

**REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER TWO OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 12 APRIL 2018, THE PROPOSAL TO ALLOCATE THE NET PROFIT OF THE YEAR, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.**

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

Shareholders,

The Board of Directors proposes to resolve, in respect to the net profit of the year 2017, the distribution of a gross dividend of Euro 0.43 to each voting ordinary share. Considering, the outstanding ordinary shares, the shares to be issued for the conversion of the “€300,000,000 1.25 per cent. Equity Linked Bonds due 2018”, and the no. 6,493,329 treasury shares directly owned as of today, which have no right to profits, the total amount to be allocated would be equal to approximately Euro 96 million.

The number of shares with right to profits will be calculated with reference to the evidence of the accounts in relation to the end of the accounting day under art. 83-terdecies of Legislative Decree no.58/1998 (so called “record date”).

Subject to the approval by the Shareholders’ Meeting of the items of the agenda related to (i) the long-term incentive plan for Prysmian Group’s employees with the granting of ordinary shares of the Company issued pursuant to capital increase, and (ii) the share capital increase free of charge, under art. 2349 of the Italian Civil Code, serving the abovementioned long-term incentive plan, it is proposed to allocate to the “Reserve for share issue as per article 2349 of the Civil Code” the amount of Euro 756.281,90.

It is finally reminded that allocation of Euro 15,237 to the “Legal Reserve” is required, in order to have such reserve equal to one-fifth of share capital, as required by art. 2430 of the Italian Civil Code.

The amount remaining after the proposed allocations would be set aside as retained earnings.

Finally, considering the year 2018 calendar approved by Borsa Italiana S.p.A., we propose that the dividend will be payable from 25 April 2018, with record date on 24 April 2018 and shares going ex-div on 23 April 2018.

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

*“The Shareholders' Meeting:*

*examined the financial statements at 31 December 2017, which closes with a net profit of Euro 111,295,319,*

### **RESOLVES**

*to allocate the net profit for the year of Euro 111,295,319 as follows:*

- *Euro 15,237 to the “Legal Reserve”, thereby reaching one-fifth of share capital at 31 December 2017, as required by art. 2430 of the Italian Civil Code;*
- *to each voting ordinary share (considering the treasury shares directly owned) a gross dividend of Euro 0.43, equal to approximately Euro 96 million;*
- *Euro 756.281,90 to the “Reserve for share issue as per article 2349 of the Civil Code”, subject to the approval by the Shareholders’ Meeting of today of both the incentive plan to be executed with the granting of new shares, and the relevant share capital increase serving said incentive plan;*
- *to the retained earnings the remainder of approximately Euro 14 million.*

*The dividend will be payable from 25 April 2018, with record date on 24 April 2018 and shares going ex-div on 23 April 2018”.*

Milan, 2 March 2018

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