

REPORT BY THE BOARD OF DIRECTORS OF PRYSMIAN S.P.A. (“*PRYSMIAN*” OR THE “*COMPANY*”) TO VOTE, AS ITEM NUMBER SIX OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS’ MEETING SCHEDULED ON 28 APRIL 2021 (THE “*SHAREHOLDERS’ MEETING*”), THE PROPOSAL FOR THE REMUNERATION OF THE DIRECTORS, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

## 6. Determination of the remuneration of the Directors.

Shareholders,

According to article 14 of the By-laws, the Shareholders' Meeting is entitled to determine the remuneration payable to the Board of Directors, in addition to the reimbursement of the expenses incurred in the performance of their duties.

You are reminded that the Shareholders' Meeting of 12 April 2018 set the annual emoluments equal to Euro 600,000 for the entire Board of Directors for each of the years it remains in office, and granted the Board itself the authority to determine how such sum should be allocated between all or just some of the directors in view of the specific offices of each.

In the framework of such authority, the Board, on the proposal of the Remuneration and Nomination Committee, then allocated the annual gross amount among the non-executive and independent directors only, granting a specific remuneration for the Chairperson and for the members of the internal committees as follows:

- (i) Euro 80,000 to the Chairperson of the Board of Directors,
- (ii) Euro 50,000 to each of the non-executive and Independent Directors according to the T.U.F.,
- (iii) Euro 13,333 to each internal Committee member.

During the process for identifying and selecting the candidates to be included in the list presented by the outgoing Board of Directors, the need became evident - confirmed by the feedback provided directly by the candidates interviewed and by the advisor who supported the selection process - to improve the attractiveness of the remuneration paid to non-executive and independent directors, as well as the specific remuneration provided for the office of Chairperson and for the members of the internal committees.

Following the above, a broad and in-depth benchmarking activity was carried out, with reference to both the Italian market (represented by the companies of the FTSE MIB index) and the European market (using the data of a sector reference panel provided by a specialized advisor) who confirmed the opportunity to improve the competitiveness of the remuneration currently paid, considering, among other things, the intense activity carried out by the internal committees and the high number of meetings to which the members of the Committees are called attend (significantly higher than the average of the reference markets). Further information about the above-mentioned benchmarking activity can be found in the "*Report on remuneration policy and compensation paid*" that will be submitted, in a separated point of the agenda, to the Shareholders' Meeting.

Taking into account the above, the outgoing Board of Directors, on the proposal of the Remuneration and Nomination Committee, proposes to set the gross amount to be paid to the entire Board at Euro 1,030,000, for each of the years in which it will remain in office, granting the Board itself with the authority to allocate the above amount among either all or only some of the members of the Board of Directors. This amount has been determined in order to allow the Board of Directors to be appointed by the Shareholders' Meeting to consider confirming the distribution criterion adopted so far, while adjusting the remuneration as follows:

- (i) Euro 130,000 to the Chairperson of the Board of Directors,
- (ii) Euro 65,000 to each of the non-executive and Independent Directors according to the T.U.F.,
- (iii) Euro 35,000 to each internal Committee member.

The total amount that you are proposed to approve has been calculated on the assumption that the new Board of Directors will be composed of twelve directors, with an increase from eight to nine of the non-executive directors who meet the independence requirements set forth in the Consolidated Law on Finance, and that the three internal committees currently in place will be confirmed, each of which will be composed of three members. However, the new Board of Directors would have the right to adopt different allocation criteria from those suggested above (in any case in accordance with the remuneration policy approved by the shareholders), adapting them to the actual composition of the Board and the Committees after their appointment by the Shareholders' Meeting, also taking into account any changes in the composition of the Board and the Committees that may occur during the term of office.

It is excluded from the above gross amount, both the remuneration granted to the Directors that are also employees of Prysmian Group and any further remuneration of Directors in charge as special offices pursuant to art. 2389, paragraph 3, of the Civil Code, to be established by the Board of Directors according to the criteria contained in the aforementioned *"Report on remuneration policy and compensation paid"*.

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

## ***"The Shareholders' Meeting***

### **RESOLVES**

***to establish Euro 1,030,000 as the amount payable to the entire Board for each of the years it remains in office - in addition to the reimbursement of the expenses incurred by the Directors in the performance of their duties - excluded from the above gross amount, both the remuneration granted to the Directors that are also employees of Prysmian Group and any further remuneration of Directors in charge as special offices pursuant to art. 2389, paragraph 3, of the Italian Civil Code, to be established by the Board of Directors, and granting the Board itself the authority to allocate such amount among all or just some of the directors"***.

Milan, 17 March 2021

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