

REPORT BY THE BOARD OF DIRECTORS OF PRYSMIAN S.P.A. (*"PRYSMIAN"* OR THE *"COMPANY"*) TO VOTE, AS ITEM NUMBER SEVEN OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING SCHEDULED ON 12 APRIL 2022 (THE *"SHAREHOLDERS' MEETING"*), UPON THE COMPENSATION PAID TO DIRECTORS, STATUTORY AUDITORS AND MANAGER WITH STRATEGIC RESPONSIBILITY, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

## 7. Advisory vote on the compensation paid in 2021.

It is reminded that the relevant legislation about the transparency of the compensation of Board of Directors' members, of general managers, of managers with strategic responsibilities and of the Board of Statutory Auditors' members of listed companies, is currently regulated by UE Shareholders Right Directive II and its implementation in Italy with the amendments to art. 123-ter of Italian Legislative Decree no. 58/1998 ("T.U.F.").

Art. 123-ter of T.U.F. requires listed companies to make the *"Report on remuneration policy and compensation paid"* publicly available at least 21 days before the Shareholders' Meeting and that it should consist of two sections: (i) a remuneration report, to be submitted to Shareholders' binding vote in any case at least every three years or before in case of amendments, and (ii) a report on the remuneration paid, to be submitted each year to Shareholders' non-binding vote.

It is also reminded that the *"Report on remuneration policy and compensation paid"* of Prysmian Group, reviewed by the Shareholders' Meeting on 28 April 2021 and available on the Company's website at [www.prysmiangroup.com](http://www.prysmiangroup.com) (under Company/Governance/Remuneration Policy), contained as its first section a remuneration policy covering the two-year period 2021-2022 (the **"2021-2022 Remuneration Policy"**).

Given that the 2021-2022 Remuneration Policy was approved by the Shareholders' Meeting and no longer amended by the Board of Directors, the Shareholders' Meeting is asked to express its opinion, pursuant to art. 123-ter, paragraph 6, of T.U.F., by a non-binding vote, in favour or against, the report on compensation paid in 2021 to members of the Board of Directors, managers with strategic responsibilities and Statutory Auditors of Prysmian (the **"2021 Compensation Report"**), which will be included into the *"Report on Remuneration Policy and Compensation Paid"*, together with the 2021-2022 Remuneration Policy.

It is reminded that the 2021 Compensation Report describes, in detail:

- a) each of the items comprising compensation of the members of the Board of directors, the managers with strategic responsibilities and the Board of Statutory Auditors' members, highlighting the coherence with the remuneration policy relating to the two-year period 2021-2022;
- b) the compensation paid during the 2021 financial year and the compensation, to be paid during one or more of the following financial years, for the activity carried out in the reference financial year.

Therefore, the Shareholders' Meeting is invited to express its opinion as follows:

***"The Shareholders' Meeting, considering the remuneration policy of the Prysmian Group for the two-year period 2021-2022, as set out in the first section of the "Report on remuneration policy and compensation paid" as passed by Shareholders' Meeting dated 28 April 2021, expresses a favourable opinion on the compensation paid in relation to the 2021 financial year to the members of the Board of Directors, the managers with strategic responsibilities and the Board of Statutory Auditors' members of Prysmian S.p.A."***

Milan, 15 March 2022

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# Report on Remuneration Policy and Compensation Paid 2022



# **Report on Remuneration Policy and Compensation Paid**

**2022**

**Prysmian Group**

**Approved by the Board of Directors on March 1<sup>st</sup>, 2022**

This document regarding transparency over Directors' remuneration in listed companies has been prepared in compliance with Article 123-ter of the Italian Consolidated Law on Finance (TUF), Article 84-quater of the Issuers' Regulation and the Corporate Governance Code of Borsa Italiana S.p.A.



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Dear Shareholders,

In 2022, we will continue to apply our remuneration policy, approved last year by the Shareholders' Meeting for the two-year period 2021-2022, thus confirming all the characteristic elements introduced following the new top level organisational structure and after the new Board of Directors took office.

This Report therefore intends, first of all, to provide a complete picture of the results of the application of the remuneration policy with reference to 2021, but also, in the tradition of full transparency that has always inspired our communication with all stakeholders, to share with an extensive introductory Summary some important updates and developments that will shape Prysmian's action over a long-term horizon.

The gradual improvement of the pandemic situation, combined with an acceleration in the growth of our core business drivers — energy transition, digitalisation and electrification — as well as in our capacity to deliver in large projects, has allowed us to achieve an economic and financial performance significantly exceeding expectations at the beginning of the year.

In addition, important initiatives have been launched in the field of Sustainability, whose attainment has become integral part of remuneration systems. In particular, the company's ESG approach has further evolved in the direction of an integrated strategy, through the introduction of a new Social Ambition, represented by a set of clear and measurable indicators with precise targets for 2030, focused on certain dimensions that we consider to be a priority: health and safety; diversity and equity; digital inclusion; empowerment of local communities; engagement and upskilling of people. In parallel, Prysmian has developed a new Climate Change Ambition, aligned with the requirements of the Paris Agreement, adopting Science-Based Targets that have received approval from the SBTi organisation. Both "Ambitions" are incorporated into our short- and long-term incentive systems, through specific ESG indicators that, in the 2022 MBO Plan, further focus on aspects related to gender balance, engagement and safety of our people.

With reference to this last topic, 2021 was unfortunately also the year in which we had to record two tragic accidents in which an external contractor and a forklift operator colleague lost their lives. The dynamics and causes of the accidents are still being investigated internally and by the competent authorities, to which Prysmian is providing maximum

support, while further intensifying its commitment in the health & safety field, with events and initiatives dedicated to consolidating a widespread safety culture (such as the recent Safety Week) and with an investment plan aimed at improving infrastructures, standards and procedures.

Following these accidents and in line with the provision outlined in the Report on Remuneration Policy and Compensation Paid approved and published last year, the Board of Directors, on the advice of the Remuneration and Nomination Committee, which examined the cases together with the Sustainability Committee, has decided to cancel the portion of the incentive connected with the overall ESG objective under the annual incentive system (MBO Plan), applying to all managers participating in the plan (about 2,300 people).

In addition to the stock ownership plan to purchase shares at favourable conditions (YES Plan), of which the subscription campaign for the first year of the new three-year cycle approved in 2021 has been successfully completed, Prysmian is submitting to Shareholders' vote a new Stock Grant Plan aimed mainly at plant colleagues at a global level (not covered by the scope of the Remuneration Policy) which, if approved, will be gradually activated over the next three years in the many countries in which we operate, with the involvement of workers' trade unions and with the ambition to share as widely and inclusively as possible the value that together we will be able to create.

Finally, while continuing the remuneration policy that was approved for a two-year period, we have promoted an intensive engagement activity again this year in view of the Shareholders' Meeting, in the certainty that the dialogue between the Company and its Shareholders must be continuously enriched with new opportunities and new topics for discussion.



**Paolo Amato**  
Chairman of the Remuneration  
and Nomination Committee



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# Introduction

The Remuneration Policy outlined in Section I of the 2021 Report on Remuneration Policy and Compensation Paid was approved by the Shareholders' Meeting of April 28, 2021 with reference to the 2021-2022 two-year period and, therefore, since no derogations nor amendments were made, remains entirely applicable for 2022 and will not be submitted to Shareholder's Meeting binding vote. Said document is available for consultation on the Company's website in section Governance/Remuneration<sup>1</sup>.

Subsequently this Report on Remuneration Policy and Compensation Paid (hereafter the "Report"), approved by the Board of Directors, on the proposal of the Remuneration and Nomination Committee, on March 1<sup>st</sup>, 2022, prepared according to Article 123-ter of Italian Legislative Decree No. 58/1998 ("Consolidated Law on Finance" or "TUF"), as amended by Italian Legislative Decree No. 49/2019 implementing Directive (EU) No. 2017/828 (so-called "Shareholders Rights Directive II" or "SHRD II") of the European Parliament, in accordance with Article 84-quater of the Issuers' Regulation and the Corporate Governance Code of Borsa Italiana S.p.A., illustrates with the ad-hoc Section II the compensation paid in 2021 to Prysmian Directors, Statutory Auditors, the Chief Executive Officer and other Managers with Strategic Responsibilities (MSRs).

The Report is introduced by a summary of the main information ("Summary") in order to provide the market and investors with an immediately readable picture of the key elements of the Policy planned for the 2021-2022 two-year period and of its implementation in 2021, as well as the main initiatives activated by the Company in the field of sustainability starting from 2022 and over a long-term horizon.

Lastly, the Report illustrates the share ownership of the Directors, the Statutory Auditors, the Chief Executive Officer and the other MSRs<sup>2</sup>.

The text of this Report is made available to the public, in accordance with the terms and procedures provided for by the applicable laws and regulations in force, in view of the Shareholders' Meeting, called to approve the financial statements for the year 2021 and called to pass a non-binding resolution on this Report (Section II), in accordance with the provisions

of current legislation<sup>3</sup>. The information documents relating to existing remuneration plans based on financial instruments are available in the Governance - Remuneration - Incentive Plans section of the Company's website.

1 - [https://www.prysmiangroup.com/sites/default/files/atoms/files/Prysmian\\_Remuneration\\_Report\\_2021\\_ENG.pdf](https://www.prysmiangroup.com/sites/default/files/atoms/files/Prysmian_Remuneration_Report_2021_ENG.pdf)

2 - See Article 84-quater, paragraph 4, of the Issuers' Regulation.

3 - Article 123-ter of TUF, as amended by Article 3 of Italian Legislative Decree No. 49/19, with particular regard to paragraphs 3-bis, 3-ter and 6.







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# SUMMARY





# 1. Sustainable value creation: a new integrated strategy

Prysmian's path in the creation of sustainable value, which began several years ago, is evolving further with the adoption of an integrated strategy, aimed at considering a wide range of ESG (Environmental, Social, Corporate Governance) issues.

In particular, Prysmian's strategy is structured into two major "Ambitions", developed and managed in parallel

and with a long-term horizon: Social Ambition 2030 and Climate Change Ambition.

## Social Ambition 2030

In line with the United Nations Sustainable Development Goals, the Group's Social Ambition identifies a set of clear and measurable indicators and defines precise targets for 2030, focusing mainly on the commitment to improving in five fundamental dimensions.

### Health and Safety

To continue the commitment to spreading a solid safety culture, tending towards the elimination of all workplace accidents.

- Injuries Index towards 0

### Diversity, equity and inclusiveness



To achieve a complete balance in recruiting, improve female representation at all levels, with particular reference to leadership roles and those that require scientific, technological, engineering and mathematical (STEM) background, ensuring fair pay to people in comparable roles and guaranteeing an adequate presence of under-represented nationalities/ethnicities.

- 50/50 in Recruiting of Desk Workers
- 30% of Women in Senior Leadership roles
- 25% of Women in the Total Workforce
- Zero Gender Equal Pay Gap – Desk Workers
- +500 women in a fully dedicated STEM program

### Empowerment of local communities



To develop educational and training programmes dedicated to schools and local communities, with a particular focus on the most vulnerable and developing regions, and to encourage young people of all ages to discover and embrace a technical or scientific career, through knowledge-sharing programmes that leverage Prysmian's extensive global expertise.

- More than 30% of Executives from under represented nationalities/ethnicities/origins
- Local mentoring programs for 500 students coming from minorities
- At least a project per year (e.g. build a new school/nursery, with focus on developing countries and vulnerable communities)
- Local projects with donation of optical and electric cables

### Digital inclusion



To connect all employees, with a particular focus on workers operating in our more than 100 plants, through global digital platforms, ensuring a significant increase in adoption levels.

- Connecting 100% of our employees through global platforms, achieving a proper level of adoption

### Engagement and upskilling of people



To increase the hours of training offered to all employees, further develop opportunities for job rotation/professional growth experiences, promote employees' sense of belonging through share ownership plans, and improve the overall level of people's engagement.

- 40 yearly hours per capita of experienced learning for all employees, including training on company values, unconscious bias and inclusive leadership
- More than 25% of employees is involved in mobility/growth experience every year
- 50% of employees as stable shareholders through share ownership plans
- Higher than 80% response rate to Engagement Survey
- Leadership Impact Index improved to 70-80%

## EQUAL PAY

With the new Social Ambition, Prysmian is committed to tendentially eliminating any pay gap (not justified by elements that can be explained by the application of the remuneration policy) between people in comparable roles.

To support the achievement of this objective, a methodology was developed to survey the **Gender Equal Pay Gap** based on the job grade and the reference salary markets for each role: the application of this methodology highlighted the presence of a pay gap within the population of Desk Workers, on average equal to **7%** to the detriment of women (January 2022 data).

This gap will be mitigated through two main guidelines, as part of the annual pay review process:

1 refinement of the gap analysis at individual level, to isolate all differentiating factors that are legitimate insofar as these are consistent with the remuneration policy (e.g., performance or seniority in the role);

2 definition of a budget and an annual pay review cycle dedicated to women with remuneration below the average of men in comparable roles (in the absence of legitimate differentiating factors).

Leveraging the new **Workday** personnel information system, a reporting system dedicated to the Gender Equal Pay Gap has also been set up, available to all Group management to support widespread awareness on the subject and strengthen mitigation actions.



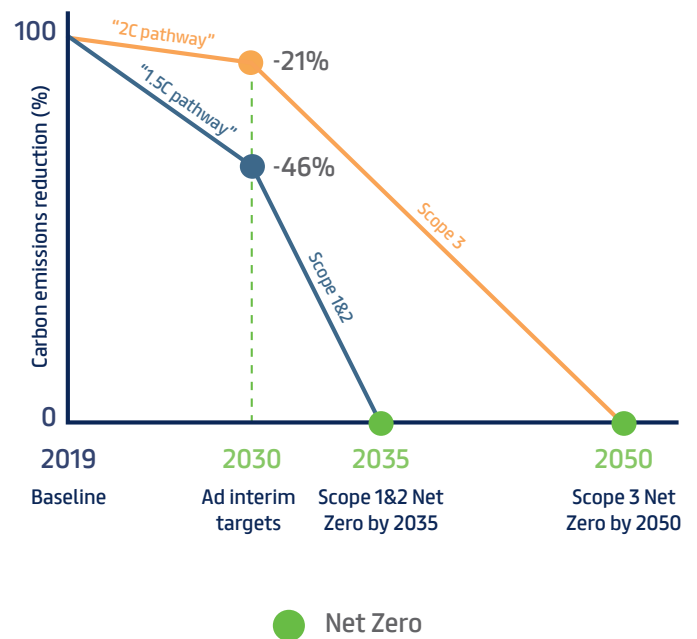


## Climate Change Ambition

In addition to the launch of the new Social Ambition, Prysmian has also developed a new and ambitious decarbonisation strategy, aligned with the requirements of the Paris Agreement, and signed the Business Ambition (1.5°).

The Group has adopted Science-Based Targets which were approved by the SBTi and provide for the achievement of the net zero target by 2035 for the emissions generated by its operations (Scope 1 and 2) and by 2050 for value chain emissions (Scope 3).

Prysmian is committed to investing approximately €100 million over the next decade to achieve these goals.



## 2. Pay for Sustainable Performance: variable remuneration for 2021

### MBO Plan 2021

In 2021, Prysmian further consolidated its Pay for Sustainable Performance approach, introducing a new framework for the ESG objective included in the MBO Plan, featuring a set of indicators relating to safety, gender balance, decarbonisation and positioning in two sustainability indexes, doubling its overall weight (20%) compared to the previous year.

Economic - Financial KPIs	KPI ESG	Target	Peso	Results
<b>Adj. EBITDA = 976 €M</b> above maximum level of the guidance revised upwards as disclosed in July 2021 (970 €M)	Frequency rate of injuries (FI)	1.22 / 1.19	30%	▼ <b>1.55</b>
	% of hired women desk workers	35% / 38%	15%	▲ <b>38,7%</b>
	% of hired women management	35% / 38%	15%	= <b>30,7%</b>
<b>Free Cash Flow = 365 €M</b> above maximum level defined in the guidance (330 €M)	Investment plan for CO <sub>2</sub> emissions reduction	8 €M - 10 €M + qualitative evaluation of plan execution	20%	▲ <b>14,615 €M</b>
	Positioning in Sustainability Indexes (DJSI/CDP)	CDP Min: maintain Max: level A  DJSI Min: maintain Max: improve vs 2020	20%	▲ <b>CDP: maintained DJSI: improved</b>

The results obtained in 2021 for the ESG indicators, which are overall good with regard to the recruitment of women, investments for decarbonisation and positioning in the sustainability indexes (1<sup>st</sup> place in the sector in the DJSI), were however seriously jeopardised by two tragic accidents in which an external contractor (in the Tianjin plant in China) and a forklift operator colleague (in the Liverpool plant in Australia) lost their lives.

These tragic circumstances — the dynamics and causes of which are still the subject of internal assessment and investigations by the competent authorities — have further boosted Prysmian's commitment to tendentially eliminating all workplace accidents (as per the Social Ambition indicator), confirmed by the organisation of events and initiatives dedicated to the dissemination of a solid safety culture (such as the Safety Week held in November 2021)

and by an investment plan aimed specifically at further improving our procedures and safety standards.

Following these accidents, the Board of Directors, on the advice of the Remuneration and Nomination Committee, which examined the cases together with the Sustainability Committee, has decided to cancel the portion of the incentive connected with the overall ESG objective under the annual incentive system (MBO Plan), applying to all managers participating in the plan (about 2,300 people).

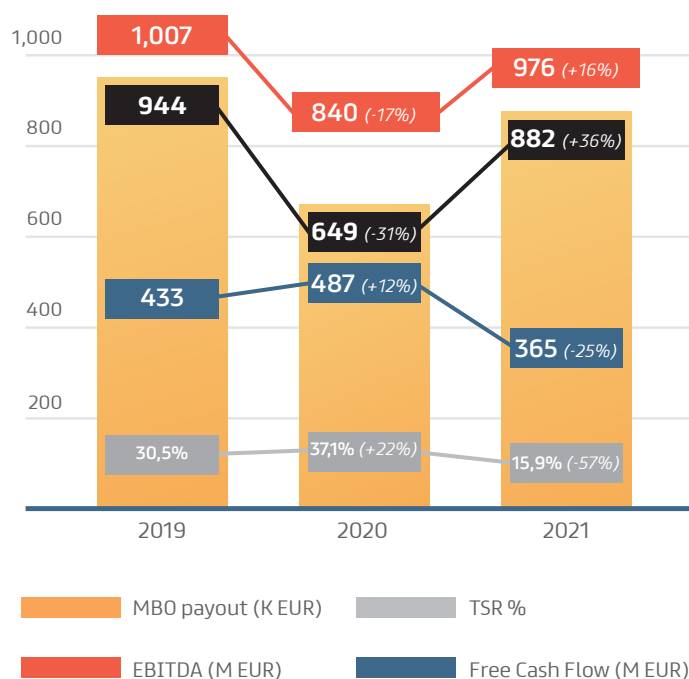
This decision was taken in accordance with the provision stated in the Report on Remuneration Policy approved last year in relation to the possible occurrence of fatal accidents and fully confirmed for 2022:

Any fatal accidents that occur when performing professional duties will be subject to a special in-depth investigation and evaluation by the Remuneration and Nomination Committee and may result in cancellation of the overall incentive quota connected with the ESG objective.

With reference to the Adjusted EBITDA objective, it should also be noted that, as a result of the upward revision of the 2021 guidance communicated to the market last July (with an increase from €870-940M to €920-970M), the maximum levels for achieving this objective have been consistently increased in the 2021 MBO Scorecards of the Chief Executive Officer and the Group's first-line management.

The overall performance achieved, together with the application of the approach described above, determined the amounts of the 2021 annual incentive granted to the Chief Executive Officer and other Managers with Strategic Responsibilities (MSRs), including the deferred component in shares, substantially increasing compared to 2020 levels (strongly influenced by the impact of Covid-19).

### CEO-MBO payout vs Company results



The cancellation of the portion of the incentive connected with the ESG objective resulted in a reduction of €145,200 for the CEO and an overall reduction of €486,549 for the other MSRs (6 persons).

50% of the amount assigned to the Chief Executive Officer and the other Managers with Strategic Responsibilities as part of the 2021 MBO Plan will be deferred at the end of the vesting period relating to the 2020-2022 LTI Plan and paid in the form of Company shares.

### CEO Pay Ratio<sup>4</sup>

As a result of the approach adopted regarding the final 2021 MBO annual incentive and the pay dynamic applied during the year, the ratio of the CEO's total remuneration for 2021 (fixed remuneration plus annual variable remuneration) to the average remuneration of our worldwide employees overall is equal to 59:1.

Pay Ratio 2021	Fixed remuneration	Total (fixed remuneration + annual variable)
CEO	€ 1,100,000	€ 1,982,200
Average employees	€ 32,111	€ 33,235
Ratio 2021	34:1	59:1
Ratio 2020	35:1	53:1
Ratio 2019	34:1	62:1

<sup>4</sup> - Average employee remuneration calculated including the annual fixed and variable remuneration (MBO) components for the year, excluding non-recurring remuneration and/or labour cost items. The average data, converted in Euro, reflect a wide remuneration variability linked to the different geographies in which the Company operates and the exchange rate volatility.



## Piano LTI 2020-2022

With reference to the 2020-2022 LTI Plan, it should be noted that the cumulative result relating to the Adjusted EBITDA objective will be assessed including the portion relating to the negative impact of Covid-19 on the 2020 results (€155M), estimated according to the criteria set out in the Report on Remuneration Policy 2021 (Section II; Para. 1): in this regard, it is important to emphasise that this negative impact, for purposes of the 2020-2022 LTI Plan's final balance, will be subject to the discretionary assessment of the Board of Directors, on the advice of the Remuneration and Nomination Committee, at the end of the three-year

period, as part of a broader examination of the overall performance recorded by the Group.

With reference to the ESG objective, it should be noted that a material upward adjustment has been made to the targets related the reduction of CO<sub>2</sub> emissions (from -2/-3% to -16/-21%): it was considered appropriate to make this adjustment in view of the acceleration of the emission reduction plan and the application of the "market based" calculation methodology following the adoption of Science-Based Targets.

KPI ESG	Definition	Target range (threshold / max)	Achievement
<b>Waste Recycled</b>	Percentage of total waste recycled compared to total waste produced; the waste taken into consideration is that deriving from the Group's production activities	64% / 66%	<b>69%</b> On-going projects to increase wherever possible the recycling of waste types not yet recyclable ▲
<b>Gender Mix</b>	Percentage of women in executive managerial positions in the Group as defined in accordance with the Korn Ferry weighting system for roles (grade 20 and above), certified by the same advisor	14% / 18%	<b>13,5%</b> Social Ambition 2030: many initiatives already launched on recruiting, promotion and retention, based on meritocracy and with focus on STEM profiles ▲
<b>Emissions</b>	Percentage reduction of Green House Gas emissions (Scope 1 and 2) including CO <sub>2</sub> and other emission types (CH <sub>4</sub> , N <sub>2</sub> O, HFC, SF <sub>6</sub> , PFC) expressed in CO <sub>2</sub> eq (CO <sub>2</sub> equivalent)	-16% / -21%	<b>-22,1%</b> Target range reviewed upwards due to change of methodology and reduction plan acceleration ▲
<b>Leadership Impact Index</b>	Summary index of the number of respondents who have expressed a strong agreement level with respect to 5 specific statements, within a broader survey on employees' opinions ( <i>Speak Up Survey</i> )	59% / 65%	<b>54%</b> Most recent past result: 57% (2019) ▼

SDA Bocconi School of Management is the third party which has managed the "Speak Up - Prysmian Group Employees Survey 2021"

Acting as an external entity, SDA Bocconi processes the data and ensures the anonymity and impartiality of the responses.

For each statement, respondents express a rating from 1 («disagree strongly») to 7 («agree strongly»); the Leadership Impact Index considers ratings equal or greater than 5

The last survey was realized on December 2021; the next survey will be conducted in December 2022

1 I look forward to going to work each morning

2 I'm enthusiastic about my job

3 I would recommend my company to my friends as a good place to work

4 I receive regular feedback about my performance on my job

5 I feel that my work is recognized and appreciated by my manager

## YES Plan

The Group employee stock ownership plan "YES – Your Employee Shares" continues to represent an important pillar of Prysmian's strategy for the management of its people.

This Plan provides employees with the opportunity to buy on a voluntary basis company shares at favourable conditions. By accepting a lock-up for at least 36 months from purchase date, employees can receive shares with a discount from market price (1% for top management, 15% for executives and 25% for all other employees), and with free entry bonus shares upon enrolment in the Plan.

To date, about 35% of employees have joined the Plan, distributed at varying rates in the more than 30 countries in

which the Plan is active; in 2021, the Plan saw the participation of about 4,400 colleagues, who decided to invest in the Plan — a significant increase (+10%) compared to the 2020 subscription level.



## 3. Remuneration Policy for the 2021-2022 period

Following the appointment of the Board of Directors and of Committees in 2021, the Remuneration and Nomination Committee is composed by three Non-Executive and Independent Directors in compliance with TUF: Paolo Amato as Chairman, Annalisa Stupenengo and Claudio De Conto.

The Remuneration Policy is applied to members of the Board of Directors, Statutory Auditors and to Managers with Strategic Responsibilities (MSRs) of Prysmian Group. In addition to Executive Directors, the Company has identified three MSRs, covering the following positions:

- Executive Vice President Telecom Division;
- Executive Vice President Energy Division;
- Executive Vice President Projects Division.




The main remuneration elements offered to the recipients of the 2021-2022 Remuneration Policy are summarized in the following tables.






### Chairman of the Board, Non-Executive Directors, Statutory Auditors

Annual fees	Amount
Chairman of the Board of Directors	130,000 €
Non-Executive Directors	65,000 €
Committee Members	35,000 €
Chairman of the Board of Statutory Auditors	75,000 €
Standing Auditors	50,000 €



## Chief Executive Officer, Executive Directors and Managers with Strategic Responsibilities

Element	Purpose	Main characteristics	Amounts
 <p><b>Fixed pay</b></p>	<p>It rewards the role held in order to ensure an adequate and competitive fixed remuneration</p>	<p>It is defined in line with the <b>complexity and responsibilities of the role</b></p> <p>It is set based on <b>internal fairness</b>, so as to guarantee a proper amount with respect to comparable positions, and the external market, so as to support an appropriate level of <b>competitiveness</b></p> <p>It takes into account the <b>individual performance</b> monitored over a long-term period</p>	<p><b>CEO:</b> 1,100,000€</p> <p><b>Executive Directors</b> <b>CFO:</b> 590,000€ <b>COO:</b> 950,000€</p> <p><b>MSRs:</b> defined on the basis of the role held</p>
 <p><b>Short-term variable remuneration (2021 and 2022 MBO Plans)</b></p>	<p>It rewards the annual performance on the basis of objective and measurable indicators</p>	<p>It is linked to pre-set annual performance objectives</p> <p><b>Key performance indicators:</b></p> <ul style="list-style-type: none"> <li>• Income - Adjusted EBITDA</li> <li>• Financial - Net Financial Position</li> <li>• Cost management - Fixed costs</li> <li>• ESG - safety on the workplace, environmental impact of production sites, gender diversity among employees</li> </ul> <p><b>Incentive Cap</b> - envisaged for all participants</p> <p><b>Individual performance ("P3")</b> - assessment of the quality of the leadership and of the individual contribution to the achievement of objectives; it acts as multiplier of the vested amount (+/- 15%; not applied to the CEO)</p> <p><b>Deferral</b> - 50% of the vested amount is deferred and paid as Deferred Share and Matching Share as part of the 2020-2022 LTI Plan</p>	<p><b>CEO:</b> 67-100% of fixed pay (tgt-max)</p> <p><b>COO:</b> 50-100% of fixed pay (tgt-max), excluding multiplier for individual performance</p> <p><b>Executive Directors/MSRs:</b> 50-75% of fixed pay (tgt-max), excluding multiplier for individual performance</p>
 <p><b>Long-term variable remuneration (2020-2022 LTI Plan)</b></p>	<p>It rewards the medium-term performance on the basis of 3-year objectives</p> <p>It fosters the alignment of interests towards sustainable value creation in the mid to long-term, reinforcing the retention of key resources</p>	<p><b>LTI Plan consists of two elements:</b></p> <p><b>1. Performance Shares</b></p> <p><b>2. Deferred Shares</b> combined with <b>Matching Shares</b></p> <p><b>Maximum number of shares to be allocated</b> - maximum number of shares that can be allocated for each participant and to the entire Plan</p> <p><b>1. Performance Shares</b> Free shares granted subject to achieving performance conditions <b>Vesting</b> – 3 years (2020-2022) <b>Performance conditions</b></p> <ul style="list-style-type: none"> <li>• Cumulative Adjusted EBITDA (30%) Cumulative Free Cash Flow (30%)</li> <li>• Prysmian's relative Total Shareholder Return (rTSR) compared to comparison panel (20%)</li> <li>• ESG, measured by a set of KPIs (20%)</li> </ul>	<p><b>CEO:</b> 300%-450% of fixed pay over 3 years (tgt-max)</p> <p><b>Executive Directors/MSRs:</b> 200-300% of fixed pay over 3 years (tgt-max)</p> <p><b>Deferred share</b></p> <p><b>CEO/Executive Directors/MSRs:</b> 50% of annual vested incentive is deferred in shares</p>

Element	Purpose	Main characteristics	Amounts
 <p><b>Long-term variable remuneration (2020-2022 LTI Plan)</b></p>	<p>It rewards the medium-term performance on the basis of 3-year objectives</p> <p>It fosters the alignment of interests towards sustainable value creation in the mid to long-term, reinforcing the retention of key resources</p>	<p><b>Lock-up</b> - 2-year period for a portion of the shares granted as Performance Shares</p> <p><b>2. Deferred Shares and Matching Shares</b></p> <p><b>2.1 Deferred Share</b> Free shares — granted on a deferred basis — equal to 50% of annual amount vested as part of the 2020, 2021 and 2022 MBO Plans</p> <p><b>2.2 Matching Shares</b> 0.5 free share for each Deferred Share granted. For the CEO and top managers, the Matching Shares are subject to the achievement of the ESG performance condition</p>	<p><b>CEO:</b> 300%-450% of fixed pay over 3 years (tgt-max)</p> <p><b>Executive Directors/MSRs:</b> 200-300% of fixed pay over 3 years (tgt-max)</p> <p><u>Deferred share</u></p> <p><b>CEO/Executive Directors/MSRs:</b> 50% of annual vested incentive is deferred in shares</p>
 <p><b>End of service or termination indemnity</b></p>	<p>It supports the recruitment and retention of key resources</p>	<p>Severance for the end of the office term or termination of employment relationship under specific individual agreements</p> <p>Not higher than 24 months' fixed pay, in compliance with local laws and contracts</p>	<p><b>CEO:</b> 24 months' fixed pay</p> <p><b>Executive Directors/MSRs:</b> if envisaged, max 24 months' fixed pay</p>
 <p><b>Non-Competition agreements</b></p>	<p>They protect the company's interests following the exit of key resources</p>	<p>Specific individual agreements in relation to the duration and extent of the limitation</p>	<p><b>CEO:</b> 3 years; remuneration 40% of fixed pay per year of duration of the agreement</p> <p><b>Executive Directors/MSRs:</b> if envisaged, of variable duration based on the regulatory framework and with maximum remuneration equal to a percentage of fixed pay per year of validity of the agreement</p>
 <p><b>Benefits</b></p>	<p>They supplement social security and contractual benefits in a total reward perspective</p>	<p>Social security and medical benefits; company car</p>	
 <p><b>Share Ownership Guidelines</b></p>	<p>They help to align in the long term the interests of key resources and those of Shareholders</p>	<p>Over the entire term of office, it is necessary to meet a minimum requirement of ownership of Prysmian shares</p>	<p><b>CEO:</b> 3x the fixed pay</p> <p><b>Executive Directors/MSRs:</b> 1.5x the fixed pay</p>

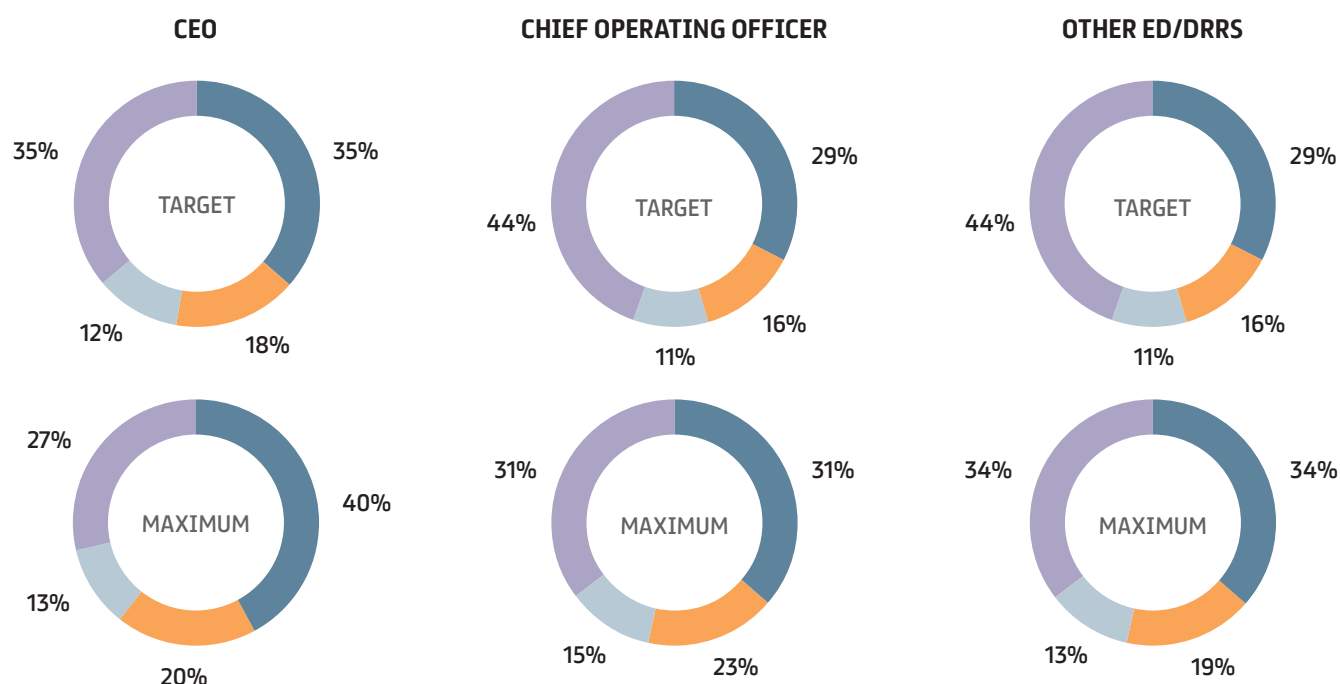
The short and long-term incentive systems provide for malus and claw back clauses in cases of fraud, willful misconduct and serious and intentional violations of laws and/or regulations, of the Group's Code of Conduct or other compliance policies.

## CEO / COO / MSRs PAY MIX

The remuneration package<sup>8</sup> of the Executive Directors and other Managers with Strategic Responsibilities is composed as follows:

- a significant portion is linked to the achievement of preset results (pay for performance);
- a significant portion of the variable component is deferred over time;
- variable remuneration is largely paid in shares, with a portion of the award subject to lock-up restrictions.

- Base salary
- MBO - monetary component
- Deferred + Matching Share
- Performance Share



**65%** of the **CEO**'s total remuneration is **variable upon results**



Over **50%** of the **CEO**'s total remuneration is **paid in shares in the medium-long term** (3-5 years), consistently with the economic and financial sustainability of the performance achieved

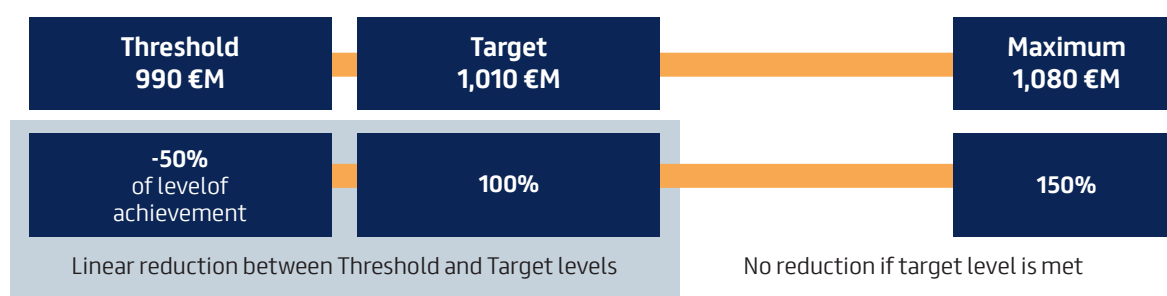
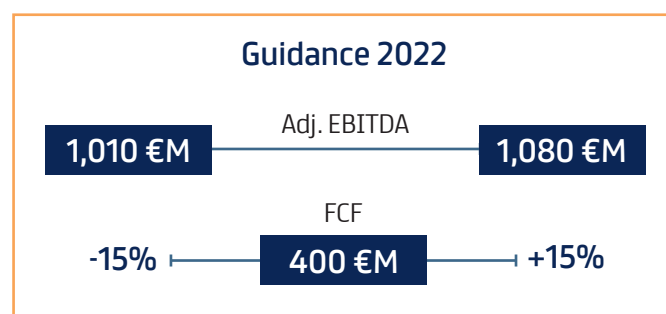
5 - For pay mix analyses, the Performance Share and Deferred/Matching Share components, both of which are paid in shares, are calculated based on the face value at the date of assignment of such rights. The pay-mix is calculated on an annualised basis. Any other forms of remuneration (e.g., benefits, non-competition agreements) described in Section II of this Report are not considered in the pay mix analysis, as well as the multiplier/de-multiplier of the annual incentive connected with the assessment of individual performance ("P3" process).

## Annual variable remuneration 2022 (ex-ante disclosure)

The Group's MBO Plan, extended to approximately 2,300 managers and key resources at global level, is made up of four types of objectives connected to generating income and cash, managing costs / efficiencies (or other specific objectives relating to each Company Function) and Sustainability/ESG.

### 2022 Guidance and MBO Plan access condition

The Group's MBO Plan, extended to approximately 2,300 managers and key resources at global level, is made up of four types of objectives connected to generating income and cash, managing costs / efficiencies (or other specific objectives relating to each Company Function) and Sustainability/ESG.



The objectives of the Chief Executive Officer are represented by the following scheme (2022 MBO Scorecard)

- The incentive payable is calculated as follows:
  - at the target level (100 points): it is 67% of fixed remuneration for the Chief Executive Officer and 50% for the other Executive Directors and MSRs;
  - at the maximum level (150 points): it is 100% of fixed remuneration for the Chief Executive Officer and the COO and 75% for the other Executive Directors and MSRs;
  - between 50 and 150 points: results are calculated in a linearly proportional manner;
  - over 150 points: application of the cap (incentive paid equal to 100% for the Chief Executive Officer and the COO and 75% for the other Executive Directors and MSRs);
  - below 50 points: incentive not paid.

ACCESS CONDITION	Threshold	
	TARGET	
GROUP ADJUSTED EBITDA	TARGET	
OBJECTIVES	Weight target	max
1_GROUP ADJ. EBITDA	35	52,5
2_GROUP NET FINANCIAL DEBT	25	37,5
3_GROUP FIXED COSTS	20	30
4_GROUP ESG	20	30
	100	150

For 2022, the MBO Scorecard of the other Executive Directors corresponds to that of the CEO; for the other MSRs the Adjusted EBITDA objective is defined according to the Business Division to which they belong. The accrued incentive can be multiplied/de-multiplied (+/-15%) based on the individual performance deriving from the "P3" performance management system (not applicable to the CEO).

## ESG indicators in the 2022 MBO Plan

In compliance with the overall structure of the MBO Plan envisaged by the Remuneration Policy approved for the two-year period 2021-2022, an evolution of the said structure is being introduced for the ESG objective for the current year, consistent with the Social Ambition 2030 and inspired by a general simplification and greater focus on four fundamental dimensions: security, gender balance, decarbonisation, engagement of people.

In particular:

- the relative weight of the safety and gender balance indicators is higher;
- the positioning in the sustainability indices is replaced by the Leadership Impact Index: already present in the 2020-2022 LTI Plan, this index measures the level of employee engagement through the Engagement Survey and is thus assigned to a large management population (about 2,300 people), which also includes Plant

Managers, a role fundamental for supporting the engagement of plant colleagues;

- for Plant Managers, the indicator relating to the investment plan for the reduction of CO<sub>2</sub> emissions is also confirmed, with a relative weight equal to 30% of the ESG objective.

Finally, to further strengthen the approach towards gender balance and safety, two specific objectives are assigned within the "P3" individual performance management system, with a focus on:

- female representation in managerial roles (objective assigned to senior managers belonging to all Company Functions);
- a set of safety-related sub-indicators (the "Safety Maturity Index"), specifically referring to the activity of Plant Managers.

"Standard" goal Deployed at Group and Region level			Customization for Plant Managers and their reports		
	KPI	Weight	KPI	Weight	
SAFETY	Frequency rate of injuries (IF)	40%	Frequency rate of injuries (IF) • at Plant level	60%	SAFETY
GENDER BALANCE	% of hired woman - Desk Workers	40%	Investment plan for CO <sub>2</sub> emissions reduction • at Region level	20%	CO <sub>2</sub> EMISSIONS
ENGAGEMENT	Leadership Impact Index (from Speak Up survey)	20%	Leadership Impact Index • at Region level	20%	ENGAGEMENT
+ P3 objective: % of women in Management (grade 17+, weight ≥ 30%)					
+ P3 objective: Safety Maturity Index (weight ≥ 30%)					

## Target range 2022 at Group level

KPI	Weight	TARGET	MAX
Frequency rate of injuries (IF)	40%	1.46	1.35
% of hired women - Desk Workers	40%	40%	42%
Leadership Impact Index	20%	59%	65%











The background of the entire page is a photograph of a high-voltage electrical substation. Several large metal lattice towers are visible, with power lines stretching across the frame. The scene is captured during sunset or sunrise, with a warm orange and yellow glow on the horizon and a deep blue sky above. A semi-transparent white rectangular box is centered in the upper half of the image, containing the text. A thin orange horizontal line is positioned near the top edge of the white box.

# **SECTION I**

# **SECTION II**





## SECTION I

For Section I, reference is made to the Remuneration Policy approved by the Shareholders' Meeting on April 28, 2021 for the two-year period 2021-2022. The document is available on the Company's website in section Governance - Remuneration<sup>6</sup>. A summary of the main elements and characteristics of the 2021-2022 Remuneration Policy, together with the necessary updates following the top level reorganization and the renewal of the Board of Directors and internal Board Committees, is provided in par. 3 of the Summary of this Report.

## SECTION II

This section of the Report on Compensation Paid illustrates, in the first part, each of the items making up the remuneration of members of the Board of Directors, the Board of Statutory Auditors and the Managers with Strategic Responsibilities (MSRs) of the Prysmian Group, including end of service or termination indemnities, and highlights its compliance with the policies described in the Section I of the Report on Remuneration Policy and Compensation Paid, published in 2021, available on the Company's website in section Governance - Remuneration<sup>7</sup>, along with the ways in which remuneration contributes to the long-term results of the Company. The second part analytically shows the remuneration paid in 2021 for any reason and in any form by the Company and by its subsidiaries, using the remuneration tables provided for in Annex 3A, Scheme No. 7-bis of the Issuers' Regulations. All persons who during the year have held, even for a fraction of the period, the position of member of the Board of Directors, general manager or managers with strategic responsibilities are included.

The Board of Directors, appointed by the Shareholders' Meeting of April 28, 2021, will remain in office for three years, until the approval of the financial statements as of December 31, 2023; during 2021, its composition has changed as described in para. 6. The Board of Statutory Auditors was renewed for three years by the Shareholders' Meeting of June 5, 2019, until the approval of the financial statements as of December 31, 2021.

Therefore, the compensation paid to these subjects in 2021 is reported below.

### 1.1. Remuneration and Nomination Committee activities

During 2021, the Remuneration and Nomination Committee ("the Committee") met 14 times and all members took part in all meetings. In accordance with Recommendation 26 of the Corporate Governance Code, no Director took part in meetings of the Committee during which proposals relating to their own remuneration were formulated.

The Group Human Resources and Organization Director took part in all meetings, acting as Secretary of the Committee. The Board of Statutory Auditors, invited to the meetings of the Committee, attended all meetings held.

As part of the activities held in 2021, with the support of the Human Resources and Organization department, the Committee has:

6, 7 - [https://www.prysmiangroup.com/sites/default/files/atoms/files/Prysmian\\_Remuneration\\_Report\\_2021-ENG.pdf](https://www.prysmiangroup.com/sites/default/files/atoms/files/Prysmian_Remuneration_Report_2021-ENG.pdf)

- examined and made proposals regarding the policy for the appointment of the Board of Directors and the Board of Statutory Auditors, supervising the selection of candidates included in the list that the outgoing Board submitted prior to its renewal;
- supervised the definition and implementation of a specific induction program dedicated to independent Non-Executive Directors, consisting of 6 sessions relating to business, sustainability, Research & Development and innovation, Governance and corporate policies;
- examined the effects of the Covid-19 epidemic on the performance objectives set for both short- and long-term remuneration, making related proposals to the Board of Directors;
- supervised and collaborated with the advisor engaged to manage the changes in the employment relationship with the CEO;
- examined and expressed a favorable opinion on the adoption of the Prysmian Group's remuneration policy, which the Company documented in the Remuneration Report that was subsequently submitted to the Board of Directors and the Shareholders' Meeting for approval;
- supported and occasionally took part in the engagement activities with Shareholders and proxy advisors;
- checked the achievement of the period objectives set out in the short-term variable incentive plans, defining the structure and performance objectives related to the annual incentive plan for 2021, monitoring the related progress and proposing amendments;
- monitored the progress made against the performance objectives included in the long-term variable incentive plans, proposing action and changes to the performance conditions to the Board of Directors;
- analyzed the results of the Shareholders' Meeting consultation on remuneration policy;
- monitored the implementation of the employee share purchase plan (YES Plan) and the results of the 2021 subscription campaign, recommending its continuation subsequently approved by the Board of Directors and by the Shareholders' Meeting;
- examined market best practices, together with the proxy advisor and investor guidelines for the remuneration of top management and Non-Executive Directors;
- submitted a proposal to the Board of Directors regarding the allocation of the overall compensation awarded to Directors by the Shareholders' Meeting;
- supervised and collaborated with the advisor entrusted with updating the Group Succession Plan;
- examined and made proposals for the organizational changes that involved certain MSRs;
- examined the plans adopted by the Company for accelerating the career paths of high-potential female managers, for gender balancing, for pay equity ("Equal Pay" approach and "Gender Equal Pay Gap" measurement/mitigation) and "Social Ambition" that the Company seeks to achieve by 2030.

## 2. Performance 2021 and final results of the 2021 MBO Plan

With reference to the 2021 financial year, the final results of the Group's 2021 MBO Plan were approved by the Board of Directors on March 1, 2022, with the favorable opinion of the Remuneration and Nomination Committee, determining, for the CEO, the COO and the CFO, a performance level equal to 120 points, on a variable scale between 50 points at threshold level, 100 points at target level and 150 points at maximum level, as better detailed in the following summary.

ACCESS CONDITION	€ M		Result
	Threshold	Target	ON above Target
Group Adjusted Ebitda	870	890	

OBJECTIVES	Weight		Result
	Target	Max	
1_Group Adjusted EBITDA	35	52,5	52,5
2_Group Net Financial Debt	25	37,5	37,5
3_Group Fixed costs	20	30	30,0
4_Group ESG	20	30	-
	100	150	120

The results obtained in 2021 on ESG indicators, overall good with reference to the hiring of women, investments for decarbonization and positioning in the Sustainability indexes (1<sup>st</sup> place in the sector in the DJSI), were however heavily impacted by two tragic fatalities in which an external contractor (in the Tianjin plant in China) and a colleague forklift operator (in the Liverpool plant in Australia) lost their lives.

These tragic circumstances - the dynamics and causes of which are still under investigations by the competent authorities and by internal bodies - have further accelerated Prysmian's commitment towards achieving zero injuries at work (as per the relative indicator contained in the Social Ambition), confirmed by the realization of events and initiatives dedicated to spreading a solid safety culture (such as the Safety Week held in November 2021) and by an investment plan specifically aimed at further improving infrastructures, procedures and safety standards.

Following these accidents, the Board of Directors, on the advice of the Remuneration and Nomination Committee, which examined the cases together with the Sustainability Committee, has decided to cancel the entire portion of the incentive connected with the overall ESG objective under the annual incentive system (MBO Plan), applying to all managers participating in the plan (about 2,300 people).

This decision was taken in accordance with the provision stated in the Report on Remuneration Policy approved last year in relation to the possible occurrence of fatal accidents, confirmed for 2022 and referred to in the introductory Summary to this Report.

### 3. Chairman of the Board of Directors

**Claudio De Conto** received an overall remuneration of €230,000, of which €130,000 for his position as Chairman of the Board of Directors, €65,000 as a Director and €35,000 as a member of the Remuneration and Nomination Committee.

### 4. Chief Executive Officer

**Valerio Battista, Chief Executive Officer** of Prysmian Group, received an overall compensation of €1,541,822, of which:

- **Fixed remuneration** for €1,100,000;
- **Annual variable incentive** (MBO 2021) for €882,200. This amount vested upon the achievement level of 2021 MBO Plan's objectives. In accordance with the provisions set forth in the 2021 Remuneration policy, 50% of said amount will be paid in cash and the remaining 50% in deferred shares at the reference price of €26.96. Accordingly, with reference to the 2021 MBO Plan, Valerio Battista accrued 16,361 Deferred Shares and 8,181 Matching Shares at the end of the vesting period of the 2020-2022 LTI Plan.
- **Non-monetary benefits** for €722.
- **Long-term variable incentive** (LTI 2020-2022): Valerio Battista is included among the participants in the 2020-2022 LTI Plan, as part of which he has been allocated 178,764 Performance Shares consistent with the achievement target level of the underlying indicators.

It is recalled that, as from February 4, 2021, the employment relationship as General Manager of Valerio Battista ended due to retirement: since the relationship as CEO continued without interruption, Valerio Battista was paid exclusively the ordinary amounts due by law upon termination, as well as the company benefits ordinarily provided, as the conditions for the payment of the severance indemnity provided for in the agreement signed on March 3, 2015 were not in place.

Moreover, as from February 4, 2021, an agreement has been stipulated with Valerio Battista in case of early termination of his contract, providing for an indemnity equal to 24 months' fixed remuneration, to be paid if the contract is terminated on the initiative of the Company, due to consensual termination, to significant changes in role and position or death and permanent disability.

Valerio Battista is signatory to a Non-Competition Agreement starting from the same date, which includes a non-competition obligation for three years from terminating the director relationship, for whatever reason it might occur. The remuneration for accepting this restriction is 40% of the fixed remuneration, multiplied by the number of years the agreement is in force (three) and will be paid only upon termination of the director relationship.

### 5. Executive Directors

**Massimo Battaini, Chief Operating Officer**, received an overall compensation of €1,358,724, of which:

- **Fixed remuneration** for €930,769;
- **Annual variable incentive** (MBO 2021) for €764,750. This amount vested upon the achievement level of 2021 MBO Plan's objectives. In accordance with the provisions set forth in the 2021 Remuneration policy, 50% of said amount will be paid in cash and the remaining 50% in deferred shares at the reference price of €26.96. Accordingly, with reference to the 2021 MBO Plan, Massimo Battaini accrued 14,183 Deferred Shares and 7,092 Matching Shares at the end of the vesting period of the 2020-2022 LTI Plan.



- **Non-monetary benefits** for €45,580;
- **Long-term variable incentive** (LTI 2020-2022): Massimo Battaini is included among the participants in the 2020-2022 LTI Plan, as part of which he has been allocated 93,897 Performance Shares consistent with the achievement target level of the underlying indicators (number of shares determined following the appointment as Chief Operating Officer approved by the Board of Directors on December 18, 2020 with effective date February 1, 2021).

Moreover, Massimo Battaini holds a Non-Competition Agreement which includes a non-competition obligation for three years from terminating the employment relationship, for whatever reason it might occur. The remuneration for accepting this restriction is 33% of the fixed remuneration, multiplied by the number of years the agreement is in force (three) and will be paid only upon termination of the employment relationship.

**Pier Francesco Facchini, Chief Financial Officer**, received an overall compensation of €797,079, of which:

- **Fixed remuneration** for €590,000;
- **Annual variable incentive** (MBO 2021) for €407,100 Euro. This amount vested upon the achievement level of 2021 MBO Plan's objectives. In accordance with the provisions set forth in the 2021 Remuneration policy, 50% of said amount will be paid in cash and the remaining 50% in deferred shares at the reference price of €26.96. Accordingly, with reference to the 2021 MBO Plan, Pier Francesco Facchini accrued 7,550 Deferred Shares and 3,775 Matching Shares at the end of the vesting period of the 2020-2022 LTI Plan.
- **Non-monetary benefits** for €3,529;
- **Long-term variable incentive** (LTI 2020-2022): Pier Francesco Facchini is included among the participants in the 2020-2022 LTI Plan, as part of which he has been allocated 63,921 Performance Shares consistent with the achievement target level of the underlying indicators.

Starting on January 8, 2007, an indemnity equal to 24 months' fixed remuneration was defined for Pier Francesco Facchini in case of early termination of the employment relationship. This indemnity accrues if termination of the contract occurs at the Company's initiative and is not connected to performance criteria.

**Fabio Ignazio Romeo, Chief Strategy Officer**, received an overall compensation of €186,842, of which:

- **Fixed remuneration** for €185,141;
- **Non-monetary benefits** for €1,701;

As part of the consensual termination, with which the employment relationship of Fabio Ignazio Romeo ended on April 28, 2021, a total of €1,819,110 was paid, of which €1,203,418 as indemnity for termination of office, not connected to performance conditions (and equal to 24 months of the fixed annual remuneration), €20,000 for general novative transaction and €595,692 (equal to 33% of the basic remuneration, multiplied by the years of validity of the agreement) as consideration for the three-year Non-Competition Agreement starting from the same date.

In line with the provision set forth in the remuneration policy on the matter, the amount reserved for Fabio Ignazio Romeo, upon payment of the indemnity for termination of office and non-competition agreement, has been overall less than 24 months of total annual target remuneration.

By virtue of this early termination of the relationship, Fabio Ignazio Romeo was granted the right to maintain, in compliance with the provisions of the 2020-2022 LTI Plan regulation, 32,595 Performance Shares corresponding to the target level of achievement of the underlying indicators, and overall 8,068 shares deriving from the deferral of the 2020 MBO bonus.

Furthermore, Fabio Ignazio Romeo was paid also the ordinary amounts dues by law upon termination, as well as the company benefits ordinarily provided at the time of termination of employment.

## 6. Non-Executive Directors

- **Paolo Amato** received an overall remuneration of €100,000, of which €65,000 as a member of the Board of Directors and €35,000 as a member of the Remuneration and Nomination Committee;
- **Jaska de Bakker**, in office since April 28, 2021, received an overall remuneration of €66,667, of which €43,333 as a member of the Board of Directors and €23,333 as a member of the Control and Risks Committee;
- **Francesco Gori** received an overall remuneration of €100,000 Euro, of which €65,000 as a member of the Board of Directors and €35,000 as a member of the Control and Risks Committee;
- **Ines Kolmsee**, in office since April 28, 2021, received an overall remuneration of €66,667, of which €43,333 as a member of the Board of Directors and €23,333 as a member of the Sustainability Committee;
- **Mimi Kung** received an overall remuneration of €100,000, of which €65,000 as a member of the Board of Directors and €35,000 as a member of the Sustainability Committee;
- **Maria Letizia Mariani** received an overall remuneration of €100,000, of which €65,000 as a member of the Board of Directors and €35,000 as a member of the Sustainability Committee;
- **Tarak Mehta**, in office since April 28, 2021, received an overall remuneration of €66,667, of which €43,333 as a member of the Board of Directors and €23,333 as a member of the Control and Risks Committee;
- **Annalisa Stupenengo**, in office since April 28, 2021, received an overall remuneration of €66,667, of which €43,333 as a member of the Board of Directors and €23,333 as a member of the Remuneration and Nomination Committee;
- **Joyce Victoria Bigio**, in office until April 28, 2021, received an overall remuneration of €21,111, of which €16,667 as a member of the Board of Directors and €4,444 as a member of the Control and Risks Committee;
- **Maria Elena Cappello**, in office until April 28, 2021, received an overall remuneration of €21,111, of which €16,667 as a member of the Board of Directors and €4,444 as a member of the Remuneration and Nomination Committee;
- **Monica De Virgiliis**, in office until April 28, 2021, received an overall remuneration of €21,111, of which €16,667 as a member of the Board of Directors and €4,444 as a member of the Sustainability Committee.

## 7. Statutory Auditors

- **Pellegrino Libroia** received €75,000 as Chairman of the Board of Statutory Auditors;
- **Laura Gualtieri** received €50,000 as a standing Statutory Auditor;
- **Paolo Lazzati** received in total €78,000, of which €50,000 as a standing Statutory Auditor and €28,000 as Statutory Auditor of the subsidiaries Prysmian Cavi e Sistemi S.r.l. and Prysmian PowerLink S.r.l.

## 8. Managers with Strategic Responsibilities (MSRs)

During 2021, four managers, to whom the information shown below and in the following tables refers, held positions with strategic responsibilities, even only for part of the year. At aggregate level, they received an overall remuneration of €3,528,637, of which:

- **Fixed remuneration** for €2,592,570, including €2,442,018 Euro as gross annual pay and €150,552 as expatriation allowance;
- **Annual variable incentive** (MBO 2021) for €1,486,975. This amount vested upon the achievement level of 2021 MBO Plan's objectives, including where appropriate the application of the  $\pm 15\%$  factor linked to the assessment of individual performance. In accordance with the provisions set forth in the 2021 Remuneration policy, 50% of said amount will be paid in cash and the remaining 50% in deferred shares at the reference price of €26.96. Accordingly, with reference to the 2021 MBO Plan, Managers with Strategic Responsibilities accrued 27,557 Deferred Shares and 13,790 Matching Shares at the end of the vesting period of the 2020-2022 LTI Plan.
- **Non-monetary benefits** for €192,580;
- **Long-term variable incentive** (LTI 2020-2022): Managers with Strategic Responsibilities are included among the participants in the 2020-2022 LTI Plan, within which they have been assigned 241,092 Performance Shares consistent with the achievement target level of the underlying indicators.

During 2021 an agreement was signed with one of the MSRs for the consensual termination of the employment relationship, by virtue of which an organizational change was envisaged for this Manager effective January 1, 2022 until the termination of employment which will take place in 2022. As part of this agreement, provision is made for the disbursement of an indemnity for termination of office as well as the consideration for the Non-Competition Agreement, both stipulated in accordance with the Group's policy, for an overall amount lower than 24 months of total annual remuneration.

## 9. Exceptions to the remuneration policy and possible application of ex post correction mechanisms on variable remuneration (*malus* and *claw back*)

During the 2021 financial year, no exceptional circumstances emerged such as to lead to make exception from the Remuneration Policy approved by the Shareholders' Meeting of 28 April 2021, nor ex post correction mechanisms were applied to the variable components of the remuneration (*malus* or *claw-back* return of variable compensation).

## 10. Comparison data

Hereunder are reported the comparison data for the years 2019, 2020 and 2021, between the annual variable remuneration and:

- the overall remuneration of Executive Directors of the Company, in office as of December 31, 2021 (information about their remuneration<sup>8</sup> is illustrated in detail in Section II of this Report);
- the Company's results, expressed in Adjusted EBITDA, Free Cash Flow (FCF) and Total Shareholder Return (TSR);
- the average remuneration of Group's employees<sup>9</sup>.

	Unit of Measure	2019	2020	Change 2020 vs 2019	2021	Change 2021 vs 2020
CEO	K €	2,049	2,453	20%	2,850	16%
COO	K €	1,555	1,571	1%	2,169	38%
CFO	K €	973	1,095	13%	1,299	19%
Adj. EBITDA	M €	1,007	840	-17%	976	16%
FCF	M €	433	487	12%	365	-25%
TSR	%	30.5%	37.1%	22%	15.9%	-57%
Average - All Employees		32,877	32,994	0.4%	34,463	4.5%

## 11. Vote expressed by the Shareholders' Meeting on the second section of the report on the remuneration policy and compensation paid for the previous year

The advisory vote expressed by the Shareholders' Meeting convened in 2021 on the section on compensation paid in 2020 was widely positive. In this context, the Company has maintained a transparent approach towards the Shareholders, particularly with reference to the Group's variable remuneration systems.

8 - Including the fair value of the compensation in shares, relating to the 2020-2022 LTI Plan (being accrued and with potential assignment in 2023) and the deferral of the 2020 and 2021 MBO. The amounts are equal to the sum of columns 6 and 7 as per table 1 below.

9 - Average remuneration of employees updated following the introduction of the global Workday information system and calculated by including the annual fixed and variable remuneration components (MBO and LTI Plans) pertaining to 2021, excluding non-recurring items of remuneration and/or labor costs.









An aerial night photograph of a city, likely Tokyo, showing a dense urban landscape with illuminated buildings and a complex highway interchange. Long-exposure light trails from vehicles create vibrant streaks of red, orange, and white across the lower half of the image. A semi-transparent white rectangular box is centered over the middle of the image, containing the text 'REMUNERATION TABLES'. Several thin, white, curved lines arc across the entire image, connecting bright points of light, adding a dynamic, futuristic feel.

# **REMUNERATION TABLES**



**TABLE 1: Fees paid to members of the Board of Directors, general managers and other MSRs**

A	B	C	D	1	2	3	4	5	6=1+2+3+4+5	7	8
Full name	Office	Term in office	Expiry of office	Fixed Pay	Fees for participation in Committees	Variable non-equity pay	Non-monetary benefits	Other fees	Total	Fair Value of fees paid in equity	Severance indemnities for end of office or for termination of employment
						Bonuses and other incentives	Share of profits				
<b>Claudio De Conto</b>	Chairman	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				195,000 <sup>1</sup>	35,000	-	-	-	230,000	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>195,000</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230,000</b>	<b>-</b>	<b>-</b>
<b>Valerio Battista</b>	CEO	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				1,100,000	-	441,100	-	722	1,541,822	1,307,886	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>1,100,000</b>	<b>-</b>	<b>441,100</b>	<b>-</b>	<b>722</b>	<b>1,541,822</b>	<b>1,307,886</b>	<b>-</b>
<b>Massimo Battaini</b>	Executive Director	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				930,769	-	382,375	-	45,580 <sup>2</sup>	1,358,724	810,674	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>930,769</b>	<b>-</b>	<b>382,375</b>	<b>-</b>	<b>45,580</b>	<b>1,358,724</b>	<b>810,674</b>	<b>-</b>
<b>Pier Francesco Facchini</b>	Executive Director	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				590,000	-	203,550	-	3,529	797,079	502,352	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>590,000</b>	<b>-</b>	<b>203,550</b>	<b>-</b>	<b>3,529</b>	<b>797,079</b>	<b>502,352</b>	<b>-</b>
<b>Paolo Amato</b>	Director	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				65,000	-	35,000	-	-	100,000	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>65,000</b>	<b>-</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Jaska de Bakker</b>	Director	28.4-31.12.2021	2024								
Fees in the company which draws up the financial statements				43,333	23,333	-	-	-	66,667	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>43,333</b>	<b>23,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,667</b>	<b>-</b>	<b>-</b>
<b>Francesco Gori</b>	Director	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				65,000	35,000	-	-	-	100,000	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTALE</b>				<b>65,000</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Ines kolmsee</b>	Director	28.4-31.12.2021	2024								
Fees in the company which draws up the financial statements				43,333	23,333	-	-	-	66,667	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>43,333</b>	<b>23,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,667</b>	<b>-</b>	<b>-</b>
<b>Mimi Kung</b>	Director	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				65,000	35,000	-	-	-	100,000	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>65,000</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Maria Letizia Mariani</b>	Director	1.1-31.12.2021	2024								
Fees in the company which draws up the financial statements				65,000	35,000	-	-	-	100,000	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>65,000</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>

1) Of which € 65,000 as a Director and € 130,000 as Chairman of the Board of Directors.

3) Includes benefits part of the expatriation package (housing allowance).



A	B	C	D	1	2	3	4	5	6=1+2+3+4+5	7	8
Full name	Office	Term in office	Expiry of office	Fixed Pay	Fees for participation in Committees	Variable non-equity pay	Non-monetary benefits	Other fees	Total	Fair Value of fees paid in equity	Severance indemnities for end of office or for termination of employment
						Bonuses and other incentives	Share of profits				
<b>Tarak Mehta</b>	Director	28.4-31.12.2021	2024								
Fees in the company which draws up the financial statements				43,333	23,333	-	-	-	66,667	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>43,333</b>	<b>23,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,667</b>	<b>-</b>	<b>-</b>
<b>Annalisa Stupenengo</b>	Director	28.4-31.12.2021	2024								
Fees in the company which draws up the financial statements				43,333	23,333	-	-	-	66,667	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>43,333</b>	<b>23,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,667</b>	<b>-</b>	<b>-</b>
<b>Joyce Victoria Bigio</b>	Director	1.1-28.4.2021	2021								
Fees in the company which draws up the financial statements				16,667	4,444	-	-	-	21,111	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>16,667</b>	<b>4,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,111</b>	<b>-</b>	<b>-</b>
<b>Maria Elena Cappello</b>	Director	1.1-28.4.2021	2021								
Fees in the company which draws up the financial statements				16,667	4,444	-	-	-	21,111	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>16,667</b>	<b>4,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,111</b>	<b>-</b>	<b>-</b>
<b>Monica De Virgilis</b>	Director	1.1-28.4.2021	2021								
Fees in the company which draws up the financial statements				16,667	4,444	-	-	-	21,111	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>16,667</b>	<b>4,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,111</b>	<b>-</b>	<b>-</b>
<b>Fabio Ignazio Romeo</b>	Executive Director	1.1-28.4.2021	2021								
Fees in the company which draws up the financial statements				185,141	-	-	-	1,701	186,842	201,766	1,819,110
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>185,141</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,701</b>	<b>186,842</b>	<b>201,766</b>	<b>1,819,110</b>
<b>Pellegrino Libroia</b>	Chairman of the Board of Statutory	1.1-31.12.2021	2022								
Fees in the company which draws up the financial statements				75,000	-	-	-	-	75,000	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>75,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>-</b>
<b>Laura Gualtieri</b>	Statutory Auditor	1.1-31.12.2021	2022								
Fees in the company which draws up the financial statements				50,000	-	-	-	-	50,000	-	-
Fees from subsidiaries or affiliate companies				-	-	-	-	-	-	-	-
<b>TOTAL</b>				<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>
<b>Paolo Lazzati</b>	Statutory Auditor	1.1-31.12.2021	2022								
Fees in the company which draws up the financial statements				50,000	-	-	-	-	50,000	-	-
Fees from subsidiaries or affiliate companies				28,000	-	-	-	-	28,000	-	-
<b>TOTAL</b>				<b>78,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,000</b>	<b>-</b>	<b>-</b>
<b>Managers with strategic Resp.</b>	4 People										
Fees in the company which draws up the financial statements				1,296,706	-	347,888	-	71,598	1,716,192	924,268	-
Fees from subsidiaries or affiliate companies				1,295,864	-	395,600	-	120,982	1,812,445	946,565	-
<b>TOTAL</b>				<b>2,592,570 <sup>3</sup></b>	<b>-</b>	<b>743,487</b>	<b>-</b>	<b>192,580 <sup>4</sup></b>	<b>3,528,637</b>	<b>1,870,833</b>	<b>-</b>

3) Of which € 2,442,018 as annual base salary € 150,552 as expatriation allowance.

4) Includes benefits part of the expatriation package.

**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 MSRs**

			Financial instruments assigned in previous years and not vested in the year		Financial instruments allocated in the year					Financial instruments vested during the year and not allocated	Financial instruments vested during the year and to be allocated		Financial instruments accruing in the year
A	B	1	2	3	4	5	6	7	8	9	10	11	12
Full name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at the date of the assignment	Vesting period	Allocation date	Market price of the allocation	Number and type of financial instruments	Number and type of financial instruments	Value at the vesting date	Fair Value <sup>1</sup>
<b>Valerio Battista</b>	CEO	Performance Shares 2020-2022	178,764										€ 902,281
		2020 MBO Deferral	26,351	2020-22									€ 121,654
		2021 MBO Deferral			24,542	567,902	2021-22	28.04.2021	€ 26.57				€ 283,951
<b>Massimo Battaini</b>	Executive Director	Performance Shares 2020-2022	75,839		18,058	273,434	2021-22	01.02.2021 <sup>2</sup>	€ 27.22				€ 473,929
		2020 MBO Deferral	19,623	2020-22									€ 90,593
		2021 MBO Deferral			21,275	492,304	2021-22	28.04.2021	€ 26.57				€ 246,152
<b>Pier Francesco Facchini</b>	Executive Director	Performance Shares 2020-2022	63,921										€ 322,630
		2020 MBO Deferral	10,547	2020-22									€ 48,692
		2021 MBO Deferral			11,325	262,061	2021-22	28.04.2021	€ 26.57				€ 131,030
<b>Fabio Ignazio Romeo</b>	Executive Director	Performance Shares 2020-2022	32,595										€ 164,518
		2020 MBO Deferral	8,068	2020-22									€ 37,247
<b>Managers with Strategic Responsibilities</b>	4 people	Performance Shares 2020-2022	241,092										€ 1,216,871
		2020 MBO Deferral	37,981	2020-22									€ 175,346
		2021 MBO Deferral			41,367	957,232	2021-22	28.04.2021	€ 26.57				€ 478,616

**NOTES:**

1) In accordance with applicable IFRS standards, Fair Value is calculated using € 13.85 for 80% of the shares granted at target level and € 13.54 for 20% of the shares granted at maximum level.

2) Shares granted with Board of Directors resolution of December 18, 2020, effective from February 1, 2021.

TABLE 3B: Cash incentive plans in favour of members of the Board of Directors, general managers and other MSRs

(A)	(B)	(1)	(2)			(3)			(4)
Full name	Office	Plan	Bonus for the year			Bonus for previous years			Other bonuses
			Payable/ paid	Deferred	Deferred period	No longer payable	Payable/ paid	Still deferred	
<b>Valerio Battista</b>	CEO	MB0 2021							
Fees in the company which draws up the financial statements			441,100						
Fees from subsidiaries or affiliate companies									
<b>Massimo Battaini</b>	Executive Director	MB0 2021							
Fees in the company which draws up the financial statements			382,375						
Fees from subsidiaries or affiliate companies									
<b>Pier Francesco Facchini</b>	Executive Director	MB0 2021							
Fees in the company which draws up the financial statements			203,550						
Fees from subsidiaries or affiliate companies									
<b>Fabio Ignazio Romeo</b>	Executive Director	MB0 2021							
Fees in the company which draws up the financial statements			-						
Fees from subsidiaries or affiliate companies									
<b>Managers with strategic Resp.</b>	4 people	MB0 2021							
Fees in the company which draws up the financial statements			347,888						
Fees from subsidiaries or affiliate companies			395,600						
<b>TOTAL</b>			<b>1,770,512</b>						

## Scheme N.7 - ter

**TABLE 1: Participation of members of the management and control bodies and General Managers**

Full name	Office	Investee company	Number of shares owned at the end of the previous financial year	Number of shares assigned (1)	Number of shares sold	Number of shares owned at the end of the current financial year
<b>Claudio De Conto</b>	Chairman		-	-	-	-
<b>Valerio Battista</b>	CEO	Prysmian S.p.A.	4,088,238	-	-	4,088,238
<b>Paolo Amato</b>	Director		-	-	-	-
<b>Massimo Battaini (2)</b>	Director	Prysmian S.p.A.	248,341	-	-	248,341
<b>Jaska de Bakker</b>	Director (in office since 28/4/2021)		-	-	-	-
<b>Pier Francesco Facchini</b>	Director	Prysmian S.p.A.	290,567	-	-	290,567
<b>Francesco Gori</b>	Director		-	-	-	-
<b>Ines Kolmsee</b>	Director (in office since 28/4/2021)	Prysmian S.p.A.	220	-	-	220
<b>Mimi Kung</b>	Director		-	-	-	-
<b>Maria Letizia Mariani</b>	Director		-	-	-	-
<b>Tarak Mehta</b>	Director (in office since 28/4/2021)		-	-	-	-
<b>Annalisa Stupenengo</b>	Director (in office since 28/4/2021)	Prysmian S.p.A.	-	-	-	-
<b>Joyce Victoria Bigio</b>	Director (in office until 28/4/2021)		-	-	-	-
<b>Maria Elena Cappello</b>	Director (in office until 28/4/2021)		-	-	-	-
<b>Monica De Virgiliis</b>	Director (in office until 28/4/2021)		-	-	-	-
<b>Fabio Romeo (3)</b>	Director (in office until 28/4/2021)	Prysmian S.p.A.	274,414	-	-	274,414
<b>Pellegrino Libroia</b>	Chairmand of the Statutory of Auditors		-	-	-	-
<b>Laura Gualtieri</b>	Standing Auditor		-	-	-	-
<b>Paolo Lazzati</b>	Standing Auditor		-	-	-	-
<b>Claudia Mezzabotta</b>	Alternate Auditor		-	-	-	-
<b>Michele Milano</b>	Alternate Auditor		-	-	-	-

**NOTES:**

(1) These also include the shares assigned as part of the share-based participation plans.

(2) Shares partly held directly and partly held indirectly through his spouse.

(3) Number of shares held as of termination of office.

**TABLE 2: Participation of other managers with strategic responsibilities**

Number of managers with strategic responsibilities	Investee company	Number of shares owned at the end of the previous financial year	Number of shares assigned (1)	Number of shares sold	Number of shares owned at the end of the current financial year
4 (2)	Prysmian S.p.A.	297,813	347	0	298,160

**NOTES:**

(1) These also include the shares assigned as part of the share-based participation plans.

(2) Including 2 managers with strategic responsibilities terminated during the year and the number of shares held by these managers as of termination of office.