

**Prysmian S.p.A.
Board of Directors**

**Guidance opinion
on the qualitative and quantitative
composition of the Board of Directors
for the three-year period 2024-2026**

Approved by the Board of Directors
on February 8th, 2024

Prysmian Group

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Introduction

The Corporate Governance Code (the “Code”)¹ recommends that a procedure for the appointment of directors is foreseen which ensures transparency of the process and a balanced composition of the Board. The Code underlines the importance of the engagement of the nomination committee when the Board itself, as far as it is consistent with the law provisions in force, submits the slate for the renewal of the Board of Directors and recommends that the Board of Directors, when expiring, formulates its guidance opinion to the Shareholders on the quantitative and qualitative composition deemed optimal for the new Board, taking into account the outcomes of the self-assessment. Such guidance shall be published with adequate notice with respect to the Shareholders’ meeting call, as specified in Consob Notice No. 1/22 of January 21, 2022.

Article 14 of Prysmian S.p.A (“Prysmian” or the “Company”) By-Laws establishes that the outgoing Board of Directors, as well as those shareholders who, alone or together with other shareholders, represent a total of at least 2% (two per cent) of the ordinary share capital with voting right at the ordinary Shareholders’ Meeting, or representing a lower percentage where required by an applicable law or regulation in force, are entitled to present Board slates. In its Resolution n. 92 of 31 January 2024, Consob established that for the current year the minimum equity interest in the Company required to submit slates of candidates is 1%.

Prysmian has adopted a policy on the composition of its company bodies, set out in the document *Description of the Policies applied in relation to the composition of the Board of Directors and of the Board of Statutory Auditors, also in regard to diversity, pursuant to Art. 123-bis, para.2.d-bis, of the Consolidated Law on Finance (T.U.F.)* and of the process for the submission of the slate of the Board of Directors, prepared with the support of the Remunerations and

Nominations Committee, the latest update of which was approved by Prysmian’s Board of Directors on November 9, 2023. The policy, which, *inter alia*, provides recommendations aimed at achieving a Board composition consisting of members who can ensure the role assigned to them is carried out effectively, is available on the company’s website www.prysmiangroup.com in the section *Company/Governance/Shareholders’ Meeting*.

Prysmian’s Board of Directors, whose mandate expires with the approval of 2023 financial statements, with the support of the Remunerations and Nominations Committee, prepared this Guidance Opinion (or “Opinion”) on the qualitative/quantitative composition deemed appropriate for the execution of its activities in the interest of shareholders who intend to submit a slate of candidates. This Opinion was formulated in accordance with what is described in the aforementioned policy, taking into account:

- the results of the self-assessment;
- the experience gained in the course of the term;
- benchmarking against comparable Italian and international firms;
- the analysis of the voting policies of main institutional investors and proxy advisors and the feedback that emerged during the engagement meetings;
- the Company’s strategy and planned activities for the next three years, focused on the execution of the business plan illustrated during the Capital Market Day on 5 October.

The Opinion identifies, *inter alia*, the managerial and professional competencies and the skills deemed necessary for the future members of the Board, also in light of the Company’s characteristics in terms of industry and size, considering that directors’ authoritativeness and competencies must be commensurate with the tasks that the directors are called on to perform, in coherence with the business objectives and the Company’s strategy.

¹ - The Corporate Governance Code for Listed Companies in the edition of January 2020, approved by the Corporate Governance Committee promoted by issuers’ associations (ABI, ANIA, Assonime, Confindustria), the Italian Stock Exchange (Borsa Italiana S.p.A.) and investors’ association (Assogestioni). In particular, the text refers to the principles and recommendations of art. 4 of the Code.

Quantitative composition of the Board of Directors

Article 14 of Prysmian's By-Laws establishes that the Company shall be managed by a Board of Directors of not fewer than seven members and no more than thirteen members. Within this range, the proper size of the Board of Directors is determined in order to guarantee the adequate ratio between executive, non-executive and independent non-executive directors and an adequate level of variation and the optimal composition of the Board committees. It should be recalled that the internal committees which have been set up by the Boards over the last years are three: the Control and Risks Committee, the Remunerations and Nominations Committee and the Sustainability Committee, each consisting of three members.

Prysmian's current Board of Directors consists of 12 members.

The international best practices do not indicate an ideal number of members for the composition of the boards of directors of listed companies. Such number must be adequate to the size and complexity of the issuer and the characteristics of the activity that they are tasked with performing.

In view of the new appointment, a comparative analysis was performed of the main European players in the industry and included in the FTSE MIB index, with a specific focus on analyzing the current size of the Board of Directors and of the committees.

Based on the results of the self-assessment carried out at the end of the three-year mandate, the orientation to confirm the current number of Board members emerged. This is deemed adequate also to ensure the presence of managerial and technical skills and an adequate variation of profiles. Furthermore, such number is considered adequate to the need of the internal committees' establishment and to ensure efficient and effective management of the functioning of the Board of Directors.

In light of the considerations made, the Board of Directors intends to propose to the Shareholders' Meeting that the number of the Board members is equal to twelve.

Qualitative composition of the Board of Directors

The Code recommends that, according to the issuer's activity, the various components (executive, non-executive, independent) and the professional and managerial competencies, including international experience, are adequately represented in the Board composition, taking into account also the benefits that could stem from gender, geographical origin, education and culture, age and tenure diversity. It is also recommended that the number, competence, authoritativeness and time availability of non-executive directors ensure that their opinion may have a significant impact on the Board's decisions.

1. General and personal characteristics

As for the **general and personal characteristics** of Prysmian Board members, it is recommended that:

- there is a balanced combination of profiles, attitudes and experience gained in industrial sectors with particular attention to strategic, managerial, operational, technological innovation, financial and control issues;

- current managers of the Group, within the limit of two, are in the Board with the role of executive directors, taking into account the role, the experience and individual background that they may possess, in order to guarantee, with their specific skills, continuity and knowledge of the company and the market where the Group operates;

- it is guaranteed that the majority of non-executive directors are independent, to ensure discussion and adequate Committee composition, also in accordance with the parameters indicated by the Corporate Governance Code. Those parameters

require at least half the members of the Board are independent pursuant the Code of Corporate Governance, so that the internal committees are composed only or mainly - where allowed, of independent directors and the distribution of roles is adequate;

due consideration is paid to the accumulation of offices and the availability in terms of time which the candidates for the role of director could guarantee in fulfilling their role, considering these key elements for the effective undertaking of the role. In particular, the Board recommends that candidates, at the time of their candidacy, and also including their potential appointment to the Board of Prysmian to which they are applying to, do not hold more than four non-executive offices or one executive office and two non-executive offices in companies listed on regulated markets. The candidates commit to respect this limit during the mandate;

differences in culture and background are duly promoted: a key element in ensuring the effectiveness of the Board is the integration of profiles which are different in terms of, for example, gender, background, geographic origin, age, and tenure;

the presence in the Board of members with international experience and exposure (regardless of nationality) is ensured, key characteristics in view of the Company specificities. International experience means significant professional experience gained abroad and/or in important roles in companies with a high level of international exposure;

gender diversity is widely represented;

a balanced distribution of the Board members by tenure and age is guaranteed.

Prysmian's current Board expresses an adequate diversity. It is characterized by a majority of independent directors pursuant to the Code of Corporate Governance, equal to 67%. Directors of the least represented gender constitute the 42%. The average age of the Board as of December 31, 2023 is 59 years, with a minimum of 52 and a maximum of 71 years, while the average tenure of Board members is 6.8 years. Considering only non-executive directors, the average length of service is 4.5 years.

Finally, the Board members have different professional backgrounds. All had direct international managerial and professional work experience and/or held significant roles in companies with high international exposure. Prysmian's Board includes directors of four different nationalities (Italian, Dutch, German, and US).

The Board of Directors wishes that the slates of candidates for the 2024-2026 mandate:

ensure a fair balance between the needs for constant renewal and continuity of the Board, considering to propose a continuity of presence for an adequate number of current Board members;

identify new high standing and highly expert professional and personal profiles, ensuring good complementarity and integration with the profiles of the candidates in the slate the outgoing Board will present.

2. Professionalism

With reference to the **professional requirements**, in line with the best practice in Anglo-Saxon countries, and without prejudice to compliance with any provisions in the regulations in force, the Company has decided to equip itself with a Board Skill Matrix, which identifies the skills that the Board, as a whole, will have to reflect. The presence on the Board of directors who, as a whole, have all or most of the skills and experience described in the Board Skill Matrix is considered to facilitate the discussion and the operation.

The skills which have been identified in the matrix are measured in terms of experience and background gained in:



MANAGEMENT, STRATEGY & MERGERS AND ACQUISITIONS

Experience in top management as CEO/Chairman/Senior Executive in listed companies of significant size and complexity, leading strategy, business development/transformation or a strategic function and, preferably, specific experience in M&A operations and post-merger integration.



SIMILAR INDUSTRIAL SECTOR

Knowledge and experience in the sectors in which the Group operates or in related/complementary sectors in terms of product portfolio, focusing on complex projects in the most strategic areas for the business, including Energy, Telecommunications and Transmission Networks and Industrial Solutions



GEOGRAPHIES & INTERNATIONAL EXPERIENCE

Knowledge and experience of the key strategic countries where the Group operates.



TECHNOLOGY, R&D, ENGINEERING AND ICT, DIGITALIZATION, CYBERSECURITY

Background and experience in technology, research and development, especially in material science and smart grid development; experience and background in innovation, digitalization, information and communication technology with focus on cybersecurity.



FINANCE & RISK MANAGEMENT

Experience in leadership roles (e.g. as CFO, Risk Officer, Internal Audit) preferably in international industrial companies; as alternative, at least 5 year experience in a Risk and Control Committee or Audit Committee.



GOVERNANCE

Knowledge of the laws, legislation and codes of conduct and governance best practices in listed companies; experience preferably chairing Governance or Nominations Committees.



SUSTAINABILITY, ESG & HUMAN CAPITAL DEVELOPMENT

Competence and experience in integrating sustainability/ ESG matters into the business vision and in Human Capital Management.

The Board members should possess a broad international experience, excellent English language skills, and a wide-ranging skill set in line with the areas identified in the matrix.

The Board recommends that all of the aforementioned competencies are represented within the Board: the coexistence of diversified skills and experience ensures the complementarity of professional profiles and facilitates the discussion and efficient operation of the Board.

3. Personal skills

In addition to the professional skills, it is recommended that also some **personal skills** are taken into due consideration, such as:

- the ability to take on new challenges, thus innovating and favouring change;
- the ability to actively participate to the Board work and openness to reciprocal discussion and feedback;
- attitude to collaborate, understanding the importance of diversity and team-working;
- business judgement, to encourage attitudes that are focused on development and business decisions.

4. Directors holding special offices

In view of the importance of certain roles, the Board of Directors has decided to provide specific guidelines to anyone submitting a slate with a number of candidates that is higher than half the number of members to be elected. In particular:

- With reference to the **Chairperson of the Board of Directors** it is considered that the office cannot be assigned to an executive director under any circumstances.

The profile of the candidate for the office of Chairman express a high level of leadership, to guarantee the absolute effectiveness of the Board's work both in terms of direction and control, leveraging the skills present in the Board at the best and building a positive team spirit. The candidate must have an undisputed international profile, as well as extensive managerial and/or entrepreneurial experience in highly complex companies, preferably in industrial sectors exposed to international competition. A background which includes experience in the field of M&A processes is also required, as they are an integral part of the Group's strategy. The experience gained in advanced

governance models in listed companies with diversified shareholders is fundamental. As part of the overall qualitative composition of the Board of Directors, the assessment of the independence of the candidate for the role of Chairman will be adequately examined and will be considered a preferable element, although not exclusive.

- The candidate profile of the **Chief Executive Officer** must express a high level of leadership and extensive managerial experience in international groups in the industrial sectors and direct experience in the field of M&A and post-merger integration processes. The ability to interpret the volatile reference context from time to time, a strategic and market vision, and the ability to lead a complex organization towards the achievement of the objectives shared with the Board are required, as well as an aptitude for leading, empowering and developing the Group's human capital, an essential lever to ensure sustainable performance over time.

In this regard, it is recalled that, as the current Chief Executive Officer Valerio Battista communicated his unavailability to continue in the role for the next three-year mandate (2024-2026), on May 26, 2023 it was announced the decision of the Board of Directors to designate the current Director and Group Chief Operating Officer Mr. Battaini as the next candidate for the role of Chief Executive Officer of Prysmian Group, in coherence with the Group's succession plan. Massimo Battaini will therefore be included as a candidate to the office of Director and Chief Executive Officer in the slate that the outgoing Board will present for the next renewal at the 2024 Shareholders' Meeting, when Valerio Battista will leave the role of Chief Executive Officer.

5. Internal committee and Lead Independent Director

With reference to the Committees established within the Board, the Board considers appropriate to confirm the current structure and system.

The current Board has appointed the Lead Independent Director, in line with international best practices and the recommendations of the Code, with the function of representing a point of reference and coordination of the requests and contributions of the non-executive directors and, in particular, of the independent directors, as well as coordinating the meetings of the sole independent directors. It is recommended that also the new Board appoints the Lead Independent Director. The profile of the Lead Independent Director shall express a high level of authority, significant experience in advanced governance models in listed companies with diversified shareholders, and knowledge of the industry in which the Company operates.

This Opinion is published with adequate notice in respect to the date of the Shareholders' Meeting so that those who intend to submit a slate that contains a number of candidates greater than half of the members to be elected can take into account the valuations made by the Board and its recommendations.

The slate of candidates for Prysmian's Board of Directors will be published in advance of the statutory deadline.

This is without prejudice to the shareholders' right to express different evaluations from those of the Board regarding the optimal composition of the Board. It will be appropriate, in the interest of all shareholders, that any differences in evaluation are clarified and explained.

The Board, in line with Recommendation 23 of the Code, invites the shareholders who submit a slate containing more than half the number of candidates of the members to be elected to:

1 provide adequate information about the slate's compliance with the Guidance Opinion by the outgoing Board in the documentation submitted for the filing of the slate;

2 formulate proposals for resolutions in relation to the Board appointment if alternative or supplementary to those of the outgoing Board, such as determining the number of Board members, their term of office and remuneration as well as to indicate the candidate for the office of Chairman of the Board.

Milan, 8 February 2024

The Board of Directors

