

# PRYSMIAN GROUP'S EMPLOYEE STOCK OWNERSHIP PLAN INFORMATION DOCUMENT

*(pursuant to Article 114-bis of Legislative Decree 58/98 and Article 84-bis, paragraph 1, of the Regulations adopted by Consob with Resolution No. 11971 of 14 May 1999, as amended and supplemented)*



## SHAREHOLDERS' MEETING of PRYSMIAN S.P.A.

Milan, 16 April 2013

**Prysmian**  
Group



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## DEFINITIONS

Here below are the terms used in this document and the relevant definitions.

MEETING	The Shareholders' Meeting of Prysmian S.p.A.
SHARES	Prysmian S.p.A.'s ordinary shares
SHARES PURCHASED	The Shares bought by Participants including those received as a Discount
SHARES HELD	The Shares purchased by Participants under the Plan, consisting of the Shares Purchased and the Entry Bonus
NOMINATION AND REMUNERATION COMMITTEE	The Nomination and Remuneration Committee established among the members of the Board of Directors pursuant to Article 6 of the Corporate Governance Code adopted by Borsa Italiana S.p.A.
BOARD	Prysmian S.p.A.'s Board of Directors
EMPLOYEES / ADDRESSEES	The employees of Prysmian S.p.A. and of the Subsidiaries of Prysmian S.p.A. with an open-ended contract who completed their trial period, if any
INFORMATION DOCUMENT	This Information Document, prepared pursuant to and in accordance with Art. 114 bis of the Consolidated Law on Finance (TUF) and Art. 84-bis, paragraph 1, of the Issuers' Regulations
ENTRY BONUS	The Shares Participants will receive as a free one-off assignment on the first purchase
GROUP	Prysmian and its Subsidiaries
RETENTION PERIOD	The period of time following the purchase of the Shares during which the Shares cannot be sold and/or transferred
PLAN	This Plan to allow the Group's Employees to purchase Shares under favourable terms
PARTICIPANTS	The Addressees who decide to join the Plan
PURCHASE PRICE	Prysmian's Share Price calculated as the average share price in the 5 trading days prior to the purchase
PRYSMIAN or THE COMPANY	Prysmian S.p.A.
REGULATIONS	The regulations which will govern the Plan, globally and locally, in terms of characteristics, conditions and procedures
ISSUERS' REGULATIONS	Regulations adopted with CONSOB Resolution No. 11971 dated 14 May 1999, as amended and supplemented
DISCOUNT	The Discount on the Purchase price which will be granted to Participants in the form of free Shares
SUBSIDIARIES	The Companies controlled at 51% by Prysmian, by virtue of agreements or other arrangements, as well those consolidated in the Group's annual financial statements
TUF (Consolidated Law on Finance)	Legislative Decree No. 58/98, as amended and supplemented
VESTING	The moment in which Participants acquire equity and voting rights conferred by the Shares Held under the Plan in compliance with the limits set out in the Plan

## **INTRODUCTION**

This Information Document is a report for the Shareholders' Meeting called to approve the Plan to allow the Group's Employees / Addressees to purchase Shares under favourable terms.

The Information Document is published in order to provide the shareholders of the Company and the market with information on the Plan, pursuant to Art. 84-bis of the Issuers' Regulations and in particular in conformity with Scheme 7 of Annex 3A of the Issuers' Regulations.

It should be noted that the Plan must be considered "of major significance" in accordance with Article 114-bis, paragraph 3 of the Consolidated Law on Finance and Article 84-bis, paragraph 2 of the Issuers' Regulations.

The Plan consists of the offer reserved to Group Employees to purchase Prysmian Shares, with a maximum 25% Discount on the purchase price, paid in the form of treasury shares. The Shares Purchased will be subject to a Retention period, during which they cannot be sold and/or transferred. Participation in the Plan is voluntary.

Therefore, the proposal to adopt the Plan will be submitted for approval by the company's ordinary Shareholders' Meeting called on 16 April 2013, in single call.

At the date of this Information Document, the proposal to adopt the Plan has not yet been approved by the Meeting. This Information Document is prepared based on the proposal to adopt the Plan approved by the Board of Directors on 27 February 2013.

This Information Document is made available to the public at the registered office of Prysmian S.p.A., Viale Sarca 222, Milan, at Borsa Italiana S.p.A., as well as on the Company's website [www.prysmiangroup.com](http://www.prysmiangroup.com).

## 1. THE ADDRESSEES

### 1.1 Indication of the name of the addressees who are members of the Board of Directors of Prysmian

The Plan includes the following addressees who are also members of the Board of Directors of Prysmian S.p.A.:

- Valerio Battista, Chief Executive Officer and General Manager,
- Pier Francesco Facchini, Chief Financial Officer;
- Fabio Romeo, SVP Energy Business;
- Frank Dorjee, Chief Strategic Officer.

It should be noted that the aforementioned members of the Board of Directors of Prysmian S.p.A. are included among the Addressees simply as Employees.

### 1.2 Categories of employees or collaborators of the financial instruments issuer and companies controlling or controlled by this issuer

The Addressees of the Plan are all Employees of the Group's companies in Italy and abroad, divided into three categories:

- Senior Executives: executive directors and managers with strategic responsibilities, as identified by name at point 1.1 and point 1.3 of this Information Document;
- Managers: category consisting of around 300 people in managerial positions in the Group, who will be identified by name, belonging to the various operating and business units at global level;
- Other Employees: the remaining Group Employees, not included in the previous categories, numbering around 18,000 people, with an open-ended contract who completed their trial period, if any.

The company reserves the right, at its sole discretion, to exclude from the Plan Employees of Subsidiaries based in countries where local legal, regulatory, tax, or currency restrictions and/or specific filing requirements may directly or indirectly compromise the achievement of the Plan's purpose and/or expose the company to potential risks and/or make the implementation and/or administration of the Plan burdensome. During the implementation of the Plan, when its characteristics will be described in detail, some of these may undergo changes aimed at guaranteeing the conformity of the Plan to the local legislation and/or its tax effectiveness and/or facilitate its implementation at local level. For instance, in some countries it will be possible to include also employees with fixed-term contracts, who will be included in the Employees / Addressees category accordingly

### 1.3 Name of the parties benefiting from the plan serving as managers as defined in Article 152-sexies, paragraph 1, letter c)-c.2

The Plan includes among the Addressees also Mr. Massimo Battaini, Chief Operating Officer of the Group, and Phil Edwards, SVP Telecom business. They both serve as managers who have regular access to inside information, as defined in Article 152-sexies, paragraph 1, letter c)-c.2 of the Issuers' Regulations.

It should be noted that both are included among the Addressees simply as Employees.

### 1.4 Description and numerical indication of all the managers who have regular access to inside information and are authorised to take management decisions that can influence the development and prospects of the issuer of the shares, as defined in Art. 152-sexies, paragraph 1, letter c)-c.2-c.3 and of the other potential categories of employees or collaborators for whom plans are envisaged with special conditions (e.g., executives, managers, workers, etc.)

With the exception of the Addressees already listed in Points 1.1 and 1.3 above, the Plan does not provide for the participation of other Employees qualifying as "relevant persons" as defined in Article 152-sexies, paragraph 1, letter c) - c.2 and c.3 of the Issuers' Regulations.

The Plan presents characteristics differentiated in relation to the maximum Discount applicable on the Purchase Price which Participants may benefit from, set at:

- ✓ 1% for Senior Executives;
- ✓ 15% for Managers;
- ✓ 25% for other employees not included in the first two categories.

During the implementation of the Plan, when its characteristics will be described in detail, some of these may undergo changes aimed at guaranteeing the conformity of the Plan to the local legislation, making it tax-effective, and facilitating its implementation so as to ensure participation is as broad as possible. In any case, these changes cannot be made to the discount reserved for Senior Executives.

## **2. THE REASONS BEHIND THE ADOPTION OF THE PLAN**

### **2.1 and 2.1.1 The objectives to be achieved by means of the attribution of plans**

The reasons behind the adoption of the Plan are:

- to strengthen the employee's loyalty to the Group by offering them the opportunity to share in the profits through stock ownership;
- to align the interests of Prysmian Group's stakeholders, employees and shareholders, identifying the common objective to create long-term value;
- to contribute to consolidating the integration process started following the acquisition of the Draka Group.

### **2.2 Key variables and performance indicators**

There are no performance conditions.

### **2.3 Criteria for determining the assignment**

The Plan consists of the offer to Employees to purchase Prysmian Shares with a maximum 25% Discount on the Purchase Price, paid in the form of Treasury Shares.

Participation in the Plan is voluntary. By joining the Plan, the Participant agrees to invest a set amount in the purchase of Shares over a maximum of three purchase cycles (2014, 2015, 2016), maintaining the right to waive participation in the Plan throughout its duration.

Participants will benefit from a maximum Discount on the Purchase price differentiated on the basis of the category they fall in (as described in point 1.2).

An individual annual cap in Euro will be introduced on the Discount reserved for each Participant; an individual annual cap will be introduced on the investment which, in any case, shall not exceed Euro 26,670.

Employees who join the Plan, with the exception of Senior Executives, will receive a one-off Entry Bonus of 6 free shares on their first purchase.

Therefore, the number of Shares each Participant will purchase will be determined on the basis of the size of the investment, the Discount applied and the Purchase Price.

A total maximum of 500,000 Treasury Shares will be reserved for the Discount and Entry Bonus over the whole duration of the Plan (three cycles).

During the implementation of the Plan, when its characteristics will be described in detail, some of these may undergo changes aimed at guaranteeing the conformity of the Plan to the local legislation, making it tax-effective, and facilitating its implementation so as to ensure participation is as broad as possible.

For instance, as already mentioned, a change could be made to the indicated Discount, excluding in any case Senior Executives, not exceeding the 25% cap for all the other Participants, and/or an individual annual cap in Euro could be introduced on the Discount.

In particular, Prysmian reserves the right to decide whether and how to offer Treasury Shares reserved for the Plan, again up to a maximum of 500,000 such shares, which are left unused following the purchases, exclusively in favour of Managers who can, in any case, benefit from a Discount of no more than 25% and within the investment limits to be defined and which, in any case, cannot be greater than the maximum annual individual investment.

### **2.4 The reasons underlying any decision to assign financial instrument-based compensation plans not issued by Prysmian**

Not applicable since the Plan is based only on Prysmian shares.

### **2.5. Significant tax and accounting implications**

The Prysmian Group currently operates in around 50 countries, many of which will be involved in the Plan based on legal and tax evaluations.

The Plan will be subject to the tax, social security and/or accounting law in force from time to the time in

each country where Participants are resident.

**2.6. Any support of the Plan by the Special fund to encourage workers to participate in businesses, pursuant to Article 4, paragraph 112, of Italian Law No. 350 of 24 December 2003**

The Plan does not receive any support by the Special fund to encourage workers to participate in businesses, pursuant to Article 4, paragraph 112, of Italian Law No. 350 of 24 December 2003.



### **3. APPROVAL PROCEDURE AND TIMING FOR THE ASSIGNMENT OF INSTRUMENTS**

#### **3.1. Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors in order to implement the Plan**

On 27 February 2013, the Board of Directors, at the proposal of the Nomination and Remuneration Committee meeting held on 26 February 2013, resolved, among other things, to submit this Plan for approval by the ordinary Shareholders' Meeting called on 16 April in single call.

The Meeting will be asked to delegate to the Board all authority necessary and appropriate to regulate and execute the Plan. In particular, purely as an example, the Board of Directors will have the authority, with the right to sub-delegate, to: (i) approve the Regulations which will govern the Plan, (ii) define the local variants of the Plan, (iii) specify in which countries the Plan will be implemented, on the basis of technical and factual considerations. All this in conformity with the relevant instructions established in the Information Document.

#### **3.2. Parties appointed to administrate the Plan**

The party responsible for the decisions referring to the Plan – without prejudice to the authority reserved to the Shareholders' Meeting – is the Board of Directors of the Company, which will supervise the implementation of the Plan, the definition of the regulations and the operational management of the Plan. The Board of Directors will also be granted all the powers indicated, purely as an example, in the previous point, with right to sub-delegate.

#### **3.3. Procedures in place for the review of Plans, including in relation to any alteration of the basic objectives**

During the implementation of the Plan, the Board of Directors will establish the contents of the Plan's Regulations, on the basis of which any procedures for reviewing the Plan can be established.

#### **3.4. Methods for determining the availability and assigning the financial instruments on which the Plan is based**

The Plan envisages the offer to Employees to purchase Prysmian Shares with a maximum Discount which will be paid in the form of Treasury shares.

Employees joining the Plan, except for Senior Executives, will receive a one-off Entry Bonus of 6 free shares on their first purchase.

#### **3.5. Role played by each director in determining the characteristics of the Plan**

The decision to promote the Plan, with the relevant terms and conditions, was made by Prysmian's Human Resources and Organisation Department with the help of external consultants and was submitted for examination by the Nomination and Remuneration Committee, consisting of independent directors who are not Plan Addressees, on 26 February 2013, in conformity with the recommendations of the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A.

The proposal was then approved by the Board of Directors on 27 February 2013, with the Addressee directors abstaining, at the recommendation of the Nomination and Remuneration Committee, to then be submitted for approval by the Shareholders' Meeting.

#### **3.6. Date of the decision taken by the competent body to propose the approval of the Plan to the Shareholders' Meeting**

The Board of Directors, at the recommendation of the Nomination and Remuneration Committee, decided during the meeting held on 27 February 2013 to submit the Plan for approval by the Shareholders' Meeting.

### **3.7. Date of the decision taken by the competent body with regards to the assignment of instruments.**

Not applicable since, at the date of this Information Document, the Plan has not yet been approved by the Ordinary Shareholders' Meeting.

### **3.8 Prysmian's share price as at the dates of the decisions concerning the proposed Plan and the assignment of the shares**

As at 26 February 2013, Prysmian's ordinary share price on the MTA market organised and managed by Borsa Italiana S.p.A. was Euro 15.63.

As at 27 February 2013, Prysmian's ordinary share price on the MTA market organised and managed by Borsa Italiana S.p.A. was Euro 16.27.

### **3.9. Measures adopted by the Company should the assignment date coincide with the diffusion of any significant information in accordance with Art. 114, paragraph 1, of Legislative Decree No. 58 of 24 February 1998**

The identification of possible control measures will be delegated to the Board during the determination of the regulations governing the Plan, without prejudice to the fact that the Plan will be executed, in any case, in full compliance with the disclosure requirements for the Company, in order to guarantee transparency and parity of information disclosed to the market, as well as compliance with the procedures adopted by the Company.

In particular, the purchase date of the Shares will not fall in periods close to the announcement of accounting data and price-sensitive information relating to the Group's financial results.

## **4. THE CHARACTERISTICS OF THE INSTRUMENTS ASSIGNED**

### **4.1 Description of the ways in which the compensation plans based on financial instruments are structured**

The Plan regards the possibility, which is reserved to Employees, to purchase Prysmian Shares, with a maximum 25% Discount on the Purchase price, which will be paid in the form of treasury shares.

The Shares held will be subject to a Retention period, during which they cannot be sold and/or transferred.

### **4.2 Period of effective plan implementation also with reference to any different cycles envisaged**

The Plan envisages three purchasing cycles: in 2014, in 2015, and in 2016. The Employee who joins the Plans agree to purchase Shares for an amount in Euro determined by him/herself, with a minimum of Euro 100, for each of the three purchase cycles. The Vesting of the Shares Held under the Plan is immediate, however there is a Retention period during which the Shares Held cannot be sold and/or transferred.

The dates for purchasing the Shares will be established during the implementation of the Plan.

During the implementation of the Plan, when its characteristics will be described in detail, some of these may undergo changes aimed at guaranteeing the conformity of the Plan to the local legislation, making it tax-effective, and facilitating its implementation so as to ensure participation is as broad as possible. For example, the Retention period may last three years or more.

The actual implementation of the 2015 and 2016 cycles remains subject to the discretion of Prysmian.

### **4.3 The plan terms**

The Vesting of the Shares Held under the Plan is immediate, however there is a Retention period during which the Shares cannot be sold and/or transferred. Therefore, in the case of the minimum three-year Retention period set by the Plan, this restriction relating to the Shares Held under the first cycle will end in 2017, 36 months after the purchase date; the Retention period relating to the second cycle will end in 2018, 36 months after the purchase date; the Retention period relating to the third cycle will end in 2019, 36 months after the purchase date.

### **4.4 Maximum number of financial instruments assigned each tax year**

A total maximum of 500,000 Treasury Shares will be reserved for the Discount and Entry Bonus over the whole duration of the Plan (three cycles).

The number of Shares effectively reserved for the Plan will depend on the number of Participants, the size of the individual investment, the Discount applied, and the Purchase Price.

### **4.5 Methods and clauses for the implementation of the Plan**

See points 4.1 and 4.2.

### **4.6 Restrictions of availability affecting the instruments**

The Shares Held by Participants in the Plan cannot be sold and/or transferred for the duration of the Retention period. At the end of the Retention period, Participants can choose whether to sell, keep or transfer the Shares.

Any dividends due will be paid to Participants also during the Retention period; Participants will also acquire the voting rights attached to the Shares Held under the Plan.

At the end of the Retention period, the Shares Held by Participants cannot be transferred to the Company.

#### **4.7 Any termination conditions in relation to the attribution of plans should the Addressees carry out hedging operations that enable the neutralisation of any prohibitions of the sale of the financial instruments assigned**

No termination conditions apply should Participants carry out hedging operations that enable the neutralisation of any prohibitions of the sale of the Shares assigned.

#### **4.8 Description of the effects determined by the termination of the employment**

The Shares Held under the Plan will be subject to a Retention period, during which they cannot be sold and/or transferred, also in the case of employment termination due to voluntary resignation, retirement, or dismissal for just cause.

During the implementation of the Plan, the regulations will establish the different effects in case of employment termination, depending on the cause and the time of the event. The restrictions envisaged in the Retention period will not apply for various cases including, but not limited to, collective dismissals, death, permanent disability, delisting/takeover bid, transfer of company branches, and disposal of a subsidiary.

#### **4.9 Indication of any other causes for the cancellation of the plans**

Any other causes for the cancellation of the Plan will be specified during its implementation.

#### **4.10. Reasons in relation to the potential provision for redemption by the company of the financial instruments**

There is no provision for redemption by the company of the Shares.

#### **4.11 Any loans or other benefits for the purchase of the Shares**

No loans will be granted. The amount to be invested in the Plan may be accumulated through monthly instalments to be deducted from the salary.

#### **4.12. Assessment of the expected burden for the company on the date of assignment**

At the date of preparation of this Information Document, there were not enough elements to make reasonable assumptions about the expected burden for the Company, since this depends on various factors that cannot be predicted.

#### **4.13 Any dilution effects on the capital determined by the compensation plans, with specific reference to the attribution of shares**

For the purposes of implementing the Plan, Prysmian will use Treasury Shares. Therefore, there will be no dilution effects on the share capital.

#### **4.14 Any limits envisaged for the exercise of voting rights and the attribution of equity rights**

No limits are envisaged for the exercise of voting rights and the attribution of equity rights within the limits set out in this Information Document.

#### **4.15. Information about shares not traded on regulated markets**

Not applicable since the Shares are eligible for trading on the MTA market organised and managed by Borsa Italiana S.p.A.

The Table attached to Scheme No. 7 of Annex 3A to the Issuers' Regulations will be set out in further detail and updated from time to time during the implementation of the Plan pursuant to Article 84-bis, paragraph 5 letter a) of the Issuers' Regulations.

Milan, 7 March 2013

On behalf of the Board of Directors  
The Chief Executive Officer

Annexes: Table No. 1, Scheme No. 7 of Annex 3A to the Issuers' Regulations.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS  
Table 1 of model 7 of Appendix 3A of the Regulation 11971/99

Name or Category	Position	BOX 2							
		Options							
		Section 1							
		Options relating to currently valid schemes approved on the basis of previous shareholders' meeting resolutions							
		Date of shareholders' resolution (mm/dd/yyyy)	Description of the instrument	Number of financial instruments underlying options assigned but not exercisable	Number of financial instruments underlying options exercisable but not exercised	Date of assignment by the competent body or the BoD (mm/dd/yyyy)	Strike price	Market price of underlying financial instruments as at the assignment date	Option maturity date
no.1 SENIOR MANAGERS		30/11/2006	Options over ordinary shares of Prysmian S.p.A.	0	15,077	30/11/2006	4.65	n/a (*)	29/03/2013
no.4 Beneficiaries without link with the Company		30/11/2006	Options over ordinary shares of Prysmian S.p.A.	0	63	30/11/2006	4.65	n/a (*)	29/03/2013
Hans Hoegstedt	Director of subsidiary company	30/11/2006	Options over ordinary shares of Prysmian S.p.A.	0	1	30/11/2006	4.65	n/a (*)	29/03/2013
Luca Giorgio De Rai	Director of subsidiary company	30/11/2006	Options over ordinary shares of Prysmian S.p.A.	0	17,431	30/11/2006	4.65	n/a (*)	29/03/2013
Marcelo de Araujo Andrade	Director of subsidiary company	30/11/2006	Options over ordinary shares of Prysmian S.p.A.	0	2	30/11/2006	4.65	n/a (*)	29/03/2013
<b>Notes:</b>									
(*) The Company was listed on Italy's Electronic Equities Market (MTA), organised and managed by Borsa Italiana S.p.A., on 3 May 2007.									

Table 1 of model 7 of Appendix 3A to the Regulation 11971/99

Name or category	Position	BOX 2						
		Options						
		Section 2						
		Newly assigned options on the basis of the decision:						
		<input type="checkbox"/> of the BoD on proposal by the shareholders' meeting <input checked="" type="checkbox"/> of the competent body in implementation of the shareholders' meeting resolution						
		Date of shareholders' meeting (mm/dd/yyyy)	Description of the instrument	Number of financial instruments underlying options assigned for each person or category (*)	Date of assignment by the board or the competent body (mm/dd/yy)	Strike price (**)	Market price of the financial instruments as at the assignment date	Option maturity date (mm/dd/yyyy)
<b>Valerio Battista</b>	Director of the Issuer	14/04/2011	Options over ordinary shares of Prysmian S.p.A.	387,655	02/09/11	0.10	10.63	02/12/2014
<b>Frank Dorjee</b>	Director of the Issuer	14/04/2011	Options over ordinary shares of Prysmian S.p.A.	159,858	02/09/11	0.10	10.63	02/12/2014
<b>Pier Francesco Facchini</b>	Director of the Issuer	14/04/2011	Options over ordinary shares of Prysmian S.p.A.	133,215	02/09/11	0.10	10.63	02/12/2014
<b>Fabio Ignazio Romeo</b>	Director of the Issuer	14/04/2011	Options over ordinary shares of Prysmian S.p.A.	160,313	02/09/11	0.10	10.63	02/12/2014
<b>Notes:</b>								
In spite of the above maximum number of options that can be allocated, it is provided the following cap to the maximum number of options that can be actually exercised by the above four members of the Board: V.Battista no.301,034, F.Dorjee no.124,138, P.F.Facchini no.103,448, F.I.Romeo no.124,492.								
<b>Massimo Battaini</b>	Manager with strategic responsibilities	14/04/2011	Options over ordinary shares of Prysmian S.p.A.	119,893	02/09/11	0.10	10.63	02/12/2014
<b>Phil Edwards</b>	Manager with strategic responsibilities	14/04/2011	Options over ordinary shares of Prysmian S.p.A.	127,030	02/09/11	0.10	10.63	02/12/2014
<b>n. 37 Senior Management</b>		14/04/2011	Options over ordinary shares of Prysmian S.p.A.	1,558,825	02/09/11	0.10	10.63	02/12/2014
<b>n. 233 Executives</b>		14/04/2011	Options over ordinary shares of Prysmian S.p.A.	2,229,069	02/09/11	0.10	10.63	02/12/2014
<b>Notes:</b>								
(*) Maximum number of options to be granted. The number of options which can be effectively granted shall be determined on the basis of the achievement of performance objectives and to the limitations of the above notes.								
(**) The exercise price is equal to the par value of Prysmian Ordinary Shares only for the options which involves the subscription of newly-issued shares, while is equal to zero the exercise price for the options which involves treasury shares.								