

REMUNERATION REPORT

Courtesy Translation



Issuer: **PRYSMIAN S.p.A.**

Website: www.prysmiangroup.com

Year of the Report: **2012**

Date Report approved: **27 February 2013**

Prysmian
Group



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Chairman's Letter

I am delighted to present the Prysmian Remuneration Report for 2012 which will be submitted to the Shareholders' meeting.

During 2012 the attention to remuneration issues has been maintained. Our perspective was aimed at consolidating the remuneration elements we introduced last year with the objective of aligning our remuneration policy to our approach aimed at performance, sustainability and transparent dialogue with investors.

During 2012, in line with the macro-economic context and with the Group's medium term objectives, no changes in the fixed pay have been foreseen for all people reporting directly to the Group CEO, also accordingly to the integration phase Prysmian-Draka which has implied some measures of restructuring and to the recent introduction of the medium/long-term incentive plan.

The annual incentive system, with the purpose of reinforcing a common goal, has been subject for everybody – Top Management, Key Managers – to the achievement of the overall Group results.

We have collected the information relating to our remuneration policy in this Report, which describes the principles on which we base our remuneration policies, governance, the elements which make up the remuneration of the Directors and Managers with strategic responsibilities, the short and long-term incentive mechanisms and the related objectives, with the aim of providing information to increase shareholders' knowledge regarding our pay policies and to highlight their coherence with our business strategies.

This Remuneration Report has been approved by the Board of Directors of the 27th February 2013 and its I section will be submitted to the advisory vote of the ordinary Shareholders' Meeting in line with the current regulations.

The Chairman of the Compensation and Nomination Committee

Giulio Del Ninno

SECTION I

1. Introduction

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 over Directors' pay in listed companies.

The Pay Policy of the Prysmian Group is defined with the aim of aligning the interests of Management with those of shareholders in order to pursue the primary objective of the creation of sustainable value in the medium to long term, by forging a strong link between the pay and performance of individuals and of the Group.

The Remuneration Policy described in this document applies to 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	Compensation and Nomination Committee
Massimo Tononi	Chairman	Independent non-executive director *	-	Member
Battista Valerio	CEO and General Manager	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
Frank Dorjee	Director and CSO	Executive director	-	-
Pier Francesco Facchini	Director and CFO	Executive director	-	-
Fritz Froehlich	Director	Independent non-executive director	Member	-
Fabio Ignazio Romeo	Director and Senior Vice President Business Energy	Executive director	-	-
Giovanni Tamburi	Director	Independent non-executive director	-	-

*Mr. Tononi is an independent non-executive director only for TUF and not for the the *Self-Regulation Code for Listed Companies*

- The Group's Managers with strategic responsibilities are:

Full name	Job Title
Massimo Battaini	Chief Operating Officer
Phil Edwards	Senior Vice President Telecom Business

The 2012 remuneration policy doesn't disclose specific news with reference to what has been defined and applied during the 2011. In particular, the remuneration structure holds steady in terms of utilized tools and pay-mix. During the 2012 base salary increases haven't been made for Top Management.

2. Governance

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

The Board of Directors adopts, at the proposal of the Committee, the principles, guidelines and decisions on remuneration.

Every year the Compensation and Nomination Committee submits the Pay Policy to the approval of the Board of Directors and supervises its application.

The Board of Directors set up and appointed the members of the Compensation and Nomination Committee. This Committee has the role of providing consultancy and proposals for the Board of Directors with reference to establishing the remuneration of Directors and Managers with strategic responsibilities of Prysmian S.p.A., as indicated in the table, the appointment/substitution of independent Directors, as well as the size and composition of the Board itself.

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 Compensation and Nomination Committee are:

- to assess and formulate the remuneration policy for Executive directors with particular positions;
- to examine and discuss the proposals on Pay Policy regarding Managers with strategic responsibilities;
- to assess and formulate any proposals regarding remuneration policies for management formulated by the Company;
- to periodically oversee the effective application 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 which are connected to the incentive systems for the Chief Executive Officer and Managers with strategic responsibilities.

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

During 2012, the Committee met 3 times; all the members of the Committee took part in the meetings. The work undertaken by the Committee, with the support of the Human Resources Department, in particular concerned:

- the formulation of proposal to the Board on the remuneration of Executive Directors and Managers of the Company with strategic responsibilities, both in terms of fixed and variable pay;
- the formulation of proposal to the Board with reference to the allocation of the total yearly compensation fixed by the Shareholders' Meeting;

- the positive evaluation of the adopted criteria with reference to the Pay Policy related to the achievement of the objectives settled and to the Pay Policy adopted with reference to the Top Management's remuneration;
- the examination of the information related to Prysmian Group Pay Policy collecting them in the Remuneration Report, then approved by the Board of Directors and submitted to the Shareholders' Meeting too.

The Compensation and Nomination Committee, in its work of providing advice, making proposals and carrying out checks, draws on the support of an independent external consultant, Hay Group, which provides details on trends, practices, and market pay levels on a global scale in order to monitor the adequacy of the remuneration of Top Management.

No Director takes part in meetings of the Compensation and Nomination Committee at which proposals relating to their own remuneration are formulated.

The Human Resources and Organisation Director was invited to take part in the meetings of the Compensation and Nomination Committee as Secretary.

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 that can help achieve the economic and financial objectives, while fully safeguarding shareholders and linked to the achievement of better performance"
- **to support the corporate strategy and to attract and retain key human resources for the organisation:**
"people are essential to achieve the strategic objectives"
- **to ensure coherence between the "total remuneration" of management and the Group's performance, in line with the expectations of shareholders:**
"the essential driver of Prysmian's remuneration systems is the business performance, a significant part of management's remuneration is in fact linked to the achievement of performance objectives in line with the expectations of investors"
- **to implement policies in line with the risk profile, through an appropriate balance between the various elements of pay, aimed at supporting the creation of value:**
"the philosophy of the remuneration systems favours a concept of performance measured over a time horizon which is sufficient to guarantee sustainability and the creation of value in the long term."

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

The Shareholder's Meeting on 18th April 2012 approved that the total fixed remuneration for the Board will correspond to Euro 430.000 for each year of service, in addition to the reimbursement of the expenses made for the Company's interests, to be divided pro rata on the basis of the period of Board of Directors' service. Furthermore, the Shareholder's Meeting established that the Board of Directors has the authority to split the above mentioned payment to all or only to some of the Directors, taking into consideration the specific role of each of them.

The Board accepted the Remuneration and Nomination Committee's proposal that defines the following breakdown of the annual remuneration:

(i) Euro 30.000 to the Chairman of the Board, (ii) Euro 40.000 to each of the 7 non executive and independent directors pursuant to the TUF and (iii) Euro 20.000 to each of the 6 members of committees.

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

This section of the Report describes the elements of the current pay package of Executive directors and with particular positions and of Managers with strategic responsibilities:

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. 	<p>BENEFITS</p> <p>Social security and healthcare benefits as well as assistance in work life balance which supplement the minimum contractual health care/pension plans and other contractual requirements.</p>
SHORT AND MEDIUM-TERM REMUNERATION	<p>MBO</p> <ul style="list-style-type: none"> - pay 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 is envisaged. 	
	<p>CO-INVESTMENT</p> <p>the co-investment system was launched in 2011 and is valid for the period 2011-2013:</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 this portion is subordinate to achieving a Group three-year economic and financial target (Adjusted Cumulative EBITDA 2011-2013) - should the performance objective be achieved, the payment of a multiple of the co-invested bonus is envisaged. <p>Should it not be achieved, the payment of a reduced portion of the deferred bonus is envisaged.</p>	
	<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 2014 directors will receive a preset number of Prysmian shares if the Adjusted Cumulative EBITDA objective for 2011-2013 has been achieved. 	

5.1. Fixed remuneration

The pay levels of Top Management are defined in relation to the complexity of the role, the effective responsibilities that are allocated and the experience required, with the support of a method of job evaluation which enables comparison with specific peer groups, in order to analyse external data and guarantee competitive alignment with the reference market.

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

Market practices are not the only reference point in defining base pay: the principle of internal fairness and sustainability is also taken into consideration. The importance of its weight within the total package is such as to reduce behaviour which is excessively risk-oriented, to discourage initiatives that focus on short-term results and to allow a flexible approach to the variable element.

Once a year, the Compensation and Nomination Committee prepares a Pay review proposal for Top Management to be put for approval to the Board of Directors.

During the 2012 the base salary of Board Members and Managers with strategic responsibility has not been increased.

5.2. Variable short and medium/long-term remuneration

In 2011 Prysmian launched a three-year incentive plan, which runs alongside and is connected to the annual incentive system, creating a direct relationship between the results achieved annually and the performance in the medium-long term, through three elements of pay:

- annual bonus (MBO)
- co-investment
- performance share.

The reasons underlying the introduction of the plan, which covers 290 key managers of the Group, are:

- to identify a common objective for Group management, aimed at strengthening the integration process with Draka;
- to enhance the sustainability of the annual results in the long term through a system of deferring and co-investing the annual bonus;
- to align the performance of management to the expectations of shareholders, also through the use of shares to strengthen the commitment to the organisation and to the company's successes.

5.2.1. Annual bonus (MBO)

The variable incentive system is based on preset targets with the aim of rewarding the results achieved in the short term (1 year) and aligning individual conduct to the strategic objectives of the organisation: performance is measured against the overall results of the company, the business unit, and the department concerned.

The annual incentive system rewards Top Management in relation to the achievement of the following objectives:

- On/off Objective: the system does not envisage the payment of any bonus should the preset targets not be achieved in terms of a liquidity indicator (Net Financial Position) and a profitability indicator (Group EBITDA).
- Group Objective: the bonus levels are linked to a profitability indicator at Group level (Group EBITDA) which is applied to 50% of the target bonus.
- Country/Business Unit/Department Objectives: these are further, largely financial indicators connected to the performance of the relevant Department or Business Unit.

The variable incentive system is defined annually by the Compensation and Nomination Committee which puts the objectives to the Board of Directors and identifies their parameters.

The opportunities linked to the incentive system are defined as a target percentage related to fixed remuneration and, should the target objectives be exceeded; a maximum performance level is envisaged. These ranges (target and maximum) are shared and constant at Group level, in terms of the hierarchical level and in line with the strategic importance of the role, with the objective of balancing fixed and variable pay on the basis of the job and the impact on results.

The table below shows the existing link between performance and annual bonus:

Annual Bonus (MBO) – payout as % annual fixed remuneration			
		Chief Executive Officer	Executive Directors and Manager with Strategic Responsibilities
on-off objective	< threshold	<i>no payment</i>	
	>threshold	<i>payout proportional to the achievement level of objectives</i>	
objectives' achievement level (performance)	< Target (100)	0%	0%
	Target (100)	66,7%	50%
	Max (150)	100%	75%
	>Max (150)	100% (cap)	75% (cap)

In the case of the achievement at intermediate level between target and max, payout is calculated proportionally.

The payment of the annual bonus is subject to staying in the Group for the whole duration of the reference period (January – December).

5.2.2. Co-investment

The co-investment system was approved by the Board of Directors on 3 March 2011 and is valid for the period 2011-2013: it envisages that part of the payment of the accrued annual bonus is deferred for a maximum period of two years. At the end of the three-year period the payment of a multiple of the co-invested bonus is envisaged, subordinate to the achievement of a three-year Group economic and financial objective (Adjusted Cumulative EBITDA 2011 – 2013). Should this objective not be achieved, the curtailment of part of the co-invested bonus is envisaged. Should they resign during the three-year period, the participant will lose the right to return of the co-investment.

The plan envisages the possibility of choosing one of the three following co-investment profiles for the annual bonus relating to 2011 and 2012, to which a different risk level is associated:

- ✓ *Basic Profile*: the participant co-invests 25% of the value of their accrued annual bonus with the possibility of obtaining, in 2014 and should the target be achieved, a multiple of 1.5 times the amount co-invested (including the co-investment itself), or of losing 25% of the amount co-invested should the target not be achieved;
- ✓ *Balanced Profile*: the participant co-invests 50% of the value of their accrued annual bonus with the possibility of obtaining, in 2014 and should the target be achieved, a multiple of 2 times the amount co-invested (including the co-investment itself), or of losing 50% of the amount co-invested should the target not be achieved;
- ✓ *Dynamic Profile*: the participant co-invests 75% of the value of their accrued annual bonus with the possibility of obtaining, in 2014 and should the target be achieved, a multiple of 2.5 times the amount co-invested (including the co-investment itself), or of losing 75% of the amount co-invested should the target not be achieved.

It is not an obligatory plan, but is an essential condition to participate in the performance share plan described hereafter.

All of the Top Management have adhered to the co-investment plan.

5.2.3. Performance share

The Prysmian Shareholders' meeting on 14 April 2011 approved the three-year incentive plan "Performance share" for the period 2011-2013: this plan envisages the allocation of a preset number of Prysmian shares¹ in 2014, on the achievement of a Group three-year economic and financial objective (Adjusted Cumulative EBITDA 2011 – 2013).

The beneficiaries of the plan are 290 key managers of the Group, including the Executive directors and Managers with strategic responsibilities.

The value of the allocation has been defined in regard to the role and the fixed remuneration levels; the number of the option rights to be allocated has been calculated using the average share price during the four weeks preceding the date of the Board of Directors' meeting which approved the individual allocations for Top Management (26 August 2011).

The plan envisages that the exercise of the options allocated is subordinate to the achievement of a Group three-year economic and financial objective (Adjusted Cumulative EBITDA 2011 – 2013) of at least 1.75 billion Euro on a constant basis.

The plan also envisages a maximum level of Adjusted Cumulative EBITDA 2011 – 2013, equivalent to the target plus 20% and so 2.1 billion Euro, which will cause the allocation of the maximum number of options.

Policy of retention of shares: in compliance with Art. 6 of the *Self-Regulation Code for Listed Companies (2011 Edition)*, a 2-year lock-up period is also envisaged, during which the beneficiaries must retain a part of the shares that may have been allocated to them, which for Executive directors and Managers with strategic responsibilities amounts to 25% of the shares.

The vesting of the options relating to the plan is subordinate to the participant being in the Group on 31 December 2013.

Clauses relating to termination of the employment relationship, extraordinary operations, and change in control, in relation to the co-investment and to the performance share plan:

- in the case of resignation, dismissal for just cause or subjective justified reason, the participant will definitively lose both the right to return of the co-investment, both for any co-invested portions of the annual bonus and the related multiple, and to exercise the allocated options; in the case of consensual termination or termination of the employment relationship for an objective justified reason, the participant will have the right only to the return of the co-invested amounts;
- in the case of retirement, invalidity or death of the participant, the Chief Executive Officer has the discretionary and unchallengeable right to envisage clauses that are an improvement on what has been regulated;
- in the case of extraordinary operations, the Company agrees to do everything in its power, including possibly changing the plan as well as the related methods and timeframes, so that the economic value as represented by the options allocated is kept unchanged; the Board can also redefine the target objective appropriately;
- in the case of a change in control, the plan envisages the return of the co-invested portions of the annual bonus and the liquidation of the multiple relating to the co-investment calculated on a pro rata basis on occurrence of the change in control and on the basis of the level of achievement of the performance objective, provided that, on a pro rata basis, it corresponds to at least 85% of the target objective; in addition, the plan envisages the possibility of exercising a number of

¹ The plan envisages the allocation of options to underwrite shares in the ratio of one share for each option exercised. The shares can be treasury shares or newly issued shares following a capital increase; the former shall be allocated free of charge, while the shares allocated following a share capital increase shall be allocated to participants against payment of the exercise price equal to the par value of 0,10 Euro.

options calculated on a pro rata basis compared to the target allocation, provided that the level of achievement of the performance objective corresponds to at least 85% of the target objective.

5.3. Benefits

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

- complementary pension
- complementary medical insurance
- non-professional accident policy
- company car

6. Long-term incentive plans relating to previous years

Two on-going long-term incentive plans are described below, the allocations for which were made prior to the introduction of current LTI Plan:

- the stock option plan 2006, which envisages as the last period to exercise the option rights allocated the 30 days following publication of the press release announcing the approval of the draft Financial Statements for 2012;
- the long-term cash plan 2010-2012, which was closed in advance in 2011.

6.1. Stock option plan 2006

On 30 November 2006, the Company's Extraordinary Shareholders' Meeting approved a stock option incentive plan, making its coming into force subordinate to the start of trading of the Company's shares on the *Mercato Telematico Azionario* (screen-based stock exchange) organised and managed by Borsa Italiana S.p.A., which occurred on 3 May 2007.

The Plan, which is reserved for employees of the Prysmian Group, envisaged the free allocation of option rights to subscribe the Company's ordinary shares, with a par value of 0,10 Euro. Among Executive directors, only one, Pier Francesco Facchini, is a beneficiary of the plan.

Each option allocates the right to underwrite a share at a price of 4.65 Euro per share. The price per share was set by the Company's Board of Directors on the basis of the market value of the Company's share capital on approval of the Plan by the Board of Directors itself, which was, in its turn, determined on the basis of the Company's economic and financial results at 30 September 2006 and taking account of the dilution effect produced by the allocation of the Options themselves, as well as the illiquidity of the presumed market value of the Company's share capital at that date.

The options are accrued in four annual instalments starting from the allocation date which, in the case of the Original Beneficiaries who accepted the option within the deadline envisaged by the Regulation of the Plan itself, is 4 December 2006.

Exercise of the accrued options occurs only during the so-called "Exercise Periods" following the respective vesting date, considering, pursuant to the Regulation of the plan, for the "Exercise Period" each period of thirty days starting from the first day following the date on which the press release regarding the resolution to approve the draft financial statements of Prysmian S.p.A. is published or that regarding the resolution to approve the half-year report of the same company.

The period in which the options may be exercised, which was initially calculated in relation to the approval of the draft financial statements relating to the year ended at 31 December 2010, was extended by the resolution of the Shareholders' Meeting of 15 April 2010 to the thirty days following the date on which the press release regarding the resolution to approve the draft financial statements of Prysmian S.p.A. for 2012 is published.

6.2. Long-Term Cash Incentive 2010-2012

On 13 May 2010, the Board of Directors approved the launch of a Long-Term Cash Incentive Plan for 2010-2012 which is subordinate to achieving preset economic and financial objectives. The recipients of the Plan were the Chief Executive Officer and three Executive directors and a manager with strategic responsibilities. The Plan was terminated in advance at the time of the introduction of the Plan for 2011-2013 (Co-investment and Performance shares).

The Plan envisaged the vesting of a cash bonus at the end of the three-year period connected to achieving the following specific objectives, the targets for which were defined on an annual basis:

- ✓ Adjusted EBITDA to which the vesting of 50% of the bonus was connected
- ✓ Free cash flow to which the vesting of 25% of the bonus was connected
- ✓ Net Income to which the vesting of 25% of the bonus was connected

The mechanism for the Plan was as follows:

- ✓ should the target level not be achieved: no payment
- ✓ achievement of the target level: payment of a bonus overall equal to 233% of fixed pay for the Chief Executive Officer and to 167% of fixed pay for the other beneficiaries, the Executive directors, on a three-year basis
- ✓ achievement of the maximum level: payment of a bonus overall equal to 350% of fixed pay for the Chief Executive Officer and to 250% of fixed pay for the Executive directors
- ✓ achievement of interim objectives: proportional payment of the bonus compared to the levels indicated

The bonus was accrued annually should the annual objectives be achieved, while payment was envisaged at the end of the reference period, subsequent to the approval by the Shareholders' Meeting of the financial statements for 2012, provided that the beneficiary was in office at the end of the reference period (December 2012).

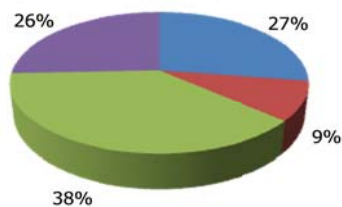
With the launch of the new Plan for 2011-2013 (Co-investment and Performance shares), the Long-Term Cash Incentive Plan was closed as follows: the total bonus accrued in the prior period was calculated for each participant and the obligation to defer and co-invest 75% of the accrued bonus as part of the co-investment plan was established, in accordance with the method described in the previous related paragraph; the remaining 25% of the accrued bonus will be paid in 2013.

7. Pay-mix

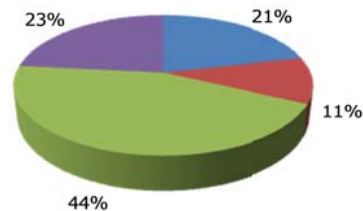
The following graphs represent the theoretical pay-mix of Executive Directors and Prysmian Managers with Strategic responsibilities, according to target and maximum annual and three-year performance. The graphs show the relative weight of the three components of remuneration: fixed, annual variable pay, medium / long-term variable pay, for both cash remuneration (co-investment, Long-Term Incentive Cash 2010-2012) and equity (performance share).

Chief Executive Officer , **Valerio Battista**

Pay-mix – performance target

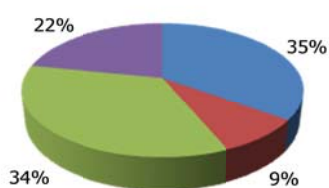


Pay-mix – max performance

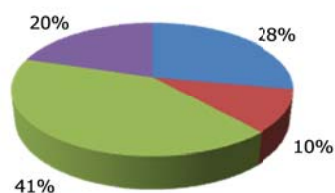


Fabio Romeo Executive Director

Pay-mix – performance target

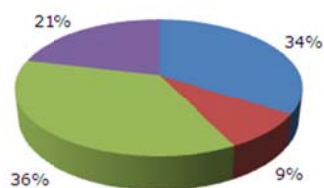


Pay-mix – max performance

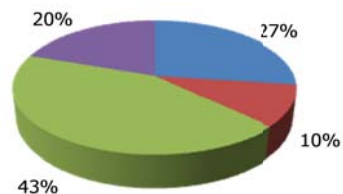


Pier Francesco Facchini Executive Director

Pay-mix – performance target

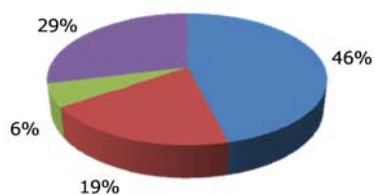


Pay-mix – max performance

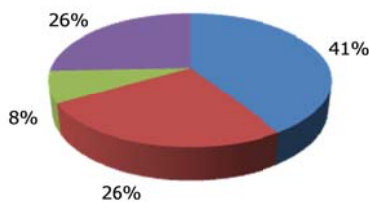


Frank Dorjee Executive Director

Pay-mix – performance target

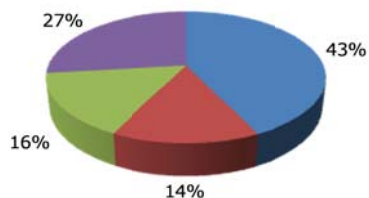


Pay-mix – max performance



Managers with Strategic responsibilities

Pay-mix – performance target



Pay-mix – max performance



■ Base Salary	■ Medium/long-term compensation (cash)
■ Annual Bonus	■ Medium/long-term compensation (equity)

The value of the performance shares is calculated on the basis of the fair value of the plan. The pay-mix is calculated considering current pay-out opportunities (cash and equity) over the period 2011-2013, in

which the Long-Term Incentive plan is effective. Other remuneration (Non-compete agreement, retention bonus), described in Section II of this report, are not considered in the analysis of the pay-mix.

8. Other elements

8.1. Non-competition clauses

Prysmian envisages the possibility of signing non-competition clauses for Executive directors and Managers with strategic responsibilities.

In conformity with case law and practice, these agreements can envisage recognition of payment of a percentage of fixed pay, in relation to the duration and extent of the restriction arising from the clause itself.

8.2. Retention bonuses

The possibility is envisaged of offering Retention bonuses to Executive directors and Managers with strategic responsibilities. The existing Retention bonuses are specifically connected to the integration period following the takeover of Draka.

9. Treatment envisaged for end of service or termination of employment relationship

The possibility is envisaged of allocating to Executive directors payment of compensation for termination of the employment relationship; it is predetermined in terms of the amount and includes what is due to the director pursuant to the national contract. For some Directors this form of compensation is currently envisaged.

For Managers with strategic responsibility no *ex ante* agreements are envisaged. Therefore, should the employment relationship be terminated, the provisions envisaged by the relevant national contract apply.

With reference to future appointment of new Executive Board Members and/or Managers with strategic responsibilities, Prysmian is committed not to envisage ex-ante agreements for employment and/or position termination which are not in line with the Self-Regulation Code for Listed Companies and Corporate Governance best practices, in compliance with local law and national collective agreements, and in any case which define a termination indemnity exceeding the two-year salary.

10. Pay structures for controlling function

For the Internal Audit Director a specific long-term incentive plan with objectives coherent with his responsibilities has been designed; therefore, this manager has been excluded from the long-term incentive Plan, in compliance with the indications of Article 6 of the Self-Regulation Code for Listed Companies (2011 Edition).

SECTION II

This section of the Remuneration Report illustrates each of the items which make up the remuneration of Directors and Managers with strategic responsibilities, and highlights their coherence with the policies described in the first section of the document.

I. Chairman of the Board of Directors

The compensation of Massimo Tononi, Chairman of the Board of Directors since April 2012, is composed by fixed annual remuneration equal to Euro 70.000. Furthermore, Massimo Tononi receives an additional payment equal to Euro 20.000 as a member of the Compensation and Nomination Committee.

Fixed compensation paid during the 2012 corresponds to a total amount of Euro 83.300 of which Euro 23.300 paid in April, as second installment of the salary as non-executive Director for the period 2011 April- 2012 April and Euro 60.000 in December as first installment of the 2012-2013 remuneration.

II. Chief Executive Officer

Valerio Battista, Chief Executive Officer of the Prysmian Group, received pay made up as follows:

- *Fixed remuneration* of 1.115.500 Euro, including gross annual pay of 970.000 Euro and the fee for the non-competition clause, for the part accruing in 2012, of 145.500 Euro. This clause, which applies to the period 2011-2014, envisages the payment of the fee in four annual tranches of equal value.
- *Annual cash variable pay*: the value of the accrued annual bonus 2012 (MBO) is 772.592 Euro, which corresponds to the total envisaged on achievement of performance levels that are above the target. Valerio Battista chose to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is 193.148 Euro and the value of the deferred bonus, applying the multiplier envisaged by the plan, is 1.448.610 Euro in case performance targets are met, while, in case performance targets are not met, it will correspond to Euro 144.861.
- *Performance shares 2011-2013*: Valerio Battista is included among the beneficiaries of the Performance shares Plan; under this Plan, he received an allocation of a total of 258.437 options to receive shares in 2014, on achievement of the defined target performance conditions, of which it is estimated that 94.351 options will be exercisable for free and 164.086 against payment of an exercise price of 0,10 Euro, which corresponds to the par value of the share.² The maximum number of options which can be allocated (cap) is 301.034. The share price on allocation, which occurred on 2 September 2011, was 10,63 Euro.³
- *Co-investment*: with reference to the co-investment related to the 2011-2013 LTI plan, Valerio Battista has co-invested a portion of the 2011 annual bonus. The value of 2011 co-investment, which will be paid during 2014, if the defined performance conditions will be met, as described in the 5.2.2. paragraph, is equal to Euro 1.695.633. In case performance conditions are not met, the value will correspond to Euro 169.563.
- *Long-Term Cash Plan 2010-2012*: Valerio Battista was included among the beneficiaries of the long-term cash plan, which was closed in advance in 2011. The bonus accrued relating to this plan totals 1.012.632 Euro: a portion of 253.158 Euro has been paid during 2013; on the other hand, a portion of 759.474 Euro, corresponding to 75% of the accrued bonus, was deferred under

² Without prejudice to the fact that the total of the exercisable options, on the achievement of the performance target levels, is that indicated above, the proportion among options which will be allocated for free and options which will be allocated against payment of the exercise price will be defined at the end of the Plan.

³ In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2012 of 12/28 of the options allocated to a target.

the new Co-investment Plan in accordance with a Dynamic Profile. This portion will be paid in 2014 subject to performance conditions. The overall total is 2.151.843 Euro.

- *Benefits*: the value of non-cash benefits allocated to the Chief Executive Officer is 9.154 Euro.

In addition, on 1/6/2006 compensation for Valerio Battista was defined for early termination of the employment relationship of 4,5 million Euro. This compensation accrues in cases in which the termination of the contract occurs at the Company's initiative and is not connected to performance criteria and is in line with mandatory contractual termination clauses

III. Executive directors

Fabio Ignazio Romeo, Senior Vice President Energy Business of the Prysmian Group, received pay as follows:

- *Fixed remuneration* of 681.710 Euro, including gross annual pay of 601.710 Euro and the fee for the non-competition clause, for the part accruing in 2012, of 80.000 Euro. This clause, which applies to the period 2009-2013, envisages the payment of the fee in four annual tranches of equal value.
- *Annual cash variable pay*: the value of the accrued annual bonus 2012 (MBO) is 295.259 Euro, which corresponds to the total envisaged on achievement of performance levels that are in line with the target. Fabio Ignazio Romeo chose to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is 73.815 Euro and the value of the deferred bonus, applying the multiplier envisaged by the plan, is 553.610 Euro in case performance targets are met, while, in case performance targets are not met, it will correspond to Euro 55.361.
- *Performance shares 2011-2013*: Fabio Ignazio Romeo is included among the beneficiaries of the Performance shares Plan; under this Plan, he received an allocation of a total of 106.875 options to receive shares in 2014, on achievement of the defined target performance conditions, of which it is estimated that 39.018 options will be exercisable for free and 67.857 against payment of an exercise price of 0,10 Euro, which corresponds to the par value of the share.⁴ The maximum allocation is 124.492 options. The share price on allocation, which occurred on 2 September 2011, was 10.63 Euro.⁵
- *Co-investment*: with reference to the co-investment related to the 2011-2013 LTI plan, Fabio Ignazio Romeo has co-invested a portion of the 2011 annual bonus. The value of 2011 co-investment, which will be paid during 2014, if the defined performance conditions will be met, as described in the 5.2.2. paragraph, is equal to Euro 788.869. In case performance conditions are not met, the value will correspond to Euro 78.886.
- *Long-Term Cash Plan 2010-2012*: Fabio Ignazio Romeo was included among the beneficiaries of the long-term cash plan, which was closed in advance in 2011. The bonus accrued relating to this plan totals 411.368 Euro: a share of 102.842 Euro has been paid in 2013; on the other hand, a portion of 308.526, corresponding to 75% of the accrued bonus, was deferred under the new Co-investment Plan in accordance with a Dynamic Profile. This portion will be paid in 2014 subject to performance conditions. The overall total is 874.157 Euro.
- *Benefits*: the value of non-cash benefits allocated to Fabio Ignazio Romeo is 8.061 Euro.

⁴ Without prejudice to the fact that the total of the exercisable options, on the achievement of the performance target levels, is that indicated above, the proportion among options which will be allocated for free and options which will be allocated against payment of the exercise price will be defined at the end of the Plan.

⁵ In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2012 of 12/28 of the options allocated to a target.

Pier Francesco Facchini, Chief Financial Officer of the Prysmian Group, received pay as follows:

- *Fixed remuneration* of 500.000 Euro, corresponding to gross annual pay.
- *Annual cash variable pay*: the value of the accrued annual bonus 2012 (MBO) is 298.675 Euro, which corresponds to the total envisaged on achievement of performance levels that are above the target. Pier Francesco Facchini chose to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is 74.669 Euro and the value of the deferred bonus, applying the multiplier envisaged by the plan, is 560.016 Euro in case performance targets are met, while, in case performance targets are not met, it will correspond to Euro 56.001.
- *Performance shares 2011-2013*: Pier Francesco Facchini is included among the beneficiaries of the Performance shares Plan; under this Plan, he received an allocation of a total of 88.810 options to receive shares in 2014, on achievement of the defined target performance conditions, of which it is estimated that 32.423 options will be exercisable for free and 56.387 against payment of an exercise price of 0,10 Euro, which corresponds to the par value of the share.⁶ The maximum allocation is 103.448 options. The share price on allocation, which occurred on 2 September 2011, was 10,63 Euro.⁷
- *Co-investment*: with reference to the co-investment related to the 2011-2013 LTI plan, Pier Francesco Facchini has co-invested a portion of the 2011 annual bonus. The value of 2011 co-investment, which will be paid during 2014, if the defined performance conditions will be met, as described in the 5.2.2. paragraph, is equal to Euro 655.523. In case performance conditions are not met, the value will correspond to Euro 65.552.
- *Long-Term Cash Plan 2010-2012*: Pier Francesco Facchini was included among the beneficiaries of the long-term cash plan, which was closed in advance in 2011. The bonus accrued relating to this plan totals 336.211 Euro: a portion of 84.053 Euro will be paid in 2013; on the other hand, a portion of 630.396, corresponding to 75% of the accrued bonus, was deferred under the new Co-investment Plan in accordance with a Dynamic Profile. This portion will be paid in 2014 subject to performance conditions. The overall total is 714.448 Euro.
- *Stock option*: Pier Francesco Facchini is among the beneficiaries of the Stock option plan 2006; under this plan, 392.203 options were allocated. Of these, 19.051 options have still not been exercised.
- *Benefits*: the value of non-cash benefits allocated to Pier Francesco Facchini is 4.484 Euro.

In addition, on 8/1/2007 compensation for early termination of the employment relationship was established for Pier Francesco Facchini at 24 months of his gross annual pay. This compensation accrues in cases in which termination of the contract occurs at the Company's initiative and is not connected to performance criteria.

Frank Dorjee, Chief Strategy Officer of the Prysmian Group, Executive director of the company as from 3/3/2011, received pay as follows for the period in question:

- Fixed remuneration of 600.000 Euro, corresponding to gross annual pay of which, 360.000 Euro was paid by Prysmian S.p.A and 240.000 Euro by the subsidiary Draka Holding N.V.
- *Annual cash variable pay*: the value of the accrued annual bonus 2012 (MBO) is 358.410 Euro, which corresponds to the total envisaged on achievement of performance levels that are above the target. Frank Dorjee chose to participate in the Co-investment Plan with a Basic Profile. Therefore, the value of the annual bonus paid is 268.808 Euro and the value of the deferred bonus, applying the multiplier envisaged by the plan, is 134.404 Euro in case performance

⁶ Without prejudice to the fact that the total of the exercisable options, on the achievement of the performance target levels, is that indicated above, the proportion among options which will be allocated for free and options which will be allocated against payment of the exercise price will be defined at the end of the plan.

⁷ In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2012 of 12/28 of the options allocated to a target.

targets are met, while, in case performance targets are not met, it will correspond to Euro 67.202.

- Co-investment: with reference to the co-investment related to the 2011-2013 LTI plan, Frank Dorjee has co-invested a portion of the 2011 annual bonus. The value of 2011 co-investment, which will be paid during 2014, if the defined performance conditions will be met, as described in the 5.2.2. paragraph, is equal to Euro 183.094. In case performance conditions are not met, the value will correspond to Euro 91.546.
- *Performance shares 2011-2013*: Frank Dorjee is included among the beneficiaries of the Performance shares Plan; under this Plan, he received an allocation of a total of 106.572 options to receive shares in 2014, on achievement of the defined target performance conditions, of which it is estimated that 38.907 options will be exercisable for free and 67.665 against payment of an exercise price of 0,10 Euro, which corresponds to the par value of the share.⁸ The maximum allocation is 124.138 options. The share price on allocation, which occurred on 2 September 2011, was 10,63 Euro.⁹
- *Retention bonus*: Frank Dorjee received a Retention bonus for 600.000 Euro.
- *Benefits*: the value of non-cash benefits allocated to Frank Dorjee is 4.137 Euro.

On 1/3/2011 compensation for early termination of the employment relationship was established for Frank Dorjee of 2,5 million Euro. This compensation accrues in cases in which termination of the contract occurs at the Company's initiative and at the initiative of the manager and is not connected to performance criteria and was established following the successful outcome of the takeover of Draka, of which Frank Dorjee was Chief Executive Officer.

IV. Non-executive directors

The remuneration of Non-Executive Directors consists in a fixed fee, equal to Euro 40.000. Committee members receive an additional fixed fee of Euro 20.000 for each Committee.

Wesley Clark, Non executive and independent director terminated on 18/04/2012, received a fixed pay for the period april 2011 april 2012 equal to Euro 70.000. On April 2012 he received Euro 23.300 as 2 ^ installment of this payment. Paolo Zannoni, Non executive director terminated on 18/04/2012, did not receive any fixed remuneration.

V. Statutory Auditors

The Shareholders' Meeting of 15 April 2010 arranged to appoint the Board of Statutory Auditors, in the persons of Marcello Garzia, Chairman, Luigi Guerra and Paolo Burlando, standing Auditors, setting at 20.660 Euro the annual fee for the Chairman and 12.920 Euro the annual fee for each of the standing auditors. The Board of Statutory Auditors as appointed will serve until the Shareholders' Meeting which approves the financial statements at 31 December 2012.

VI. Managers with strategic responsibilities

Managers with strategic responsibilities received, at an aggregate level, pay as follows¹⁰:

- *Fixed remuneration* of 1.094.337 Euro, including gross annual pay of 951.848 Euro and the fee for the non-competition clause, for the part accruing in 2012, of 142.489 Euro. These clauses, which apply to the period 2011-2014, envisage the payment of the fees in four annual tranches.

⁸ Without prejudice to the fact that the total of the exercisable options, on the achievement of the performance target levels, is that indicated above, the proportion among options which will be allocated for free and options which will be allocated against payment of the exercise price will be defined at the end of the Plan.

⁹ In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2012 of 12/28 of the options allocated to a target.

¹⁰ All values are in Euro; the exchange rate applied is 1 Euro = 0,79805 £

- *Annual cash variable pay*: the value of the accrued annual bonus 2012 (MBO) is 640.085 Euro, which corresponds to the total envisaged on achievement of performance levels that are markedly above the target. Both the Managers chose to participate in the Co-investment Plan. Therefore, the value of the annual bonus paid is 345.660 Euro and the value of the deferred bonus, applying the multiplier envisaged by the plan, is 643.243 Euro. In case performance targets are met, while, in case performance targets are not met, it will correspond to Euro 120.016.
- *Performance shares 2011-2013*: Managers with strategic responsibilities are included among the beneficiaries of the Performance shares Plan; under the Plan, they received an allocation of a total of 164.616 options to be received in 2014, on achievement of the defined performance target conditions, of which it is estimated that 60.098 options will be exercisable for free and 104.518 against payment of an exercise price of 0,10 Euro, which corresponds to the par value of the share.¹¹ The maximum allocation is 246.923 options. The share price on allocation, which occurred on 2 September 2011, was 10,63 Euro.¹²
- *Co-investment*: with reference to the co-investment related to the 2011-2013 LTI plan, Managers with strategic responsibilities have co-invested a portion of the 2011 annual bonus. The value of 2011 co-investment, which will be paid during 2014, if the defined performance conditions will be met, as described in the 5.2.2. paragraph, is equal to Euro 711.324. In case performance conditions are not met, the value will correspond to Euro 119.672.
- *Retention bonus*: one of the Managers with strategic responsibilities is the recipient of a Retention bonus of 501.848 Euro. First installment of 125.462 Euro has been paid in March 2012. The second installment of Euro 376.386 will be paid in March 2013
- *Benefits*: the value of non-cash benefits allocated to the two Managers with strategic responsibilities is 20.489 Euro.

The data relating to Managers with strategic responsibilities refer to the following two people: Massimo Battaini (from 1/1/2012 to 31/12/2012) and Phil Edwards (from 01/07/2012 to 31/12/2012).

¹¹ Without prejudice to the fact that the total of the exercisable options, on the achievement of the performance target levels, is that indicated above, the proportion among options which will be allocated for free and options which will be allocated against payment of the exercise price will be defined at the end of the Plan.

¹² In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2012 of 12/28 of the options allocated to a target.

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		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	
1	Valerio Battista	Chief Executive Officer	1/1/2012 - 31/12/2012	2015										
	I) Remuneration from the company which prepares the financial statements					1.115.500		446.306		9.154	3.230	1.574.190	1.170.333	
	(II) Remuneration from subsidiaries and associates													
	(III) Total					1.115.500		446.306		9.154	3.230	1.574.190	1.170.333	
Notes					of which: 970.000 euro as Gross Annual Salary; 145.500 euro as fee for non-competition clause							Travel allowance corresponds to the total of the fair value of the Plans set out in Tables 2 and 3A		
2	Fabio Romeo	Senior Vice President Energy Business	1/1/2012 - 31/12/2012	2015										
	I) Remuneration from the company which prepares the financial statements													
	(II) Remuneration from subsidiaries and associates					681.710		176.657		8.061	6.275	872.703	483.984	
	(III) Total					681.710		176.657		8.061	6.275	872.703	483.984	
Notes					of which: 601.710 euro as Gross Annual Salary; 80.000 euro as fee for non-competition clause							Travel allowance		
3	Pier Francesco Facchini	Chief Financial Officer	1/1/2012 - 31/12/2012	2015										
	I) Remuneration from the company which prepares the financial statements					500.000		158.722		4.484	3.480	666.686	232.532	
	(II) Remuneration from subsidiaries and associates													
	(III) Total					500.000		158.722		4.484	3.480	666.686	232.532	
Notes					Travel allowance									
4	Frank Dorjee	Chief Strategy Officer	1/1/2012 - 31/12/2012	2015										
	I) Remuneration from the company which prepares the financial statements					360.000		521.285				881.285	453.070	
	(II) Remuneration from subsidiaries and associates					240.000		347.523		4.137	2.750	594.411		
	(III) Total					600.000		868.808		4.137	2.750	1.475.695	453.070	
Notes														

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
5	Massimo Tononi	Non-executive director	1/1/2012 - 31/12/2012	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		
6	Wesley Clark	Independent non-executive director	01/01/2012 - 18/04/2012	18/04/2012									
	I) Remuneration from the company which prepares the financial statements					70.000 **					70.000 **		
	(II) Remuneration from subsidiaries and associates												
	(III) Total					70.000					70.000		
Notes					(**) remuneration related to the period april 2011 - april 2012 of which 46.700 paid in December 2011 (1^ installment) and 23.300 paid in April 2012 (2^ installment)								
7	Giulio Del Ninno	Independent non-executive director	1/1/2012 - 31/12/2012	2015									
	I) Remuneration from the company which prepares the financial statements					40.000	20.000				60.000		
	(II) Remuneration from subsidiaries and associates												
	Massimo Tononi					40.000	20.000				60.000		
8	Claudio De Conto	Independent non-executive director	1/1/2012 - 31/12/2012	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		
8	Fritz Froehlich	Independent non-executive director	1/1/2012 - 31/12/2012	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		

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
9	Maria Elena Cappello	Independent non-executive director	18/04/2012 - 31/12/2012	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	Cesare D'Amico	Independent non-executive director	18/04/2012 - 31/12/2012	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	
11	Giovanni Tamburi	Independent non-executive director	18/04/2012 - 31/12/2012	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	Marcello Garzia	Chairman of the Board of Statutory Auditors	01/01/2012 - 31/12/2012	2013									
	I) Remuneration form the company which prepares the financial statements					20.660					20.660		
	(II) Remuneratuion from subsidiaries and associates					20.420					20.420		
	(III) Total					41.080					41.080		
13	Paolo Burlando	Auditor	01/01/2012 - 31/12/2012	2013									
	I) Remuneration form the company which prepares the financial statements					12.920					12.920		
	(II) Remuneration from subsidiaries and associates												
	(III) Total					12.920					12.920		
14	Luigi Guerra	Auditor	01/01/2012 - 31/12/2012	2013									
	I) Remuneration form the company which prepares the financial statements					12.920					12.920		
	(II) Remuneration from subsidiaries and associates					25.500					25.500		
	(III) Total					38.420					38.420		
<i>Notes</i>													
15	2	Managers with strategic responsibility	01/01/2012 - 31/12/2012										
	I) Remuneration form the company which prepares the financial statements					520.000		67.202		10.670	3.995	601.867	120.653
	(II) Remuneration from subsidiaries and associates					574.337		403.920		9.819		988.077	127.835
	(III) Total					1.094.337		471.122		20.489	3.995	1.589.944	248.488
<i>Note</i>					of which 142.489 euro as fee for non-competition clause		Retention Bonus (Draka) + MBO			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																
Remuneration in the company which prepares the financial statements		Performance Share 2011-2013 (resolution 14 April 2011)	164.086	0,10	from 02/09/2014 to 02/12/2014											164.086	740.499
Remuneration from subsidiaries and associates																	
Total			164.086	0,10													740.499
Notes																	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.
Fabio Romeo	Senior Vice President Energy Business																
Remuneration in the company which prepares the financial statements																	
Remuneration from subsidiaries and associates		Performance Share 2011-2013 (resolution 14 April 2011)	67.857	0,10	from 02/09/2014 to 02/12/2014											67.857	306.229
Total			67.857	0,10												67.857	306.229
Notes																	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.

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
Pier Francesco Facchini	Chief Financial Officer																
Remuneration in the company which prepares the financial statements	Stock Option Plan 2006		73.051	4,65	March 2011 - April 2013							54.000	4,65	10,51		19.051	
	Performance Share 2011-2013 (resolution 14 April 2011)					56.387	0,10	from 02/09/2014 to 02/12/2014	10,53	02/09/2011	10,63					56.387	84.822
Remuneration from subsidiaries and associates																	
Total						56.387	0,10				10,63					75.438	84.822
Notes																	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.
Frank Dorjee	Chief Strategy Officer																
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		67.665	0,10	from 02/09/2014 to 02/12/2014											67.665	305.360
Remuneration from subsidiaries and associates																	
Total			67.665	0,10												67.665	305.360
Notes																	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.
Managers with strategic responsibility	2 people																
Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)		50.748	0,10	from 02/09/2014 to 02/12/2014											50.748	76.340
Remuneration from subsidiaries and associates	Performance Share 2011-2013 (resolution 14 April 2011)		53.769	0,10	from 02/09/2014 to 02/12/2014											53.769	80.884
Total			104.518	0,10												104.518	157.225
Notes																	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.

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	
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Valerio Battista	Chief Executive Officer												
	Remuneration in the company which prepares the financial statements	Performance Share 2011-2013 (resolution 14 April 2011)	94.351	02/09/2014									429.834
	Remuneration from subsidiaries and associates												
	Total		94.351										429.834
	Notes												This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.
Fabio Romeo	Senior Vice President Energy Business												
	Remuneration in the company which prepares the financial statements												
	Remuneration from subsidiaries and associates	Performance Share 2011-2013 (resolution 14 April 2011)	39.018	02/09/2014									177.755
	Total		39.018										177.755
	Notes												This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.

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 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	
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Pier Francesco Facchini	Chief Financial Officer												
Remuneration in the company which prepares the financial statements		Performance Share 2011-2013 (resolution 14 April 2011)	32.423	02/09/2014									147.709
Remuneration from subsidiaries and associates													
Total			32.423										147.709
Notes													This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.
Frank Dorjee	Chief Strategy Officer												
Remuneration in the company which prepares the financial statements		Performance Share 2011-2013 (resolution 14 April 2011)	32.423	02/09/2014									147.709
Remuneration from subsidiaries and associates													
Total			32.423										147.709
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 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	
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Managers with strategic responsibility	2 people												
Remuneration in the company which prepares the financial statements		Performance Share 2011-2013 (resolution 14 April 2011)	29.181	02/09/2014									44.313
Remuneration from subsidiaries and associates		Performance Share 2011-2013 (resolution 14 April 2011)	30.918	02/09/2014									46.951
Total			60.098										91.263
Notes	This fair value is calculated considering a no. of rights equal to 12/28 of those allocated.												

Table 3B – Cash incentive plans in favour of members of the Board of Directors, general managers and other managers with strategic responsibilities

A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Valerio Battista	Chief Executive Officer								
Remuneration in the company which prepares the financial statements		Plan A (MBO 2012 to be paid in 2013)	193.148	1.448.611	12 mesi			1.695.633	
		Long-Term Cash Incentive Plan					253.158	1.898.683	
Remuneration from subsidiaries and associates									
Total			193.148	1.448.611			253.158	3.594.316	
Notes								This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013	
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Fabio Romeo	Senior Vice President energy Business								
Remuneration in the company which prepares the financial statements									
Remuneration from subsidiaries and associates		Plan A (MBO 2012 to be paid in 2013)	73.815	553.610	12 mesi			788.869	
		Long-Term Cash Incentive Plan					102.842	771.315	
Total			73.815	553.610			102.842	1.560.184	
Notes								This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013	

Table 3B – follows

A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Pier Francesco Facchini	<i>Chief Financial Officer</i>		Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in the company which prepares the financial statements	Plan A (MBO 2012 to be paid in 2013)	74.669	560.016	12 mesi				655.523	
	Long-Term Cash Incentive Plan						84.053	630.396	
Remuneration from subsidiaries and associates									
Total		74.669	560.016				84.053	1.285.919	
Notes	This amount includes coinvestment LTI 2010-2012 and LTI 2011-2013								
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
Frank Dorjee	<i>Chief Strategy Officer</i>		Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in the company which prepares the financial statements									
Remuneration from subsidiaries and associates	Plan A (MBO 2012 to be paid in 2013)	268.808	134.404	12 mesi				183.094	
	Retention Bonus						600.000		
Total		268.808	134.404				600.000		
Notes									

Table 3B – follows

A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
Other managers with strategic responsibility			Payable / Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Remuneration in the company which prepares the financial statements	Plan A (MBO 2012 to be paid in 2013)		67.202	504.014				589.973	
Remuneration from subsidiaries and associates	Plan A (MBO 2012 to be paid in 2013)		278.458	139.229				121.351	
	Retention Bonus						125.462	376.386	
Total			345.660	643.243			125.462	1.087.710	
Notes									

Model No. 7- ter

TABLE 1: Equity investments of members of the Boards of Directors and Statutory Auditors and of general managers

FULL NAME	POSITION HELD	INVESTEES 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	2.899.748	125.000	0	3.024.748
Pier Francesco Facchini	Director	Prysmian S.p.A	58.000	58.000	26.000	90.000
Cesare d'Amico (1)	Director	Prysmian S.p.A	226.000	30.000	40.000	216.000
Frank Dorjee	Director	Prysmian S.p.A	6.555	0	0	6.555

TABLE 2: Equity investments of other managers with strategic responsibility

NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITY	INVESTEES 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
1	Prysmian S.p.A.	6.800	2.000	0	8.800

(1) Cesare d'Amico holds shares of Prysmian S.p.A. directly or indirectly through Fi.Pa. Finanziaria di Partecipazione S.p.A., company of which he is holding the 51% of the capital and together with his wife (legally married with)