

REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER FIVE OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 17 APRIL 2019, THE PROPOSAL FOR THE ANNUAL REMUNERATION OF THE MEMBER OF THE BOARD OF STATUTORY AUDITORS, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

5. Determination of the remuneration of the members of the Board of Statutory Auditors.

Shareholders,

article 21 of the By-laws requires the Shareholders' Meeting to determine the emoluments payable to the members of the Board of Statutory Auditors.

You are reminded that the Shareholders' Meeting of 13 April 2016, under proposal by shareholder Clubtre S.p.A. occurred when its own slate of candidates was filed, set the emoluments for the members of the Board of Statutory Auditors as follows: annual gross amount of Euro 75,000 for the Chairman of the Board of Statutory Auditors and annual gross amount of Euro 50,000 for each of the other Standing Statutory Auditors.

Considering the above, Shareholders' Meeting is invited to resolve upon the annual emolument of the Chairman of the Board of Statutory Auditors and of the other Standing Statutory Auditors for the period 2019-2021, taking into account also the proposals, if any, presented together with the slates filed for the appointment of the Board of Statutory Auditors.

You are reminded that the *criterion* no. 8.C.4 of the Corporate Governance Code for Italian listed companies approved by Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, which the Company adhered to, underlines that *"the remuneration of statutory auditors shall be proportionate to the commitment required from each of them, to the importance of his/her role as well as to the size and business sector of the company"*.

Milan, 6 March 2019

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