibility of obtaining, in 2018 and in case of target level achievement of the pre-set objectives, a multiple of 2.5 times the amount co-invested in Prysmian shares (including the Co-investment itself), or of losing 75% of the co-invested amount should the Target not be achieved.

The profile has to be chosen at the moment of acceptance of the plan and cannot be changed.

The objectives to which the multiple/demultiplier will be linked are:

- the Group's accumulated adjusted EBITDA in the three years 2015-17
- the Group's accumulated ROCE in the three years 2015-17

5.2.3. Performance share

The 2015-2017 Performance Share Plan approved by the Board of Directors on 25 February 2015 and which will be submitted to the approval of the Shareholders' Meeting on 16 April 2015 will envisage the allocation, in 2018, of a pre-set minimum and maximum number of Prysmian shares. In 2018, the plan participants, within the abovementioned range, will receive the number of shares linked to the degree to which the two Group three-year economic-financial objectives are achieved:

- the Group's accumulated adjusted EBITDA in the three years 2015-17, counting for 70% and
- the Group's accumulated ROCE in the three years 2015-17, counting for 30%.

The Plan beneficiaries will be around 300 Group key managers, including Executive directors and Managers with strategic responsibilities.

The assignment value at the target level (assigned if the target level of both the above objectives is achieved) and the maximum level (if the maximum level of both the above objectives is achieved) will be defined for each beneficiary in relation to the role held and the individual fixed remuneration levels.

If an intermediate performance level is achieved between target and maximum, the number of performance shares assigned will take place by linear interpolation.

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 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, net of those sold to cover tax obligations.

Moreover, 10% of these shares will be **career shares** and the beneficiaries will therefore be unable to place any orders on them until the end of their career with Prysmian.

The plan will include **claw back**, for the duration of 4 years and **malus**, for the duration of 2 years, clauses, aimed, under certain circumstances, as example, but not exclusively, fraud, to recoup the granted, partially or totally. The clauses will cover the group CEO and senior management reporting to him. In addition it will cover other participants involved in fraud or willful misconduct.

During the plan implementation, while defining in details the characteristics, some might be adapted to guarantee the plan compliance with the local legislation and/or the exchange regulations and /or to ease the local deployment.

For more details, 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. Benefits

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

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

Those benefits are adapted to the local environments, taking into account the market characteristics and the relevant legislations.

6. Pay-mix

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

The graph shows the relative weight of the four elements of pay: (1) fixed, (2) cash annual variable - MBO, (3) medium - coinvestment and (4) long-term share variable – performance share.

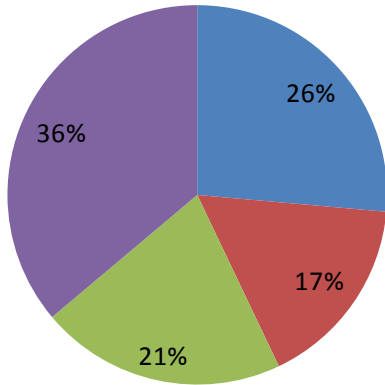
The performance share value is calculated on the plan's fair value basis.

The pay-mix is calculated based on the actual potential total payment (cash, shares) in the 2015-2017 period during which the long-term incentive plan will be in effect.

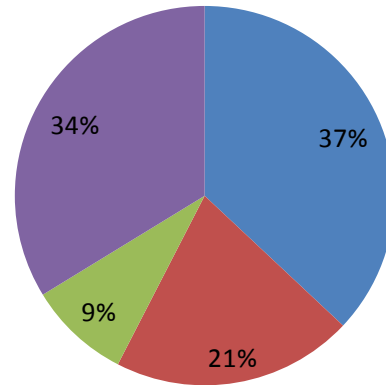
Other forms of remuneration (non-competition clauses, retention bonuses), described in Section II of the Report, are not included in the pay-mix analysis.

CEO and General Manager, Valerio Battista

Pay-mix – performance target

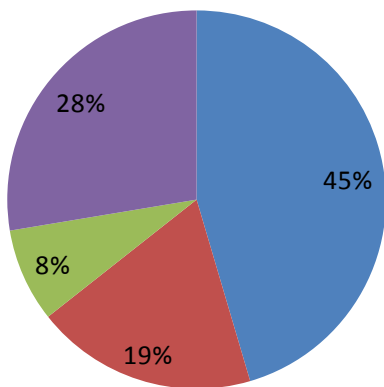


Pay-mix – maximum performance

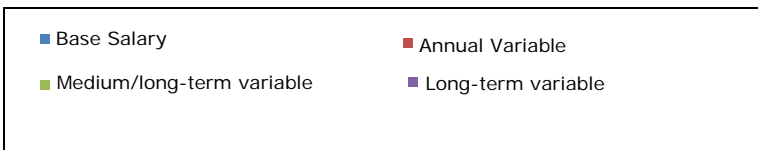
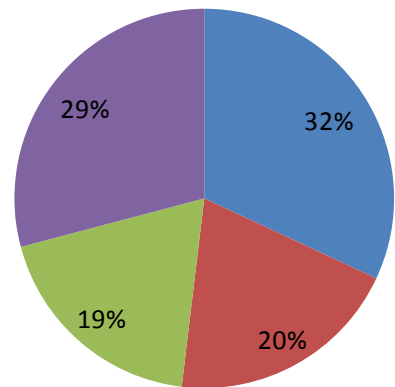


Executive Directors and Managers with strategic responsibilities

Pay-mix – performance target



Pay-mix – maximum performance



8. Other elements

8.1. Non-competition agreements

Prysmian envisages the possibility of signing non-competition clauses 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 clauses can provide for the payment of a percentage of annual fixed remuneration, according to the duration and extent of the restriction arising from the clause itself.

The non-competition clauses 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 in stipulating future clauses, said remuneration will only be paid upon termination of employment.

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.

8.2. Retention bonuses

While still enforceable for the future, to date no retention bonus is not applicable to any executive Director or Manager with strategic responsibilities.

8.3. The “YES” Plan

On 16 April 2013, the Prysmian Shareholders' Meeting approved the stock purchase plan, at favourable conditions, for the Group's employees: the YES (Your Employee Shares) plan.

The main objectives of the YES plan are the following:

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

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

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

The rules, briefly described above, might be slightly modified locally only for certain countries. These local variations are described in the addendum to the Regulation, of which they are an integral part.

The Plan has been launched globally in 2013 and has reached 32% participation among the eligible employees. In 2014, the first purchase window was implemented (as well as the additional window reserved to managers, as envisaged by the Plan Regulation). In 2015, the second window will be implemented.

For more details on 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).

9. 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 total of 2 yearly pays.

During the year, the only agreement that differed from this Policy was also brought into line.

10. Pay structure for auditors

A specific long-term incentive plan will be envisaged for the manager of the Internal Audit Department and for the managers responsible for the Company's balance sheet, with objectives in line with his responsibilities; therefore, he will be excluded from the long-term incentive Plan, in compliance with the indications of Article 6 of the Code of Conduct for Listed Companies (2014 Edition). The managers responsible for the Company's balance sheet will instead participate in the plan; the claw back and malus clauses will be introduced also to support their activities.

SECTION II

This section of the Remuneration Report illustrates each of the items which make up Directors and Managers with strategic responsibilities remuneration, and highlights its consistency with the policies described in the first section of the 2013 document published in 2014.

I. Chairman of the Board of Directors

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

II. Chief Executive Officer

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

- *Fixed remuneration*: Euro 1,115,500, including gross annual pay of Euro 970,000 and the fee for the non-competition clause of Euro 145,500 for the 2014 portion. This clause, which applies to the 2011-2014 window, envisages the payment of the fee in four annual instalments of equal value.
- *Annual cash variable pay*: the value of the 2014 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective, on-off condition within the plan, has not been achieved.

Performance share 2011-2013: Valerio Battista was included amongst the beneficiaries of the Performance Share Plan; under the scope of this Plan and following approval by the Shareholders' Meeting of the 2013 financial statements, against a value of 2011 - 2013 Adjusted Cumulative EBITDA achieved (intermediate between the target and the maximum), on 31/12/2013 he obtained 293,510 rights to receive shares in the 02/09/2014 - 02/12/2014 window of which a portion equal to 117,171 was exercised free of charge and a portion of 176,339 shares following payment of an exercise price of Euro 0.10, i.e. the share par value. 25% of the exercised rights is subject to a lock-up period of two years.

- *Benefits*: the value of the non-cash benefits package allocated to the Chief Executive Officer is Euro 11,078.

As from 01/03/2015 a new agreement has been stipulated with Valerio Battista, in case of early termination of his employment contract that replaces the previous one of 01/06/2006 and that was providing for indemnity of Euro 4.5 million to be disbursed if the contract was terminated on the initiative of the Company.

The new agreement foresees an indemnity equal to **24 months of base pay** to be disbursed in case of contract termination for company's initiative, for mutual agreement, for substantial variations of the role and the appointment or for death and permanent disability.

From the same date, the expiring non-compete agreement has been revised. The new agreement stipulates a non-compete restriction for 3 years from the termination of employment, any causes it might occur for. The compensation for the established limitation is set in 40% of base salary for each year of validity (3 years) and will be paid only at termination.

Valerio Battista has chosen to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the first share purchase cycle (May 2014). Thanks to this investment he has received 827 shares, 8 of which on a free basis.

III. Executive directors

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

- *Fixed remuneration*: Euro 701,710, including gross annual pay of Euro 601,710 and the fee for the non-competition clause of Euro 100,000 for the 2014 portion. This clause, which applies to the 2013-2016 period, envisages the payment of the fee in four annual instalments of equal value.
- *Annual cash variable pay*: the value of the 2014 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective, on-off condition within the plan, has not been achieved .
- *Performance share 2011-2013*: Fabio Romeo was included amongst the beneficiaries of the Performance Share Plan; under the scope of this Plan and following approval by the Shareholders' Meeting of the 2013 financial statements, against a value of 2011 - 2013 Adjusted Cumulative EBITDA achieved (intermediate between the target and the maximum), on 31/12/2013 he obtained 121.380 rights to receive shares in the 02/09/2014 – 02/12/2014 window of which a portion equal to 48.456 was exercised free of charge and a portion of 72.924 shares following payment of an exercise price of Euro 0.10 euro, i.e. the share par value..
25% of the exercised rights is subject to a lock-up period of two years.
- *Benefits*: the value of the non-cash benefits package allocated to Fabio Ignazio Romeo is Euro 7,542.

Mr. Fabio Romeo has chosen to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the first share purchase cycle (May 2014). Thanks to this investment he has received 827 shares, 8 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* paid during 2014 amounts to Euro 525,000.
- *Annual cash variable pay*: the value of the 2014 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective, on-off condition within the plan, has not been achieved.
- *Performance share 2011-2013*: Pier Francesco Facchini was included amongst the beneficiaries of the Performance Share Plan; under the scope of this Plan and following approval by the Shareholders' Meeting of the 2013 financial statements, against a value of 2011 - 2013 Adjusted Cumulative EBITDA achieved (intermediate between the target and the maximum), on 31/12/2013 he obtained 100.863 rights to receive shares in the 02/09/2014 – 02/12/2014 window of which a portion equal to 40.265 was exercised free of charge and a portion of 60.598 shares following payment of an exercise price of Euro 0.10, i.e. the share par value. 25% of the exercised rights will be subject to a lock-up period of two years.
- *Benefits*: the value of the non-cash benefits package allocated to Pier Francesco Facchini is Euro 7,198.

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

Mr Pier Francesco Facchini has chosen to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the first share purchase cycle (May 2014). Thanks to this investment he has received 827 shares, 8 of which on a free basis.

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

- *Fixed remuneration* of Euro 602,308, including annual gross remuneration of Euro 532,308 and payment for the Non-Competition Clause equal to, for the portion pertaining to 2013, Euro 70,000. This Clause, which applies for the four years 2013-2016, involves the disbursement of the remuneration in four annual instalments of equal value.
- *Annual cash variable pay*: the value of the 2014 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective, on-off condition within the plan, has not been achieved.
- *Performance share 2011-2013*: Massimo Battaini was included amongst the beneficiaries of the Performance Share Plan; under the scope of this Plan and following approval by the Shareholders' Meeting of the 2013 financial statements, against a value of 2011 - 2013 Adjusted Cumulative EBITDA achieved (intermediate between the target and the maximum), on 31/12/2013 he obtained 90.776 rights to receive shares in the 02/09/2014 – 02/12/2014 window of which a portion equal to 36.238 was exercised free of charge and a portion of 54.538 shares following payment of an exercise price of Euro 0.10, i.e. the share par value. 25% of the exercised rights will be subject to a lock-up period of two years.
- *Benefits*: the value of the non-cash benefits package allocated to Massimo Battaini is Euro 11,318.

Mr Massimo Battaini has chosen to participate in the Group employee stock purchase plan (YES), with an investment of Euro 13,335 in the first share purchase cycle (May 2014). Thanks to this investment he has received 827 shares, 8 of which on a free basis.

Frank Dorjee, who on 31 December 2013 terminated his employment relationship with the Prysmian Group and on 25/02/2014 also left his office of non-executive director of the Group, received remuneration as follows:

- Fixed remuneration of Euro 27,083 in relation to the 2/24 of the two-year consultancy contract stipulated with Prysmian S.p.A.
- *Performance share 2011-2013*: Frank Dorjee was included amongst the beneficiaries of the Performance Share Plan; under the scope of this Plan and following approval by the Shareholders' Meeting of the 2013 financial statements, against a value of 2011 - 2013 Adjusted Cumulative EBITDA achieved (intermediate between the target and the maximum), on 31/12/2013 he obtained rights to receive shares in the 02/09/2014 – 02/12/2014 window of which a portion equal to 48.318 was exercised free of charge and a portion of 72.717 shares following payment of an exercise price of Euro 0.10, i.e. the share par value. 25% of the exercised rights will be subject to a lock-up period of two years.

IV. Non-executive directors

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

V. Auditors

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

VI. Managers with strategic responsibilities

Remuneration of Managers with strategic responsibilities, at an aggregate level, is made up as follows¹:

- *Fixed remuneration* of Euro 1,400,000, including annual gross remuneration of Euro 1,250,000 and payment for the Non-Competition Clauses stipulated with two of the three Managers with strategic responsibilities, equal to, for the portion pertaining to 2014, Euro 150,000.
- *Annual cash variable pay*: the value of the 2014 annual bonus (MBO) is zero, since the performance target level in terms of Group EBITDA objective, on-off condition within the plan, has not been achieved.

Performance share 2011-2013: two of the three Managers with strategic responsibilities were included amongst the beneficiaries of the Performance Share Plan; under the scope of this Plan and following approval by the Shareholders' Meeting of the 2013 financial statements, against a value of 2011 - 2013 Adjusted Cumulative EBITDA achieved (intermediate between the target and the maximum), on 31/12/2013 they obtained 88.178 rights to receive shares in the 02/09/2014 – 02/12/2014 window of which a portion equal to 35.202 was exercised free of charge and a portion of 52.976 shares following payment of an exercise price of Euro 0.10, i.e. the share par value. 25% of the exercised rights will be subject to a lock-up period of two years.

- *Benefits*: the value of the non-cash benefits package allocated to the Managers with strategic responsibilities is Euro 45,975.

The Managers with strategic responsibilities have chosen to participate in the Group employee stock purchase plan (YES), with a total investment of Euro 29,670 in the first share purchase cycle which (May 2014 + extraordinary window in July 2014). Thanks to this investment they have received 2,240 shares, 423 of which on a free basis.

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

Pay tables

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

| | Full name | Position held | Term of office | End of term of office | Fixed remuneration | Remuneration for participation in committees | variable non-equity remuneration | | Non-cash benefits | Other remuneration | Total | Fair Value of equity remuneration | End-of-service or post-employment benefits | |
|--|---|------------------------------|-----------------------|-----------------------|---|--|----------------------------------|----------------|-------------------|--------------------|--------------|-----------------------------------|--|----------|
| | | | | | | | Bonuses and other incentives | Profit sharing | | | | | | |
| | A | B | C | D | 1 | 2 | 3 | 3 | 4 | 5 | 6=1+2+3+4+5 | 7 | 8 | |
| 1 | Valerio Battista | Chief Executive Officer | 1/1/2014-31/12/2014 | 2015 | | | | | | | | | | |
| | (I) Remuneration from the company which prepares the financial statements | | | | | 115.500 | | | | 11.078 | 4.250 | 1.130.828 | | |
| | (II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 1.115.500 | | | | 11.078 | 4.250 | 1.130.828 | | |
| <i>Notes</i> | | | | | of which: 970.000 euro as Gross Annual Remuneration; 145.500 euro as fee for Non-competition clause | | | | | | | | | |
| 2 | Fabio Romeo | Chief Strategy Officer | 1/1/2014 - 31/12/2014 | 2015 | | | | | | | | | | |
| | (I) Remuneration from the company which prepares the financial statements | | | | | 701.710 | | | | 7.542 | 5.865 | 715.117 | | |
| | (II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 701.710 | | | | 7.542 | 5.865 | 715.117 | | |
| <i>Notes</i> | | | | | of which: 601.710 euro as Gross Annual Remuneration; 100.000 euro as fee for Non-competition clause | | | | | | | | | |
| 3 | Pier Francesco Facchini | Chief Financial Officer | 1/1/2014 - 31/12/2014 | 2015 | | | | | | | | | | |
| | (I) Remuneration from the company which prepares the financial statements | | | | | 525.000 | | | | 7.198 | 2.635 | 534.833 | | |
| | (II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 525.000 | | | | 7.198 | 2.635 | 534.833 | | |
| <i>Notes</i> | | | | | Travel allowance | | | | | | | | | |
| 4 | Massimo Battaini | SVP Business Energy Projects | 25/02/2014-31/12/2014 | 2015 | | | | | | | | | | |
| | (I) Remuneration from the company which prepares the financial statements | | | | | 602.308 | | | | 11.318 | 9.180 | | | |
| | (II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 602.308 | | | | 11.318 | 9.180 | 622.806 | 0 | 0 |
| <i>Notes: the indicated remuneration refers to the entire year 2014.</i> | | | | | of which: 532.308 euro as Gross Annual Remuneration ;70.000 euro as fee for Non-competition clause | | | | | | | | | |
| 5 | Frank Dorjee | Non-executive director | 1/1/2014 - 25/02/2014 | 2015 | | | | | | | | | | |
| | (I) Remuneration from the company which prepares the financial statements | | | | | 27.083 | | | | | | | | |
| | (II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 27.083 | | | | 0 | 0 | 27.083 | 0 | 0 |
| <i>Notes</i> | | | | | 2/24 of the remuneration for the undersigned consultancy agreement | | | | | | | | | |

Table 1 – follows

| | Full name | Position held | Term of office | End of term of office | Fixed remuneration | Remuneration for participation in committees | Variable non-equity remuneration | | Non-cash benefits | Other remuneration | Total | Fair Value of equity remuneration | End-of-service or post-employment benefits | |
|--------------|--|------------------------------------|-----------------------|-----------------------|--------------------|--|----------------------------------|----------------|-------------------|--------------------|-------------|-----------------------------------|--|--|
| | | | | | | | Bonuses and other incentives | Profit sharing | | | | | | |
| | A | B | C | D | 1 | 2 | 3 | | 4 | 5 | 6=1+2+3+4+5 | 7 | 8 | |
| 6 | Massimo Tononi | Chairman | 1/1/2014 - 31/12/2014 | 2015 | | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 70.000 | 20.000 | | | | | 90.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 70.000 | 20.000 | | | | | 90.000 | | |
| <i>Notes</i> | | | | | | | | | | | | | | |
| 7 | Giulio De l Nino | Independent non-executive director | 1/1/2014 - 31/12/2014 | 2015 | | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 40.000 | 20.000 | | | | | 60.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 40.000 | 20.000 | | | | | 60.000 | | |
| 8 | Claudio De Conto | Independent non-executive director | 1/1/2014 - 31/12/2014 | 2015 | | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 40.000 | 40.000 | | | | | 80.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 40.000 | 40.000 | | | | | 80.000 | | |
| 9 | Fritz Froehlich | Independent non-executive director | 1/1/2014 - 31/12/2014 | 2015 | | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 40.000 | 20.000 | | | | | 60.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 40.000 | 20.000 | | | | | 60.000 | | |
| 10 | Maria Elena Cappello | Independent non-executive director | 1/1/2014 - 25/02/2014 | 2015 | | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 40.000 | 20.000 | | | | | 60.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 40.000 | 20.000 | | | | | 60.000 | | |
| 11 | Cesare d'Amico | Independent non-executive director | 1/1/2014 - 25/02/2014 | 2015 | | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 40.000 | | | | | | 40.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| | (III) Total | | | | | 40.000 | | | | | | 40.000 | | |

Table 1 – follows

| | Full name | Position held | Term of office | End of term of office | Fixed remuneration | Remuneration for participation in committees | Variable non-equity remuneration | | Non-cash benefits | Other remuneration | Total | Fair Value of equity remuneration | End-of-service or post-employment benefits |
|-------|--|--|-----------------------|-----------------------|--|--|----------------------------------|----------------|-------------------|--------------------|------------------|-----------------------------------|--|
| | | | | | | | Bonuses and other incentives | Profit sharing | | | | | |
| | A | B | C | D | 1 | 2 | 3 | | 4 | 5 | 6=1+2+3+4+5 | 7 | 8 |
| 12 | Giovanni Tamburi | Independent non-executive director | 1/1/2014-31/12/2014 | 2015 | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 40.000 | | | | | 40.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | |
| | (III) Total | | | | | 40.000 | | | | | 40.000 | | |
| 13 | Pellegrino Libroia | Chairman of the Board of Auditors | 1/1/2014 - 31/12/2014 | 2016 | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 75.000 | | | | | 75.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | |
| | (III) Total | | | | | 75.000 | | | | | 75.000 | | |
| 14 | Paolo Lazzati | Auditor | 1/1/2014 - 31/12/2014 | 2016 | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 50.000 | | | | | 50.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | 30.920 | | | | | 30.920 | | |
| | (III) Total | | | | | 80.920 | | | | | 80.920 | | |
| 15 | Maria Luisa Mosconi | Auditor | 1/1/2014 - 31/12/2014 | 2016 | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 50.000 | | | | | 50.000 | | |
| | II) Remuneration from subsidiaries and associates | | | | | | | | | | | | |
| | (III) Total | | | | | 50.000 | | | | | 50.000 | | |
| 16 | 3 | Managers with strategic responsibilities | 1/1/2014 - 25/02/2014 | | | | | | | | | | |
| | I) Remuneration from the company which prepares the financial statements | | | | | 1063.000 | | | 12.817 | 107.158 | 1.182.975 | | |
| | II) Remuneration from subsidiaries and associates | | | | | 337.000 | | | 33.158 | 76.150 | 446.308 | | |
| | (III) Total | | | | | 1.400.000 | | | 45.975 | 183.308 | 1.629.283 | | |
| Notes | | | | | of which: Euro 1.250.000 as Gross Annual | | | | | Travel allowance | | | |

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

| A | B | 1 | Options held at the start of the year | | | Options allocated during the year | | | | | | Options exercised during the year | | | Options expired in the year | Options held at the end of the year | Options accruing in the year |
|---|---|--|---------------------------------------|----------------|------------------------------------|-----------------------------------|----------------|------------------------------------|-------------------------------|-----------------|---|-----------------------------------|----------------|--|-----------------------------|-------------------------------------|------------------------------|
| | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15=2+5-11-14 | 16 |
| Full name | Position held | Plan | Number of options | Exercise price | Possible exercise period (from-to) | Number of options | Exercise price | Possible exercise period (from-to) | Fair value at allocation date | Allocation date | Market price of underlying shares at the allocation of shares | Number of options | Exercise price | Market price of the underlying shares at the exercise date | Number of options | Number of options | Fair value |
| Valerio Battista | Chief Executive Officer | | | | | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | 176.339 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 176.339 | 0,10 | 15,30 | | 0 | |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | | | | | |
| Total | | | 176.339 | | | | | | | | | 176.339 | | | | 0 | |
| Notes | | | | | | | | | | | | | | | | | |
| Fabio Romeo | Chief Strategy Officer | | | | | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | 72.924 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 72.924 | 0,10 | 14,61 | | 0 | |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | | | | | |
| Total | | | 72.924 | | | | | | | | | 72.924 | | | | 0 | |
| Notes | | | | | | | | | | | | | | | | | |
| Pier Francesco Facchini | Chief Financial Officer | | | | | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | 60.598 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 60.598 | 0,10 | 14,61 | | 0 | |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | | | | | |
| Total | | | 60.598 | | | | | | | | | 60.598 | | | | 0 | |
| Notes | | | | | | | | | | | | | | | | | |
| Massimo Battaini | Senior Vice President Business Energy Projects | | | | | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | 54.538 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 54.538 | 0,10 | 15,59 | | 0 | |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | | | | | |
| Total | | | 54.538 | | | | | | | | | 54.538 | | | | 0 | |
| Notes | | | | | | | | | | | | | | | | | |

Table 2 – follows

| A | B | 1 | Options held at the start of the year | | | Options allocated during the year | | | | | | Options exercised during the year | | | Options expired in the year | Options held at the end of the year | Options accruing in the year |
|---|-------------------------------|--|---------------------------------------|----------------|------------------------------------|-----------------------------------|----------------|------------------------------------|-------------------------------|-----------------|---|-----------------------------------|----------------|--|-----------------------------|-------------------------------------|------------------------------|
| | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15=2+5-11-14 | 16 |
| Full name | Position held | Plan | Number of options | Exercise price | Possible exercise period (from-to) | Number of options | Exercise price | Possible exercise period (from-to) | Fair value at allocation date | Allocation date | Market price of underlying shares at the allocation of shares | Number of options | Exercise price | Market price of the underlying shares at the exercise date | Number of options | Number of options | Fair value |
| Frank Do rje e | Non-executive director | | | | | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | 43.630 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 43.630 | 0,10 | 15,87 | | 0 | |
| Remuneration from subsidiaries and associates | | Performance Share 2011-2013 (resolution 14 April 2011) | 29.087 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 29.087 | 0,10 | 15,87 | | | |
| Total | | | 72.717 | | | | | | | | | 43.630 | | | | 0 | |
| Notes | | | | | | | | | | | | | | | | | |
| Managers with strategic responsibilities | 2 people | | | | | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | 42.418 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 42.418 | 0,10 | 15,37 | | 0 | |
| Remuneration from subsidiaries and associates | | Performance Share 2011-2013 (resolution 14 April 2011) | 10.558 | 0,10 | from 02/09/2014 to 02/12/2014 | | | | | | | 10.558 | 0,10 | 14,77 | | 0 | |
| Total | | | 52.976 | | | | | | | | | 52.976 | | | | 0 | |
| Notes | | | | | | | | | | | | | | | | | |

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

| A | B | 1 | Financial instruments allocated in previous years that did not vest in the year | | Financial instruments allocated in the year | | | | | Financial instruments that vested during the year and were not allocated | Financial instruments that vested during the year and could be allocated | | Financial instruments accruing in the year |
|---|---|--|---|----------------|---|-------------------------------|----------------|-----------------|----------------------------|--|--|-----------------------|--|
| | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Full name | Position held | Plan | Number and type of financial instruments | Vesting period | Number and type of financial instrument | Fair value at allocation date | Vesting period | Allocation date | Market price at allocation | Number and type of financial instruments | Number and type of financial instrument | Value at vesting date | Fair Value |
| Valerio Battista | Chief Executive Officer | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 117,171 | 15,37 |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | | |
| Fabio Romeo | Chief Strategy Officer | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 48,456 | 15,37 |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | | |
| Pier Francesco Facchini | Chief Financial Officer | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 40,265 | 15,37 |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | | |
| Massimo Battaini | Senior Vice President Business Energy Projects | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 36,238 | 15,37 |
| Remuneration from subsidiaries and associates | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | | |

Table 3A – follows

| A | B | 1 | Financial instruments allocated in previous years that did not vest in the year | | Financial instruments allocated in the year | | | | | Financial instruments that vested | Financial instruments that vested during the year and could be allocated | | Financial instruments accruing in the year |
|---|-------------------------------|--|---|----------------|---|-------------------------------|----------------|-----------------|----------------------------|-----------------------------------|--|-----------------------|--|
| | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Full name | Position held | Plan | Number and type of financial | Vesting period | Number and type of financial | Fair value at allocation date | Vesting period | Allocation date | Market price at allocation | Number and type of financial | Number and type of financial instrument | Value at vesting date | Fair Value |
| Frank Dorjee | Non-executive director | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 28,991 | 15,37 |
| Remuneration from subsidiaries and associates | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 19,327 | 15,37 |
| Total | | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | | |
| Managers with strategic responsibilities | 2 people | | | | | | | | | | | | |
| Remuneration from the company which prepares the financial statements | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 28,186 | 15,37 |
| Remuneration from subsidiaries and associates | | Performance Share 2011-2013 (resolution 14 April 2011) | | | | | | | | | | 7,016 | 15,37 |
| Total | | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | | |

Model No. 7- ter

| FULL NAME | POSITION HELD | INVESTEE COMPANY | NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR | NUMBER OF SHARES BOUGHT | NUMBER OF SHARES SOLD | NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR |
|-------------------------|-------------------------|------------------|---|-------------------------|-----------------------|--|
| Valerio Battista | Chief Executive Officer | Prysmian S.p.A. | 3.024.748 | 294.337 | 0 | 3.319.085 |
| Pier Francesco Facchini | Director | Prysmian S.p.A. | 90.000 | 101.690 | 43.313 | 148.337 |
| Cesare d'Amico (1) | Director | Prysmian S.p.A. | 216.000 | 73.000 | 0 | 289.000 |
| Massimo Battaini | Director | Prysmian S.p.A. | 8.800 | 91.603 | 0 | 100.403 |
| Fabio Romeo | Director | Prysmian S.p.A. | 0 | 127.207 | 0 | 127.207 |
| Frank Dorjee (2) | Director | Prysmian S.p.A. | 6.555 | 121.035 | 97.331 | 30.259 |

TABLE 2: Equity investments of other managers with strategic responsibilities

| NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITIES | INVESTEE COMPANY | NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR | NUMBER OF SHARES BOUGHT | NUMBER OF SHARES SOLD | NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR |
|--|------------------|---|-------------------------|-----------------------|--|
| 3 | Prysmian S.p.A. | 0 | 100.418 | 67.012 | 33.406 |
| | | | | | |

(1) Cesare d'Amico holds his participation in the share capital of Prysmian SpA both directly and indirectly through Fi.Pa. Finanziaria di Partecipazione S.p.A., a company in which he holds 54% of share capital through his not-legally separated wife

(2) Frank Dorjee left his office as Director following his resignation on 25 February 2014