

**REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER TWO OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 28 APRIL 2020, THE PROPOSAL TO ALLOCATE THE NET PROFIT OF THE YEAR, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.**

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

Shareholders,

the Board of Directors proposes to resolve, from the profit for the 2019 financial year, the distribution of a gross dividend of Euro 0.50 to each voting ordinary share. Considering the outstanding ordinary shares, equal to no. 268,144,246, and the no. 4,880,493 treasury shares directly owned as of today, which have no right to profits, the total amount to be distributed would be equal to approximately Euro 132 million.

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

Finally, considering the 2020 calendar year approved by Borsa Italiana S.p.A., we propose that the dividend will be payable from 20 May 2020, with Record Date on 19 May 2020 and shares going ex-div on 18 May 2020.

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

***"The Shareholders' Meeting,***

***examined the financial statements at 31 December 2019, which close with a net profit of Euro 178,681,518,***

### ***RESOLVES***

***to allocate the net profit for the year of Euro 178,681,518 as follows:***

- ***to each voting ordinary share (considering the treasury shares directly owned) a gross dividend of Euro 0.50, equal to approximately Euro 132 million;***
- ***Euro 340,442 to integration of the "Reserve for share issue as per article 2349 of the Civil Code", therefore up to the amount of Euro 1,100,000, subject to the approval by the Shareholders' Meeting of today of both the incentive plan to be executed with the granting of new shares, and the relevant share capital increase serving said incentive plan;***
- ***to the retained earnings the remainder of approximately Euro 47 million.***

***The dividend will be payable from 20 May 2020, with Record Date on 19 May 2020 and shares going ex-div on 18 May 2020".***

Milan, 20 March 2020

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