



# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

pursuant to Article 123-bis of the Consolidated Financial Act (*traditional governance and control model*)

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## GLOSSARY

**Shareholders' Meeting:** the general Shareholders' Meeting of Prysmian S.p.A.

**The Code/Code for Corporate Governance:** the Code for Corporate Governance - published in January 2020 - approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. [Italian Stock Exchange], ABI [Italian Banking Association], ANIA [National Association of Insurance Companies], Assogestioni [Italian Association of Asset Management Companies], Assonime [Association of Italian Joint Stock Companies] and Confindustria [General Confederation of Italian Industry].

**Civil Code:** the Italian Civil Code.

**Board of Directors/Board:** the Prysmian S.p.A. Board of Directors.

**Financial Year:** 2022, the financial year of this Report.

**Group/Prysmian Group:** Prysmian S.p.A. and the companies it controls directly or indirectly.

**Board Regulation:** regulation adopted by the Prysmian Board of Directors pursuant to Article 3, recommendation 11 of the Corporate Governance Code which defines the duties and operating methods of the Board of Directors and the committees it has established, as well as some of the duties of the company's main governance figures. The document is available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance* section.

**Consob Issuer Regulation:** the Issuers' Regulation issued by Consob with Resolution no. 11971 of 1999 (as subsequently modified).

**Report:** the report on Corporate Governance and ownership structure as set out in Article 123-*bis* of the Consolidated Financial Act.

**Annual Integrated Report:** document that includes the consolidated financial statements of Prysmian Group and the financial statements of Prysmian S.p.A., as well as the consolidated non-financial report prepared pursuant to Italian Legislative Decree 254/2016.

**Remuneration Report:** Report on the remuneration policy and compensation paid pursuant to Article 123-*ter* of the Consolidated Financial Act, prepared in accordance with Article 84-*quater* of the Consob Issuer Regulation, available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance/Remuneration policy* section.

**IC&RMS:** the internal control and risks management system.

**Company or Prysmian:** Prysmian S.p.A., a company with registered offices in Milan, Via Chiese 6, tax code and Companies Register of Milan, Monza Brianza and Lodi No. 04866320965.

**By-laws:** The By-laws of Prysmian S.p.A., as updated on 12 April 2022, available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance* section.

**Consolidated Financial Act:** Consolidated Financial Act: Italian Legislative Decree 58 of 24 February 1998, (as subsequently amended).

## 1. ISSUER PROFILE

Prysmian S.p.A., the holding company heading one of the world's top cable industry groups, is active in the design, development, manufacture, supply and installation of a wide range of cables for many different applications in the power, and telecommunications industries.

The Prysmian Group, present in 50 countries with 108 manufacturing plants, 26 R&D centres and some 30,000 employees, is well positioned in high-tech markets by offering an extensive range of products, services, technology and know-how. In the energy sector, the Group operates in the business of underground & submarine cables and systems for power transmission and distribution, including special cables for applications in various industrial sectors, and medium & low voltage cables for construction and infrastructure. For the telecommunications sector, the Group manufactures cables & accessories for voice, video and data transmission, with a full range of optical fibre, optical & copper cables, and connectivity systems.

Since 3 May 2007, Prysmian securities have been listed on EURONEXT Milan (formerly the MTA) managed by the Italian Stock Exchange. In September 2007, the securities were admitted to the FTSE/MIB index. Borsa Italiana announced the launch of the new MIB® ESG index on 10 October 2021. This is the first ESG index dedicated to leading Italian issuers with the best ESG practices and Prysmian has been included.

Since March 2010, following the former majority shareholder's sale of its interest in the Company, the Company assumed a genuine public company structure, characterised by a broad and diversified shareholder base.

The Company's Corporate Governance structure has been drawn from the recommendations and standards contained in the Corporate Governance Code, by which the Company abides.

The rules of Corporate Governance are a direct expression of the standards and procedures that the Company has adopted and undertakes to comply with to ensure effectiveness and transparency in all transactions.

The Company has adopted a traditional governance and control model characterised by a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors. This Corporate Governance system is based on the core role of the Board of Directors (as the most senior body delegated to manage the Company in the interests of shareholders), on the transparency of decision-making processes, on an effective internal control system, on careful rules governing potential conflicts of interest and on appropriate standards of conduct for related party transactions.

Prysmian has implemented this system by drawing up and adopting codes, standards, rules and procedures that govern and regulate the performance of all the Company's organisational and operational bodies.

The Board of Directors has the broadest possible powers of ordinary and extraordinary administration, except for those, which by law are the exclusive prerogative of the Shareholders' Meeting. The Board of Statutory Auditors oversees compliance with the law, the By-laws and the standards of good management in the performance of company activities whilst also monitoring the adequacy of the Company's organisational structure, internal control, administrative and accounting systems.

The independent audit of the accounts is entrusted to a specialist firm registered at the Register of Auditors held by the Ministry of Economy and Finance and appointed by the Shareholders' Meeting.

The Board of Directors gives significant priority to the leading role of the Prysmian Group in order to pursue sustainable growth and consistent value creation for the Company over the medium-long term.

The composition of the Board of Directors reflects skills and experience profiles deemed relevant for identifying and guiding the implementation of strategic priorities.

The skills matrix, updated at each renewal of the Board of Directors, represents the core expertise considered essential for leading the Group, also in view of the changes in business dynamics and the reference environment.

The Board of Directors also gives appropriate consideration to the opinions and expectations of the Group's key stakeholders. The board induction programme and the engagement policy implementation procedures allow the Board of Directors to meet with customers, investors, sell-side analysts and key institutions.

From the start, the DNA of the Prysmian Group has included a commitment to the environment and the communities in which operations are carried out. This core value is integral to the entire organisation, which strives constantly to deliver technology in support of the energy transition. Prysmian works every day to guarantee the sustainability of production processes and safeguard the environment, working alongside local communities to ensure that their territories are protected and that workplaces are safe. This commitment was strengthened in 2021 with the launch of the Climate Change Ambition and the Social Ambition. These initiatives set new and challenging climate and social objectives, designed to promote the transition to a low-carbon world and a more fair and inclusive working environment.

During the financial year, Prysmian published the annual sustainability report, containing the consolidated non-financial report (NFR) pursuant to European Directive 2014/95/EU and Italian Legislative Decree 254/2016. This report was approved by the Board of Directors, after review by the Sustainability Committee and the Control and Risks Committee for the matters under their respective responsibilities.

Starting from the current financial year, Prysmian has decided to publish the consolidated non-financial report together with the separate and consolidated financial statements. These documents comprise the Annual Integrated Report, which is available on the website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Investor Relations* section.

Prysmian does not fall within the definition of an SME pursuant to Article 1, paragraph 1, letter w-quater.1) of the Consolidated Financial Act and Article 2-ter of the Consob Issuer Regulation. Based on the Code's definitions of a "*concentrated ownership company*" and a "*large company*", Prysmian does not qualify as a concentrated ownership company since no shareholder, either alone or through participation in shareholders' voting agreements, can directly or indirectly hold a majority of the votes exercisable at an ordinary shareholders' meeting.

Prysmian does, however, qualify as a large company because its capitalisation was greater than Euro 1 billion on the last trading day of the three calendar years before the publication of this Report.



## 2. INFORMATION ON THE OWNERSHIP STRUCTURE (pursuant to Article 123-bis of the Consolidated Financial Act) as at 31/12/2022

### a) Share capital structure.

*(pursuant to Article 123-bis, paragraph 1, letter a) of the Consolidated Financial Act)*

Prysmian's subscribed and paid-up share capital at 31 December 2022 came to Euro 26,814,424.60 divided into 268,144,246 shares, with a par value of Euro 0.10 each.

The shares cannot be split, may be freely transferred and each carries the right to one vote. Shareholders may exercise their ownership rights as provided for by the laws in force.

No new ordinary shares were issued during the financial year.

With reference to capital increases resolved by the Shareholders' Meeting and with execution delegated to the Board of Directors, please note the following:

- On 28 April 2020, the Company's Shareholders' Meeting approved a long-term share-based incentive plan for the 2020-2022 period, payable to certain employees of the Prysmian Group. To service this incentive plan, following the change authorised at the Shareholders' Meeting held on 12 April 2022, it is expected that a maximum of 8,000,000 new ordinary shares will be issued, to be allotted to the plan beneficiaries free of charge. This will increase share capital by a maximum amount of Euro 800,000.00 and will be drawn from the "Reserve for Shares issued in accordance with Article 2349 of the Italian Civil Code".
- On 25 January 2021, the Board of Directors resolved to place the Equity linked bond issue named "Prysmian S.p.A. Euro 750 million Equity Linked Bonds due 2026" maturing on 02 February 2026 and reserved for institutional investors. The bond settlement took place on 2 February 2021. Subsequently, on 28 April 2021, the Company's Shareholders' Meeting resolved that the above bond issue was convertible. It approved, for the sole purpose of the conversion, a cash increase in share capital, against payment and in tranches (with option rights excluded) for a maximum nominal amount of Euro 1,864,025.50 to be paid in one or more tranches through the issue of a maximum of 18,640,255 ordinary shares of the Company. The conversion price of the bonds was set at Euro 40.2355, and on 14 June 2021 the bonds were admitted for trading on the "Third Market" (MTF) of the Vienna Stock Exchange.
- On 12 April 2022, the Company's Shareholders' Meeting approved a stock grant plan for Prysmian Group employees. To service this plan, it is expected that a maximum of 3,000,000 new ordinary shares will be issued, to be allotted to the plan beneficiaries free of charge. This will increase share capital by a maximum amount of Euro 300,000.00 and will be drawn from the "Reserve for Shares issued in accordance with Article 2349 of the Italian Civil Code".

### b) Restrictions on the transfer of securities.

*(pursuant to Article 123-bis, paragraph 1, letter b) of the Consolidated Financial Act)*

There are no restrictions on the transfer of securities.

### c) Significant holdings in the share capital.

*(pursuant to Article 123-bis, paragraph 1, letter c) of the Consolidated Financial Act)*

With regard to significant holdings in Prysmian's share capital, please refer to Table 1, annexed to this Report.

This information is based on the contents of the Company's Register of Shareholders and declarations received from shareholders pursuant to Article 120 of the Consolidated Financial Act, as at 31 December 2022.

**d) Securities with special rights.***(pursuant to Article 123-bis, paragraph 1, letter d) of the Consolidated Financial Act)*

No securities have been issued that grant special rights of control.

The By-laws do not provide for shares with multiple voting rights or increased voting rights.

**e) Employee share ownership: mechanism for exercising voting rights.***(pursuant to Article 123-bis, paragraph 1, letter e) of the Consolidated Financial Act)*

There are no mechanisms for exercising voting rights in the event of employee shareholding, when voting rights are not directly exercised by those employees.

**f) Restrictions on voting rights.***(pursuant to Article 123-bis, paragraph 1, letter f) of the Consolidated Financial Act)*

There are no restrictions on voting rights.

**g) Shareholder agreements.***(pursuant to Article 123-bis, paragraph 1, letter g) of the Consolidated Financial Act)*

No agreements as defined by Article 122 of the Consolidated Financial Act are known to the Company.

**h) Change of control clauses and By-law provisions concerning public tender offers.***(pursuant to Articles 123-bis, paragraph 1, letter h), 104, paragraph 1-ter, and 104-bis, paragraph 1 of the Consolidated Financial Act)*

As regards significant agreements as set out in Article 123 bis, paragraph 1, letter h) of the Consolidated Financial Act, note the following.

Prysmian S.p.A. and the companies under its direct and indirect control are not a part of any significant agreements, which, automatically, come into force, are amended or are terminated in the event of a change of control of the company. In this respect, note that Prysmian S.p.A. is characterised by a broad and diversified shareholding structure that owns its share capital, thereby giving it the structure of a public company. Therefore, the Company is not subject to the control, direction or coordination of other subjects, as more fully detailed in paragraph 2.1). Nevertheless, it should also be noted that some agreements, mainly financial and commercial ones, which take on significance at Group level, govern the possibility of a change in control of Prysmian S.p.A., generally providing for the option of the counterparties to amend or terminate the agreement upon the occurrence of said circumstance.

The By-laws contain no provisions that:

- waive the provisions of the passivity rule provided for by Article 104, paragraphs 1 and 2 of the Consolidated Financial Act;
- provide for application of the neutralisation rules provided for by Article 104-bis, paragraphs 2 and 3 of the Consolidated Financial Act.

**i) Delegation of power to increase share capital and authorisations to purchase own shares.***(pursuant to Article 123-bis, paragraph 1, letter m) of the Consolidated Financial Act)*



The Shareholders' Meeting did not resolve to delegate to the Board of Directors the power to increase share capital pursuant to Article 2443 of the Italian Civil Code, nor was the Board empowered to issue participatory financial instruments.

On 12 April 2022, the Shareholders' Meeting authorised the Board of Directors to adopt purchase and placement plans for treasury shares, to be enacted one or more times, for a maximum number of shares possessed that shall not exceed, at any given time, the number of shares required to make up 10% of the share capital, also considering the treasury shares already held. The adoption of any plans was entrusted to the Board for a maximum period of 18 months from the date of the aforementioned resolution, that is, up to 12 October 2023.

During the Financial Year, the Board decided on the basis of the above resolution not to launch any share buy-back programme.

During the Financial Year, the number of treasury shares held by the Company decreased due to the effects of no. 40,837 treasury shares were assigned to Prysmian Group employees who chose to participate in the discounted share purchase plan launched by the Group in 2013 (YES Plan).

Information about the characteristics of the above plan can be found in the Annual Integrated Report for the Financial Year ("Incentive Plan" section of the Directors' Report), the information document prepared pursuant to CONSOB Issuer Regulation Article 84-*bis*, and the Remuneration Report, a copy of which is available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance/Remuneration Policy* section.

Taking into account the transactions undertaken on the Company's treasury shares, as at 31 December 2022, the Company directly and indirectly held 4,612,031 treasury shares.

#### **I) Direction and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)**

The Company heads the Prysmian Group and performs direction and coordination activities for its direct or indirect subsidiaries pursuant to Article 2497 of the Civil Code.

The Company, not subject to the control, direction or coordination of other entities, is independent in the choices that determine the:

- (i) drafting of industrial, strategic and financial plans or budgets for the Group,
- (ii) issue of guidelines on financial and credit policy,
- (iii) centralisation of functions such as treasury, administration, finance and control,
- (iv) establishment of Group growth strategies and its strategic and market positioning as well as for the individual companies, especially when these policies might influence and determine actual implementation by Company management.

This situation is further confirmed by the fact that the Company has been structured as a public company since March 2010, which, among other things, has led to the absence of a reference shareholder.

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It should be noted that:

- the information required by Article 123-*bis*, paragraph 1, letter i) ("*agreements between Companies and Directors...which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid*") is available in the Remuneration Report and is briefly summarised in paragraph 8.3 of the Report, concerning Directors' remuneration;

- the information required by art. 123-bis, paragraph 1, letter l), first part (*"the rules applying to the appointment and replacement of Directors ... if different from those applied as a supplementary measure"*) is illustrated in paragraph 4.2 of the Report, concerning the appointment and replacement of Directors;
- the information required by art. 123-bis, paragraph 1, letter l), second part (*"the rules applying... to the amendment of the by-laws if different from those applied as a supplementary measure"*) are possibly illustrated in paragraph 13 of the Report, concerning the Shareholders' Meeting.

### 3. COMPLIANCE

*(pursuant to Article 123-bis, paragraph 2, letter a) of the Consolidated Financial Act)*

The Corporate Governance structure adopted by the Company is based on the principles and recommendations contained in the Corporate Governance Code, with which the Company abides, approved by the Corporate Governance Committee in January 2020 and publicly available on the website of the aforementioned Corporate Governance Committee at the page:

- <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf>

As at 31 December 2022, Prysmian directly and indirectly controlled 158 companies with registered offices in Italy and other countries. Among them, pursuant to the Board Regulation, ten subsidiaries of strategic importance have been identified by the Managers responsible for preparing the company's financial reports, in agreement with the Group CFO, on the basis of the criteria established by the Board of Directors. These companies were identified using criteria that take into account sales to third parties, assets owned and the strategic importance for the company within the Group (taking into account the operating result, investment or restructuring projects under way or planned in the short to medium-term and other exogenous criteria related to the company's reference market).

No provision of law applying to Group companies registered in states other than Italy has any influence on Prysmian's Corporate Governance structure.

## 4. BOARD OF DIRECTORS

### 4.1. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is charged with management of the Company, in compliance with the by-laws and the law. The Board pursues the company's interests, with the aim of generating value in the long term to the benefit of shareholders, as well as considering the interests of other stakeholders significant for the Company. The Board members act and resolve with full knowledge of the facts and with autonomous judgement, independent from the company shareholders that voted for them or the list from which they were drawn during appointment pursuant to the by-laws. The Board of Directors, in implementation of Recommendation No. 11 of the Code, adopted the Board Regulation on 3 February 2021. They define, inter alia, the duties and operating procedures of the Board.

Said Board Regulation establishes, with reference to the role of the Board of Directors, that it is competent, inter alia and in addition to the matters provided for by law and the By-laws, in particular with regard to the following matters:

- definition of the strategies of the Company and the Group, as well as monitoring implementation;
- definition of the corporate governance system that best serves performance of business activities and pursuit of the strategies of the Company and the Group, formulating proposals to the Shareholders' Meeting in this regard where applicable;
- where applicable, approval or examination of the business plan of the Company and the Group, with possible support from a committee appointed to analyse key topics for generation of value in the long term;
- periodic verification of the implementation of the business plan (as applicable) and assessment of the general performance of management, periodically comparing results achieved with targets set;
- definition of the nature and level of risk compatible with the strategic objectives of the Company, including in its assessments all elements that may be significant in the context of generating value in the long term to the benefit of shareholders, taking into account the interests of the other stakeholders that are significant for the Company;
- the definition of the Company's corporate governance system and the Group structure, as well as assessment of the adequacy of the organisational, administrative and accounting system of the Company and subsidiaries with strategic importance (as identified in each instance by the Manager(s) responsible for preparing the company's financial reports, in agreement with the CFO, on the basis of the criteria established by the Board of Directors), with particular reference to the internal control and risk management system;
- resolutions regarding operations of the Company and its subsidiaries that have strategic, economic, equity or financial significance for the Company itself, to be identified according to the criteria defined in each instance by the Board of Directors;
- promotion, in the most appropriate forms, of dialogue with shareholders and other stakeholders that are significant for the Company;
- definition, at least at the start of the appointment period, of quantitative and qualitative criteria for assessment of the level of significance of commercial, financial or professional relationships, as well as remuneration, which pursuant to the Code, may compromise the independence of a Director;
- assessment of the independence, also according to the recommendations of the Code, of each Non-Executive Director, immediately after appointment and during the course of the appointment in the event of significant circumstances relative to independence and, in any case, at least annually;

- adoption of regulations, procedures and internal policies considered necessary or advisable for management of the business or in observance of the law or alignment with the Code, including but not limited to: (A) a regulation that defines operational rules for the Board of Directors and its committees; (B) a procedure for the internal management and external communication of inside information pursuant to law; (C) a policy, adopted on proposal of the Chairperson, prepared in agreement with the CEO, for the management of dialogue with shareholders collectively, also considering the engagement policies adopted by institutional investors and asset managers;
- adoption of measures aimed at promoting equal treatment and equal opportunities in terms of gender within the corporate structure, monitoring their actual application.

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#### 4.2. APPOINTMENT AND REPLACEMENT

##### *(pursuant to Article 123-bis, paragraph 1, letter l) of the Consolidated Financial Act)*

Pursuant to the By-laws, the Company is managed by a Board of Directors comprised of between 7 and 13 members, who hold office for a period of no more than three financial years and are eligible for re-election. The members of the Board of Directors must meet the requirements for professionalism, integrity and independence set out by applicable law. To this end, it should be noted that the By-laws do not contain any additional provisions on the requirements necessary for the appointment of Directors.

Nonetheless, the Company does have a policy on the composition of the Board of Directors, which is available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance/Shareholders Meeting* section. This policy provides guidelines and recommendations on the characteristics that the Company Directors should possess. At each renewal of the Board of Directors, the outgoing administrative body shall consider the outcome of its self-assessment process, its experience gained during its term of office, its benchmarking with comparable Italian and international entities and its analysis of the voting policies of the main institutional investors and proxy advisors. On the basis of the foregoing, It shall then express, as recommended by the Corporate Governance Code, its own guidelines in the interests of those who intend to submit a list of candidates, concerning the qualitative/quantitative characteristics deemed appropriate to carry out its activities. These guidelines shall include, inter alia, the managerial and professional profiles and skills deemed necessary for any candidates, also given the nature of the Company's reference sector. They shall also consider that the candidates' authority and competence must be commensurate with the tasks the Directors are required to perform, also in view of the size and complexity of the Company, its business objectives and strategic vision. For further details please refer to paragraph 4.3 of the Report.

As prescribed by the Consolidated Financial Act, at least one of the members of the Board of Directors — or two if the Board of Directors has more than seven members — must meet the independence requirements applying to Statutory Auditors under article 148, paragraph 3 of the Consolidated Financial Act. The Directors' term in office shall expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term.

In compliance with the provisions of the Consolidated Financial Act, the Company has adopted a list voting system for the appointment of Directors, in order to allow, where possible, the election of Directors by minority shareholders. The appointment of the Board of Directors takes place on the basis of lists that can be submitted by the outgoing Board of Directors and/or by those shareholders who, alone or together with other shareholders, hold shares representing at least 2% of the share capital eligible to vote at the ordinary Shareholders' Meeting, or such lower percentage established by law or regulation. In compliance with CONSOB Resolution No.

76 of 30 January 2023, the minimum shareholding requirement for submitting the candidate lists for 2023 is 1%.

The candidate lists must be filed at the Company's registered offices at least twenty-five days before the date set for the Shareholders' Meeting. Together with each list, within the aforementioned term, declarations by individual candidates accepting their candidacy must be filed, including any indications of their candidacy as Independent Director, and their curriculum vitae. The list voting system shall not apply if it is necessary to replace Directors who have ceased to hold office during their mandate.

The procedures for submitting lists, holding elections, voting and replacing Directors who ceased to hold office during their mandate are in the By-laws.

Below is an extract from Article 14 of the By-laws concerning the methods for preparing and filing lists of candidates for the appointment of members of the Board of Directors:

*"... The Board of Directors shall be appointed, in compliance with currently applicable regulations in relation to the balance of genders, on the basis of lists submitted in accordance with the following paragraphs. The candidates in the list must be listed with a progressive number.*

*The outgoing Board of Directors is entitled to present list as well as those shareholders who, alone or together with other shareholders, represent a total of at least 2% (two per cent) of the ordinary share capital with voting right at the ordinary Shareholders' Meeting, or representing a lower percentage where required by an applicable law or regulation in force. The ownership of numbers of shares necessary to present the list has to be proven on the terms and in the manners set out by Law provisions. Each shareholder or shareholders belonging to the same group or who are connected, even indirectly, cannot — not even through an intermediary or trustee — present or contribute to the submission of more than one list. Each candidate may appear on only one list, on pain of ineligibility. No candidate who is not in possession of the requirements set out in applicable laws may be included on the list. The first and the second candidate on each list must fulfil the independence requirements set out in applicable laws.*

*Lists which present a number of candidates equal to, or greater than, three must be composed of candidates belonging to both genders, in compliance with the currently applicable legislation and regulatory interpretation concerning the balance of genders.*

*The list of the Board of Directors, if submitted, must be filed with the Company's registered office within the thirtieth day before the date set for the Shareholders' Meeting and formally published in accordance with the terms of the following paragraph.*

*Without prejudice to the above, the lists must be filed with the Company's registered office and published in accordance with prevailing law. Together with each list, within the above deadline, each candidate must file a declaration confirming his/her candidacy and certifying, under his/her own liability, that there are no reasons why he/she is ineligible or incompatible for the position and that he/she meets the requirements set out in applicable laws and this By-laws. Together with the declarations, each candidate shall file a curriculum vitae describing his personal and professional characteristics, indicating his possible candidacy as an independent Director. Each person with voting rights may only vote for one list. Any lists which do not comply with the aforementioned requirements shall be deemed not to have been submitted..."*

Below is an extract from Article 14 of the By-laws concerning the appointment of the Board of Directors through list voting and the takeover mechanism to ensure that the composition of the Board complies with the currently applicable regulations on balance of genders.

*"... For the election of the Board of Directors, the following procedure shall be observed: (a) five-sixths of the Directors to be elected shall be chosen from the list that obtains the majority of the votes cast, in the order in which they are listed on the list; in the event of a fractional number, it*



shall be rounded down to the nearest whole number; (b) the remaining Directors shall be taken from the other lists; for this purpose the votes obtained by the lists shall successively be divided by one, two, three and four according to the number of Directors to be chosen. The quotients thus obtained shall be assigned to the candidates on each list in the order specified thereon. The quotients given to each candidate on the various lists will be given in a single decreasing ranking. Those who have obtained the highest quotients shall be elected. If more than one candidate has obtained the same quotient, the candidate from the list that has not yet elected any Directors or that has elected the smallest number of Directors, shall be elected. All this is on the understanding that at least one Director shall be drawn from a list, if submitted and voted, submitted by shareholders who are not connected, either directly or indirectly, with those who submitted or voted for the list that obtained the majority of votes cast.

If none of such lists has yet elected a Director or each of them have elected the same number of Directors, the candidate from the list that obtained the largest number of votes shall be elected. If the different lists have received the same number of votes and their candidates have been assigned the same quotients, a new vote shall be held by the entire Shareholders' Meeting and the candidate obtaining the simple majority of the votes shall be elected.

In addition, if the election of the candidates by the means described above does not ensure a composition of the Board of Directors which complies with the currently applicable regulations concerning the balance of genders, the candidate of the most represented gender, who is elected last in progressive order within the list that received the highest number of votes, will be replaced by the first candidate of the less represented gender, who is not elected from the same list, according to the progressive order. This replacement process will be implemented until the composition of the Board of Directors complies with the currently applicable regulations concerning the balance of genders. Finally, if this procedure does not provide the result specified above, the replacement will be implemented by means of a resolution approved by a simple majority of the Shareholders' Meeting, following the submission of candidates belonging to the less represented gender..."

Below is an extract from Article 14 of the By-laws describing cases where the foregoing list voting system for appointing Directors does not apply.

"...

If a single list is submitted, if no list is submitted or if the Board of Directors is not being elected in its entirety, the Shareholders' Meeting shall vote with the legal quorum required by applicable laws, in compliance with currently applicable regulations in relation to the balance of genders...

In case of any vacancy in the Board of Directors during the financial year, for any cause or reason, the Board of Directors shall proceed according to Article 2386 of the Italian Civil Code. If one or more of the Directors no longer in office were taken from a list which also contained the names of unelected candidates, the Board of Directors shall replace them by appointing, according to the progressive order, individuals from the list of the outgoing Director, provided that such individuals are still eligible and willing to accept the office, and provided that (i) at least one of the members of the new Board of Directors – or two if it is composed by more than seven members – must fulfil the independence requirements provided under applicable law and (ii) compliance with currently applicable regulations pertaining to the balance of genders is ensured. If the majority of Directors appointed by the Shareholders' Meeting resign or fall from office for other reasons, the entire Board of Directors shall be deemed to have resigned. Such resignation is effective when the Board of Directors is reconstituted by persons appointed by the Shareholders' Meeting, which must urgently be called by the remaining Directors..."

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Prysmian is not subject to additional regulations (including any industry standards) as concerns the composition of the Board of Directors, representation of minority interests or number and characteristics of Directors, apart from the regulations provided for by the Consolidated Financial Act.

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#### 4.3. COMPOSITION

*(pursuant to Article 123-bis, paragraph 2, letters d) and d-bis) of the Consolidated Financial Act)*

The Company is currently managed by a Board of twelve Directors. The three-year term of the Board of Directors in office commenced on 28 April 2021 when the Shareholders' Meeting determined that the new Board of Directors should have 12 members and appointed them using the list voting system.

On that occasion, the following two lists of candidates were filed for the renewal of the Board of Directors:

**List 1**, submitted by the outgoing Prysmian Board of Directors:

Serial number	Name and Surname	Independence	
		Art. 148, para. 3, Consolidated Financial Act	Corporate Governance Code
1.	Francesco Gori	✓	✓
2.	Maria Letizia Mariani	✓	✓
3.	Claudio De Conto <sup>1</sup>	✓	
4.	Valerio Battista <sup>2</sup>		
5.	Jaska Marianne de Bakker	✓	✓
6.	Massimo Battaini		
7.	Tarak Mehta	✓	✓
8.	Pier Francesco Facchini		
9.	Ines Kolmsee	✓	✓
10.	Annalisa Stupenengo	✓	✓

**List 2**, submitted jointly on behalf of the following shareholders owning 7,126,931 ordinary shares equal to 2.6579% of the Company share capital: Amundi Asset Management SGR SpA Fund manager for: Amundi Esg Selection Top, Amundi Esg Selection Plus, Amundi Esg Selection Classic, Amundi Obiettivo Risparmio 2022, Amundi Bilanciato Euro, Amundi Obiettivo Crescita 2022, Amundi Obiettivo Risparmio 2022 Due, Amundi Obiettivo Crescita 2022 Due, Amundi Obiettivo Risparmio 2022 Tre, Amundi Obiettivo Risparmio 2022 Quattro, Core Pension Garantito Esg, Core Pension Azionario Plus 90% Esg, Core Pension Azionario 75% Esg, Core Pension Bilanciato 50% Esg, Seconda Pensione Garantita Esg, Seconda Pensione Prudente Esg, Seconda Pensione Espansione Esg, Seconda Pensione Bilanciata Esg, Seconda Pensione Sviluppo Esg, Amundi Risparmio Italia, Amundi Target Controllo, Amundi Obblig Piu A Distribuzione; ANIMA SGR S.p.A. manager of the fund Anima Italia; APG Asset Management N.V. Fund manager for: Stichting Depositary APG Developed Markets Equity Pool - GEF FUNDS STRAT FSS INDUSTRIALS e GEF FUND STRATEGY-CORE EUROPE; Arca Fondi SGR S.p.A. Fund manager for: Fondo Pensione Arca Previdenza Alta Crescita Sostenibile, Fondo Pensione Arca Previdenza Crescita Sostenibile, Fondo Pensione Arca Previdenza Rendita Sostenibile,

<sup>1</sup> Candidate for the role of Chairperson of the Board of Directors.  
<sup>2</sup> Candidate for the role of CEO.

Fondo Arca Azioni Italia, Fondo Arca Azioni Europa, Fondo Arca BB; Bancoposta Fondi S.p.A. SGR Fund manager for: Bancoposta Azionario Euro, Bancoposta Global Equity LTE, Poste Investo Sostenibile, Bancoposta Rinascimento, Bancoposta Global Equity Hedged LTE; Etica SGR S.p.A. Fund manager for: Fondo Etica Rendita Bilanciata, Fondo Etica Obbligazionario Misto, Fondo Etica Bilanciato, Fondo Etica Azionario; Eurizon Capital S.A. manager of Eurizon Fund segments: Italian Equity Opportunities, Equity Europe LTE, Equity Italy Smart Volatility, Equity Europe ESG LTE, Equity World LTE; Eurizon Capital SGR S.p.A. Fund manager for: Eurizon Progetto Italia 70, Eurizon Azioni Italia, Eurizon Progetto Italia 40, Eurizon Pir Italia Azioni; Fideuram Asset Management Ireland fund manager Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management SGR S.p.A. Fund manager for: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 30, Piano Bilanciato Italia 50; Interfund Sicav - Interfund Equity Italy; Generali Investments Luxembourg S.A. Fund manager for: GSmart Pir Evoluzione Italia, GSmart Pir Valore Italia e di Generali Investments Sicav; Generali Investments Partners S.p.A. SGR Fund manager GIP Alleanza Obbl; Kairos Partners SGR S.p.A. as Management Company of Kairos International Sicav – Italy sectors, Patriot, Italia Pir; Legal & General Investment Management fund manager Legal & General Assurance (Pensions Management) Limited; Mediolanum International Funds Limited – Challenge Funds – Challenge Italian Equity; Mediolanum Gestione Fondi SGR S.p.A. Fund manager for: Mediolanum Flessibile Futuro Italia, Mediolanum Flessibile Sviluppo Italia; Pramerica Sicav segments relating to Italian Equity, Euro Equity:

Serial number	Name and Surname	Independence	
		Art. 148, para. 3, Consolidated Financial Act	Corporate Governance Code
1.	Paolo Amato	✓	✓
2.	Mimi Kung	✓	✓

Based on the votes obtained from the two lists submitted, all 10 candidates indicated in List 1 filed by the Board of Directors were appointed as Directors, voted by the majority of those with voting rights participating in the Shareholders' Meeting, equal to approximately 85.5% of the share capital present or represented, and the two candidates indicated in List 2, voted by a minority of those with voting rights participating in the Shareholders' Meeting, equal to approximately 12.3% of the share capital present or represented.

The Shareholders' Meeting that appointed the Board of Directors in office on the date of the Report was not called upon to authorise, in general terms and as a preventive measure, waivers to the prohibition of competition provided for by Article 2390 of the Civil Code. Nonetheless, when the candidacies were submitted for renewal of the Board of Directors, each of the Directors in office confirmed that the conditions set out in Article 2390 of the Italian Civil Code did not apply to him/her.

The three-year term of the Board of Directors currently in office will expire on the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2023.

The composition of the Board of Directors has not changed since the close of the Financial Year.

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**4.3.1. List of candidates submitted by the outgoing Board and guidelines.**

For the renewal of the administrative body during the financial year, Prysmian's outgoing Board

of Directors decided to submit its own list of candidates, published well in advance of the date set for the Shareholders' Meeting called to appoint the new Directors.

The outgoing Board of Directors selected its candidates by referring to the provisions of the policy for the composition of the Board of Directors and Board of Statutory Auditors as adopted by Prysmian (see below) concerning, among other things, independence requirements, professional experience (board skills matrix), limits on the number of offices held, age and term of office.

The outgoing Board of Directors also determined the composition of its list of candidates by taking into account the public company structure of the Company, which is distinctive for the absence of a reference shareholder. The list of candidates submitted by the Board of Directors included three senior managers of the Prysmian Group, in the belief that their presence on the Board of a public company, with their specific skills, would be particularly important for maintaining a constant and useful channel for dialogue between the independent Directors and Company Management. This channel, already established during previous mandates, ensures continuity and the presence on the Board of specialist knowledge about the business and the market in which the Group operates.

When defining the composition of its list of candidates, the outgoing Board of Directors took account of the assessments made during Board meetings, as well as the outcome of the self-assessment activities carried out with support from an advisor and the Remuneration and Nomination Committee, which selected the candidates with the help of an international consulting firm with experience in the recruitment and selection of Directors.

Among the criteria used to define the composition of the list, the Board also took account of the managerial experience accumulated by each candidate in listed and non-listed companies, important at a multinational level and of similar size to the Prysmian Group. The selection gave preference to candidates likely to provide concrete contributions to strategic and industrial decision-making, given their experience in high-profile industrial or financial roles.

Again in the context of renewing the Board of Directors, the outgoing Board of Directors published a document containing useful guidelines for those entitled parties intending to submit lists of candidates, covering the qualitative/quantitative characteristics deemed most appropriate for the 2021-2023 Board of Directors. Specifically, these guidelines identified the managerial and professional profiles and expertise considered necessary, also on the basis of the sectors in which the Company operates, observing the diversity criteria identified by the Board of Directors, as well as guidelines expressed on the maximum number of roles.

These guidelines were made available on the Company website a suitable period of time prior to publishing the call notice of the Shareholders' Meeting called to renew the Board of Directors.

In the Call Notice of the Shareholders' Meeting, the Board requested any party submitting a list containing a number of candidates greater than half of the Directors to be elected to provide adequate information, in the documentation presented for submission of the list, about compliance of the list with the above guidelines, also with reference to observance of the diversity criteria, and to indicate their candidate for the role of Chairperson (see art. 3, recommendation 23 of the Corporate Governance Code).

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#### **4.3.2. Directors' personal and professional characteristics (Article 144-decies CONSOB Issuer Regulation)**

Below there is a short curriculum vitae for each Director, in office at the date of this Report, including personal details, field of expertise and experience.

**Claudio De Conto**

*Chairman of the Board of Directors.*

*Independent Non-Executive Director, as defined in the Consolidated Financial Act.*

Born in Milan on 16 September 1962.

After graduating from the Luigi Bocconi University in Milan with a degree in Corporate Finance in 1986, he began his career at Ernst & Whinney in the UK. He then joined the Pirelli Group in 1988. After five years in the Treasury department of the Pirelli Group, in 1993 he embarked on a long period of international experience in the Administration, Finance, Control and Risks Management areas of the Pirelli Group's tyre subsidiaries in Brazil, Spain and Germany. In particular, between 1996 and 2000, he held the position of Chief Financial Officer of Pirelli Neumaticos S.A. in Spain and then of Chief Financial Officer of Pirelli Deutschland A.G. in Germany. In 2000, he became Director of Administration, Planning, Control and Risks Management at Pirelli S.p.A. In 2001, he was appointed General Manager of Administration and Control at Pirelli S.p.A., a role he has maintained in the holding company Pirelli & C. S.p.A. after the merger with Pirelli S.p.A. that took place in August 2003. From November 2006 until September 2009, he was Chief Operating Officer of Pirelli & C. S.p.A. and was also a member of the Board of Directors of Pirelli Tyre S.p.A. and Chairman of Pirelli Broadband Solutions S.p.A. In addition, from December 2008 to May 2010, he was Chief Financial Officer at Pirelli Real Estate and from June 2009 to May 2010 Executive Chairman of Pirelli Real Estate Credit Servicing S.p.A. He has sat on the Boards of Directors of RCS MediaGroup S.p.A. Assicurazioni Generali S.p.A. He has also been a member of the Management Board of Banca Popolare di Milano S.c.a.r.l., Senior Advisor to McKinsey, Chairman of Medical Technology and Devices SA and, up to February 2022, CEO of Artsana Group. Since July 2020 he is a member of the Board of Directors of Edizione S.r.l. and, since 1 March 2022, he is the CEO of Gruppo Gnutti Carlo and Chairman of Prenatal and Star Capital SGR S.p.A.. Between 2002 and June 2008, he was a member of the International Financial Reporting Interpretations Committee (IFRIC), set up by the International Accounting Standards Board (IASB). He has also been a member of the European Financial Reporting Advisory Group (EFRAG).

He has been a member of the Prysmian Board of Directors since July 2010, Chairman since September 2018. He was a member of the Control and Risk Committee from 2010 to 2018, acting as chairman from 2012. He has been a member of the Remuneration and Nomination Committee since 2010. He was elected to his current position by the Shareholders' Meeting on 28 April 2021 from the slate submitted by the Board of Directors, which obtained the majority of votes. The Board of Directors has verified that Mr. De Conto meets the requirements set out in Article 148, paragraph 3, TUF, qualifying him as an Independent Director of the Company

**Valerio Battista**

*CEO and Group Chief Executive Officer.*

Born in Arezzo on 8 January 1957.

He graduated with a degree in Mechanical Engineering from the University of Florence. Valerio Battista is a manager with extensive knowledge and understanding of the industrial sector with more than 30 years of experience gained first with the Pirelli Group and then with the Prysmian Group, where he assumed the leadership role in 2005. Within the Pirelli Group he held positions of increasing responsibility, particularly in the restructuring and reorganisation of Pirelli Cavi, which became one of the most profitable and competitive organisations in the industry under his leadership from 2002 to 2004. In 2005, he played a key role in the creation of Prysmian Group, leading to its listing on the Stock Exchange in 2007. The Group, in which he is currently the CEO, is a world leader in the energy and telecom cable industry, with around 30,000 employees and 108 plants worldwide.

Since June 2014 to March 2019, he has been the Chairman of Europacable and since April 2017



he has been a member of the Board of Directors and Lead Independent Director of Brembo S.p.A.

He has been a member of the Prysmian Board of Directors since December 2005. He was elected to his current position by the Shareholders' Meeting on 28 April 2021 from the slate submitted by the Board of Directors, which obtained the majority of votes

**Paolo Amato**

*Independent Non-Executive Director.*

Born in Rome on 1 June 1964.

He graduated with a degree in Mechanical Engineering from the "La Sapienza" University of Rome in 1989. He holds a Certificate in Capital Markets from New York University (1990), and a Master in Business Administration from Harvard Business School (1994). Manager with significant executive, financial and risk management experience. He has more than 30 years of international management expertise in various industrial sectors, ranging across industrial, transportation, infrastructure and technology on a number of continents including North and South America, Greater Europe, the Middle East and Asia Pacific. He possesses a wide range of general management skills, achieved through significant executive and non-executive experience acquired in a variety of positions, including: Chief Transformation Officer and Chief Restructuring Officer of Astaldi S.p.A. (2019-2021); CFO and Portfolio Manager of Renova Management AG (2015-2016); CFO and then Deputy General Manager of Alitalia Compagnia Aerea Italiana S.p.A. (2009-2014); General Manager of Merloni Finanziaria S.p.A and CFO of AristonGroup (2003-2008); Co-Chief Executive Officer of eNutrix S.p.A. (2000-2003), as well as Associate Partner at McKinsey & Company for their offices in Buenos Aires, Rome and Zurich (1994-2000) and Assistant Director at Leonardo S.p.A. in the New York office (1989-1992). Since May 2022, he is an independent member of the Board of Directors, Chairman of the Sustainability Committee, member of the Control and Risk Committee of Fincantieri S.p.A.. Since April 2021, he is member of the Board of Directors, Chairman of the Control, Risks & Sustainability Committee of Telepass S.p.A.. He was Chairman of the Board, Chairman of the Control, Risks & Finance Committee, member of the Remuneration & Nominations Committee of Be Power S.p.A. (2019-2021), until its sale to ENI; Board member and Chairman of AirOne S.p.A. (2009-2014); Independent Board Member and member of the Control & Risks Committee for Indesit S.p.A. (2013-2014), until its sale to Whirlpool Group; Board member, Chairman of the Audit & Finance Committee, member of the Nominations & Compensation Committee for Octo Telematics Ltd (2015-2017); Board member, Chairman of the Compensation Committee and member of the Nominating & Governance Committee for CIFC Asset Management Corporation (2015-2016).

He has been a member of the Board of Directors since 12 April 2018. He has been a member of the Remuneration and Nomination Committee since 2018, becoming Chairman of the committee from 2020. He was elected to his current position by the Shareholders' Meeting on 28 April 2021 from a slate presented jointly by a group of shareholders affiliated with asset management companies and institutional investors. This slate achieved the second highest number of votes at the Shareholders' Meeting.

The Board of Directors has verified that Mr Amato meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

**Massimo Battaini**

*Executive Director and Group Chief Operating Officer.*

Born in Varese on 1 August 1961.

He has a degree in Mechanical Engineering from the Polytechnic University of Milan and an



MBA from SDA Bocconi. He started his career in the Pirelli Group in 1987 and held various positions in R&D and Operations over an 18-year period. After running the Business Development department between 2000 and 2002 covering the three Business Divisions of Tyres, Energy Cables and Telecom Cables, he was appointed as Operation Director of Pirelli Cavi e Sistemi Energia and Telecom. In 2005, he was appointed as CEO of Prysmian UK and in January 2011 Chief Operating Officer of the Group, a post he held until 2014, when he became Business Energy Projects Manager and Chairman and CEO of Prysmian PowerLink S.r.l. He remained in this role until the end of June 2018. Since then he assumed the role of North America CEO until February 2021 when he assumed the role of Chief Operating Officer of the Group.

He has been a member of the Prysmian Board of Directors since February 2014. He was elected to his current position by the Shareholders' Meeting on 28 April 2021 from the slate submitted by the Board of Directors, which obtained the majority of votes.

### ***Jaska de Bakker***

*Independent Non-Executive Director.*

Born in Amsterdam (Netherlands) on 28 October 1970.

Jaska de Bakker brings over 25 years of work experience and has worked and lived in Europe, Asia and the United States. Her career can be summarized as starting in strategy consulting for about seven years, then moving from a commercial director role via M&A to Finance. More recently she was group CFO in two global companies, for a total of 10 years. The extensive experience in a variety of leadership roles has brought her a combination of a strong strategic mind with broad Finance and M&A skills.

She graduated in 1994 from the University of Amsterdam with a Master in Econometrics. After that she started her consulting career at Arthur D. Little followed by a full time MBA at Kellogg Northwestern University in Chicago, US. She specialized in Strategy and Finance and graduated top of class. After a summer internship at The Boston Consulting Group (BCG) in 1998, she joined BCG again after graduation. De Bakker worked one year in Milan as BCG Ambassador (2001). In 2003 she left BCG to join CSM, a listed conglomerate, as a Commercial director for the Sugar Confectionery division. The division was spun off and sold to private equity in 2005 and subsequently rebranded to Leaf. She was asked to participate in the company and move to Italy to do an acquisition and integration for Leaf Italy (ao Sperlari). At Leaf Italy she transitioned into Finance. After the successful acquisition and integration of Cadbury Italy (Saila) she moved back to Leaf's headquarter in 2009 to take the position of Corporate Director M&A.

In 2010 she became CFO and member of the Executive Board for DHV, a Dutch based global engineering and consulting firm. DHV merged with Royal Haskoning in 2012 and she became CFO of the merged company. She played a key role in the merger and integration and in defining and implementing the new strategy for the combined company. Early 2017 De Bakker joined Royal FrieslandCampina, a cooperative in the top 5 of global Dairy companies. She started as a regional CFO for Asia, based in Singapore. As part of that responsibility, she joined several boards in Asia, of which some were for listed entities. At the start of 2018 she became Group CFO and member of the Executive Board, based in The Netherlands. At FrieslandCampina she has played a key role in strategy definition and transformation, integrating reporting (financial and ESG), strengthening the finance and IT functions, driving digital and data analytics as well as issuing a listed hybrid bond. In August 2020 she joined the Supervisory Board of non-profit organization, The Ocean Cleanup and in March 2021 she became a Director in the Board of Faerch Group A/S, a Danish headquartered European company focusing on circular packaging. Mid 2021 she left FrieslandCampina. In April 2022 she joined Shop Apotheke Europe NV as a Non-Executive director. Shop Apotheke Europe is the leading online pharmacy in Europe.

She has been a member of the Company's Board of Directors since 28 April 2021, when she was

elected from the slate presented by the Board of Directors. That slate achieved the majority of votes at the Shareholders' Meeting. She is a member of the Control and Risks Committee since 2021.

The Board of Directors has verified that Ms. De Bakker meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

### ***Pier Francesco Facchini***

*Executive Director and Chief Financial Officer.*

Born in Lugo (Ravenna) on 4 August 1967.

He has been Prysmian Group CFO since January 2007. After receiving his degree in Business Economics in 1991 from the "Luigi Bocconi" University in Milan, his initial work experience was at Nestlé Italia, where from 1991 to 1995 he held different posts in the Administration and Finance area. Since then, he has held various roles with increasing responsibilities in the areas of Administration and Finance, Controlling and Risk Management. From 1995 to 2001, he worked in several companies in the Panalpina Group, holding the position of Regional Financial Controller for Asia and the South Pacific and Head of Accounting, Finance and Control for Panalpina Korea (Seoul) and Panalpina Italia Trasporti Internazionali S.p.A. In April 2001, he was appointed Finance Director at Fiat Auto Consumer Services business unit, leaving in 2003 to become CFO at the Benetton Group, a post he held until November 2006.

He has been a member of the Prysmian Board of Directors since February 2007. He was elected to his current position by the Shareholders' Meeting on 28 April 2021 from the slate submitted by the Board of Directors, which obtained the majority of votes.

### ***Francesco Gori***

*Independent Non-Executive Director.*

Born in Florence on 15 May 1952.

After the end of his high school classical studies, he graduated with honours from a degree in Business and Economics at the University of Florence, while simultaneously working first for a software company and then in the paper industry.

He joined Pirelli's Tyre Division in 1978, where he was promoted to executive in 1984. After a range of experience with Pirelli in commercial, marketing, M&A and management roles in both Italy and abroad, he was appointed as the Tyre Division's General Manager in 2001. He was then made CEO of Pirelli Tyre S.p.A. in 2006, and General Manager of Pirelli & C. in 2009. In the 10 years under his leadership, Pirelli Tyre's sales and EBITDA doubled, generating a positive cash flow, thanks to the implementation of a premium strategy which resulted in higher top and bottom-line growth with respect to competitors, culminating in Pirelli becoming the exclusive supplier for F1 from 2010.

From 2006 to 2011, and for two consecutive terms, he was elected president of ETRMA, the European Rubber Manufacturers' Association.

In 2012 he left the Pirelli Group of his own initiative.

In 2013 he was named as an Independent Director on the board of Snam S.p.A. and took on the role of Chairman for the Control and Risks Committee. He was re-elected for the subsequent three-year period, until 2022, and took on the role of Chairman for the Appointment Committee; he has been re-elected for the third three-year period and taken on the role of Chairman for the Control and Risks Committee.

From 2013 to 2015 he was an Industrial Advisor at Malacalza Investments – Pirelli's second largest shareholder at that time.

From 2014 he was the Managing Director of the Corporate Credit Recovery 1 fund for Dea Capital Alternatives Funds SGR (part of the De Agostini Group) and from 2018 to 2020 he was the

Senior Advisor for the Corporate Credit Recovery 1 and 2 funds.

In 2015 he was appointed as a non-executive director for the Supervisory and Management Boards of Apollo Tyres, an industry leader listed in India.

From 2016 to 2018 he assumed the executive chairmanship of Benetton Group S.r.l.

In 2021 he was co-opted onto the Board of Directors of IED - Istituto Europeo per il Design and appointed Managing Director.

He has been a member of the Company's Board of Directors since 18 September 2018. He has been Chairman of the Control and Risks Committee since 2018. He was elected to his current position by the Shareholders' Meeting on 28 April 2021 from the slate submitted by the Board of Directors, which obtained the majority of votes.

The Board of Directors has verified that Mr Gori meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

### ***Ines Kolmsee***

*Independent Non-Executive Director.*

Born in Hamburg (Germany) on 4 April 1970.

Ines hold degrees in Process- and Energy Engineering from Technical University of Berlin (Germany), in Industrial Engineering from Ecole des Mines de St.Etienne (France) and a Master of Business Administration from INSEAD (France, Singapore).

After beginning her career in consulting with the firm AT. Kearney in 1997, she later joined Ericsson in Germany in an international sales role. Following that she joined the private equity company Arques AG in 2003, where she became the CFO of a portfolio company, Completel, a telecom operator. Later she became the CFO of Arques AG, before joining a new portfolio company, SKW Stahl-Metallurgie AG, a specialty chemicals company in 2004. She became CEO of SKW and after 2 years she took the company public on the German stock exchange. Ines left SKW after almost 10 years as CEO in order to join EWE AG, a large German utility company as their CTO/COO in 2015. From 2017 to 2020 she was member of the executive board of Aperam SA, a stainless steel producer in Luxemburg, assuming the responsibility for the downstream activities, the sales as well as the supply chain.

Currently she is partner in Matterwave Ventures, a venture capital fund specialized in industrial tech.

Furthermore, she holds the following mandates: independent board member at Umicore SA, a chemicals company with headquarters in Belgium, that she joined in 2011. At Umicore she is the chair of the audit committee. Board member of Boralex Inc, renewable IPP (independent power producer) based in Canada, which she joined in 2022. At Boralex Inc, she is a member of the sustainability and audit committee. Board member of ETEX SA, a building materials company based in Belgium, which she joined in 2022. At ETEX SA, she is the chairperson of the audit committee.

Other board mandates that she held were Fuchs Petrolub SE, a lubricant producer in Germany (2011-2015) and Suez SA an environmental company headquartered in France (2013-2018).

She has been a member of the Company's Board of Directors since 28 April 2021, when she was elected from the slate presented by the Board of Directors. That slate achieved the majority of votes at the Shareholders' Meeting. She is a member of the Sustainability Committee since 2021.

The Board of Directors has verified that Ms. Kolmsee meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

### ***Mimi Kung***

*Independent Non-Executive Director.*

Born in Taiwan on 5 February 1965.

She graduated with a bachelor degree in Business Administration and Finance from Boston University in 1988 and attended the Finance Executive Management Program of Oxford University in 2003. After experience as Assistant Controller at the Grand Hyatt Hotel in Taipei, she moved to GE Capital's Corporate Finance Group in Los Angeles and Connecticut and stayed there from 1991 to 1995. In 1995 she joined American Express in New York as Director of Business Planning and then Director of Business Travel Marketing. She later became Vice President, Head of Investment Planning and Financial Analysis for International in 2000. She moved to London in 2004 as CFO of Europe and International Partnerships and Rewards in the capacity as the Head of Finance for American Express' "Proprietary Card Business" in Europe. There she directly oversaw all financial processes for the region, including business relating to the "International Membership Rewards" program and all "Co-Brand" partnerships. From 2007 to 2010 she took on the role of Vice President and General Manager of the Commercial Payments Business for the UK and the Netherlands and EMEA Remote Account Management. In 2010 she moved to Rome and became Senior Vice President and Italy Country Manager of American Express, to which she added the role of Head of Card Services Central Europe & International Currency Cards in 2013. She remained in this position until she concluded her career with American Express in 2015.

Since 2016 she has held the position of Independent Director, member of the Nomination and Corporate Governance Committee and member of the Related Parties Committee for Poste Italiane S.p.A. She was also an Independent Director and member of the Nomination and Remuneration Committee and member of the Risk Committee for the Bank of Ireland UK between 2017 and 2020.

She has been a member of Prysmian Group's Board of Directors since 12 April 2018. She is a member of the Sustainability Committee since 2020. She was elected to her current position by the Shareholders' Meeting on 28 April 2021 from a slate presented jointly by a group of shareholders affiliated with asset management companies and institutional investors. This slate achieved the second highest number of votes at the Shareholders' Meeting.

The Board of Directors has verified that Ms Kung meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

***Maria Letizia Mariani***

*Independent Non-Executive Director and Lead Independent Director.*

Born in Rome on 18 July 1960.

She graduated magna cum laude in Natural Sciences in 1984 at the University "La Sapienza" of Rome. After a first experience in research, she joined Rank Xerox where, from 1986 al 1989, she held technical and commercial roles. In 1989, she became marketing manager at Apollo Computer until October 1989 when, as result of an acquisition, she joined Hewlett Packard, where she remained until December 2010. In Hewlett Packard she diversified her experience, both in Italy and abroad, holding roles of increasing responsibilities in sales, marketing, services, software, general management. In January 2011 she joined Philips as Lighting Vice President & General Manager for Italy, Greece and Israel. Until 1 March 2019, she served as Executive Vice President & General Manager Lighting Europe. She then assumed the role of Chief Marketing, Strategy and Sustainability Officer. Currently she is Chief Commercial Officer, Head of Division Conventional Products and member of the Board of Management of Signify. From 2011 till 2015, she was President of Luceplan and President of Iltiluce. From 2013 to 2015, she was also CEO of Iltiluce.

She has been a member of the Board of Directors since 16 April 2015. She was a member of the

Control and Risks Committee from 2015 to 2021 and has been a member of the Sustainability Committee since 2020, becoming its chairwoman in 2021. She was elected to her current position by the Shareholders' Meeting on 28 April 2021 from the slate submitted by the Board of Directors, which obtained the majority of votes.

The Board of Directors has verified that Ms. Mariani meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

### **Tarak Mehta**

*Independent Non-Executive Director.*

Born in New Delhi (India) on 16 October 1966.

After graduating from Purdue University in US with the BSME in Mechanical Engineering in 1989, he began his career at Cooper Power Systems in the US. He then joined ABB in 1998. After three years working in the US as a Manufacturing Project Manager for the Transformer Factory of the Future and as Program Manager for Advanced Manufacturing Technologies (USCRC), in 2001 he embarked on his first international experience as Production Manager in Circuit Breakers Operations in the High Voltage Products Division in Sweden. Between 2002 and 2006, he held various managerial positions in Switzerland from BU Functional Manager in High Voltage Products Operations to SCM Project Manager in Cost Migration and then taking on the role as Product Group Manager of Breakers & Systems in the High Voltage Division at ABB Headquarters in Zurich, Switzerland. In 2007, he became Head of the Transformers Business Unit.

In 2010, he was appointed President of Low Voltage Products Division. In 2016, he became President of Electrification Products Division. Given a change in nomenclature back in April 2019, he became President of Electrification Business Area and effective April 1st 2022, President of Motion Business Area. He has been a Member of the Executive Group Executive Committee of ABB Ltd. Switzerland since 2010. He has also been a Member of the Board of Trustees at Inter-Community School (ICS) since 2016. From 2014 until June 2020, he served as a Non-Executive Director of ABB India Limited as well as being a Member of their Audit Committee. He has been a member of the Company's Board of Directors since 28 April 2021, when he was elected from the slate presented by the Board of Directors. That slate achieved the majority of votes at the Shareholders' Meeting. He has been a member of the Control and Risks Committee since 2021.

The Board of Directors has verified that Mr. Mehta meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

### **Annalisa Stupenengo**

*Independent Non-Executive Director.*

Born in Biella on 30 May 1971.

She was born in Biella (Italy) on May 30th, 1971.

After graduating in Management Engineering at the Polytechnic University of Turin, Italy, Annalisa Stupenengo started her career in 1996 in the Sales & Marketing area of the Fiat Group. In the early years of her professional career, she worked in Morocco, Sweden and Italy in increasing managerial roles ranging from Sales, Project Management and Purchasing within Fiat Group and GM/Fiat joint ventures.

In 2006 she contributed to establishing the Fiat Powertrain Sector Purchasing department, first as head of Commodity then leading the organization until 2010 as its Purchasing Vice President. In 2008 Ms. Stupenengo was also appointed Vice President of the Electrical Commodity with global responsibility for Europe, USA, Brazil, China and India within Fiat Group Purchasing. In 2010 Annalisa Stupenengo joined CNH as Senior Vice President Purchasing. In January 2013



she became Head of Group Purchasing EMEA Region for FCA, then in September 2013 she re-joined CNH Industrial as Chief Purchasing Officer and was a member of the CNH Industrial Group Executive Council (GEC).

From 2015 – 2018 she held the posts of Brand President, FPT Industrial Brand and President, Powertrain Product Segment and was a member of the Board of Directors at Welltec International ApS.

Since 2019 she assumed the role of President and CEO of Powertrain and then as Chief Operations Officer of Iveco Group until 2022.

She has been a member of the Company's Board of Directors since 28 April 2021, when she was elected from the slate presented by the Board of Directors. That slate achieved the majority of votes at the Shareholders' Meeting. She is a member of the Remuneration and Nomination Committee since 2021.

The Board of Directors has verified that Mr. Stupenengo meets both the eligibility requirements as per TUF article 148, paragraph 3 and the Corporate Governance Code's art. 2, recommendation 7, and is qualified to serve as an independent director of the Company.

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#### **4.3.3. Diversity criteria and policies for the composition of the Board and within the organisation**

The Company adopted a policy regarding the composition of the Board of Directors and the Board of Statutory Auditors. The adoption of this policy also meets the requirements of Article 123-bis, paragraph 2, letter d-bis of the Consolidated Financial Act, and is available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance* section.

This policy was prepared by the relevant company departments under ongoing monitoring by the Remuneration and Nomination Committee and was approved by the Board of Directors on 20 December 2017 and last updated on 1 March 2022.

This policy contains approaches and recommendations believed to be effective in achieving the desired outcome, which is for the Board of Directors to be composed of individuals who are capable of ensuring that they can carry out the roles assigned to them effectively. This objective can only be achieved only by intervening both in the phase of their candidacy and appointment, which involves various subjects with different tasks (internal committees, Board, Shareholders' Meeting and proxy advisor), and after their appointment, during the performance of their tasks in the ongoing management of activities. To this end, the professional skills necessary to achieve this result are to be clearly defined ex-ante, with any required adjustments being made during the process to take into account any new or altered circumstances. The process of selecting candidates to fulfil board member roles, and the appointment of the same, also needs to take into account these approaches and recommendations.

Among the main topics covered by the policy, and on which the Board of Directors has expressed their recommendations, are:

- the number of Independent Directors, taking into account the criteria established under the Corporate Governance Code,
- the maximum number of positions directors should hold in companies listed on regulated markets,
- the number of years in office to reasonably qualify a Director as independent,
- the age limit of Directors,
- the adoption of a board skills matrix, for assessing the skills already present on the Board and identifying any that are missing.

This policy also describes the criteria adopted and the process followed by the Board, with support from the Remuneration and Nomination Committee, in the selection of individuals to be



included on its own candidate list when the entire Board of Directors is up for renewal, if the outgoing Board decides to submit such a list.

The policy provides a comparison between the policies described and the results obtained as a result of the choices made by those entitled to appoint committee members. Yearly updates take into account any changes in the composition of those committees during their respective mandates.

The above comparison between the policies proposed and the results obtained is contained in the policy, to which reference should be made for more information.

The By-laws of Prysmian require the Board of Directors to be appointed in such a way as to ensure that the least represented gender obtains a number of members in line with currently applicable rules and regulations on the balance of genders.

The composition of the current Board of Directors complies with the provisions of Law 160/2019, envisaging that, starting from the first renewal of the corporate bodies of listed companies after the entry into force of that law, the appointments reserved for the less represented gender shall be two-fifths of the directors elected, rounded up to the nearest whole number. This reserved quota will apply for six consecutive terms of office.

Taking into account the applicable regulations, the Shareholders' Meeting held on 28 April 2021, called to renew the Board of Directors, appointed twelve Directors, of whom seven are men and five are women. The mandate of the Board expires on approval of the financial statements as at 31 December 2023.

Prysmian has identified the promotion of diversity and equal opportunity as a strategic objective for the management of human resources and, therefore, the development of an increasingly inclusive organisation. Given this commitment, Prysmian has adopted a Group-wide diversity & inclusion policy and promotes a number of supporting initiatives. The latter are included in the *Side by Side* programme of the Prysmian Group. This was launched in 2016 and now focuses on diversity in terms of gender, age and culture as drivers for the creation of value in line with our business objectives.

The portfolio of activities, mostly launched in 2017 with subsequent consolidation and extensions, includes:

- Diversity Recruitment Policy at Group level. This policy, formalised at corporate level, seeks to determine compliance with a recruitment process that follows a standardised methodology to ensure equal opportunity at all stages in the selection process while, at the same time, avoiding stereotypes linked to gender or other diversities. The Diversity Recruitment Policy became official globally in March 2019, with translations into seven languages in addition to English (Italian, German, Spanish, French, Portuguese, Russian and Chinese).
- A Gender Pay Gap Analysis was carried out in relation to all desk workers, identifying areas for improvement and a related action plan to be progressed during 2022.
- Various health and wellness programmes have been implemented for senior employees, respecting local choices.
- Actions have been implemented to improve the work-life balance, such as flexible working hours and remote working. Already active at some Prysmian Group locations, these practices were relaunched and extended without precedent as a consequence of the Covid-19 pandemic. Which brings us to the New Working Policy.
- Multiple internal and external communication campaigns were carried out during 2021 and 2022 on D&I topics, supported by success stories based on real cases (covering gender, age and culture), in order to build awareness of these topics among collaborators and stakeholders.

- Additionally, a policy was launched at Group level during 2021 against all types of harassment in the workplace, including sexual harassment, defamation, bullying and intimidation. The document indicates two procedures, one formal and the other informal, for reporting cases of harassment and for requesting formal action by the compliance team.
- Our Global Maternity Policy, adopted in 2020, envisages twelve weeks of maternity leave for all female employees in all countries, with the possibility of local variations.

The Prysmian Group also adopted a Human Rights Policy in 2017. This policy is based on various relevant international standards (such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, etc.) and applied at all locations and in all Prysmian activities. In addition, a Human Rights due diligence process has been implemented since 2018, enabling Prysmian to map the potential impact of Group activities on Human Rights. The Prysmian Group also requires suppliers to show the utmost respect for human rights, applying a specific due diligence process for risk assessment at supply chain level.

Further details and information about the above topics and/or initiatives are available on the Prysmian website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Sustainability/Our people/Diversity & Inclusion* sections, as well as in the Annual Integrated Report for the Financial Year that is also available on the Prysmian website.

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#### **4.3.4. Maximum number of appointments in other companies**

The number of other appointments already held by Board members can provide a good indication of the amount of time any appointee would likely have available for undertaking an appointment with Prysmian. In connection with the adoption of the above-mentioned policy regarding the composition of the Board of Directors, the Board therefore recommended that candidates for the position of director should not hold more than four appointments in companies listed on regulated markets at the time of candidacy, where their potential appointment to Prysmian's Board is included as one of those positions for the purpose of the count.

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### **4.4. FUNCTIONING OF THE BOARD OF DIRECTORS**

#### ***(pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)***

The Board of Directors held eight meetings in 2022, each lasting about two hours and fifty minutes on average. The four main meetings scheduled in the Financial Year's events calendar each lasted about three hours and fifty minutes on average. The directors who were in office during those meetings had a 94% attendance average, while the Statutory Auditors reported 100% attendance.

As provided for by current regulations, the Company published, in its 11 January 2023 press release, the Board meeting dates scheduled for 2023 for examination of financial results, as set out below:

- **9 March 2023:** consolidated financial statements of the Prysmian Group, draft financial statements of Prysmian S.p.A. for the financial year as at 31 December 2022;
- **11 May 2023:** quarterly financial report as at 31 March 2023;
- **27 July 2023:** half-year financial report as at 30 June 2023;
- **9 November 2023:** quarterly financial report as at 30 September 2023.

The Company has confirmed their desire to approve and publish supplementary financial reports in addition to the annual and half-year financial reports. These supplementary reports will be released at the close of the first and third quarters (31 March and 30 September) of each financial year, and will be made available to the public at a time and with contents which are consistent with the provisions in force before the obligation to publish interim reports on operations was removed. In particular, the review and distribution of supplementary reports, and that of related documentation, is to take place within 45 days from the close of the period to which they refer.

A Board meeting was held during the current financial year before the meeting that approved the Report.

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#### **4.4.1. Duties and functioning**

Company management is the sole responsibility of Directors, who perform the required operations to implement its corporate purpose. The Board of Directors has the broadest possible powers of ordinary and extraordinary administration of the Company, except for those, which by law are the exclusive prerogative of the Shareholders' Meeting. The Board of Directors is also responsible for resolutions, to be adopted by public deed, on the following matters: (i) mergers or demergers in the cases provided for by arts. 2505, 2505-bis and 2506-ter of the Italian Civil Code; (ii) transfer of the registered office within Italy; (iii) establishment or closure of secondary offices; (iv) identification of the Directors who can represent the Company; (v) reductions in share capital following the withdrawal of shareholders; and (vi) adaptation of the By-laws to comply with regulatory provisions (art. 17 of the By-laws).

For Board resolutions to be valid, a majority of the Directors in office must be present and the resolutions must be adopted by a majority vote of the Directors present. In the case of a tie, the Chairperson's voted position shall prevail. The Directors cannot delegate the exercise of their vote (Article 18 of the By-laws).

The Board of Directors may delegate all or part of its powers, within legal limits, to one or more of its members, who will thus become CEOs, and/or to an Executive Committee, and may set limits on the delegation. Nonetheless, the Board of Directors shall have exclusive authority for the following issues, which may not be delegated pursuant to the By-laws:

- (a) examination and approval of the Company's and the Group's strategic, industrial and financial plans, its governance system and the corporate structure of the Group headed by the Company;
- (b) examination and approval of operations - including investments and divestments - which, by their nature, strategic importance, size or the commitments they may entail, have significant strategic, economic, equity or financial impact on the Company and/or the Group, especially as concerns related party transactions;
- (c) verification of the adequacy of the Company's and/or the Group's organisational, administrative or general accounting structure;
- (d) assignment or withdrawal of delegated powers to Directors and the Executive Committee, if established, setting limits, operational procedures and terms, normally not greater than one quarter, wherein the executive bodies must report to the Board on their activities in that period;
- (e) after examining the proposals of the relevant Committee and consulting the Board of Statutory Auditors, setting the remuneration of CEOs, as well as the breakdown of the overall amount due to the individual members of the Board and the Committees, should the Shareholders' Meeting not have already done so;

- (f) review of general operating performance, taking into specific account the information received from CEOs, the Executive Committee, if established, and the Control and Risks Committee and the Corporate Governance Committee, as well as regularly comparing actual results against those predicted.

The Board of Directors may appoint general managers, whose delegated powers must be established. In addition, subject to mandatory consultation with the Board of Statutory Auditors and based on minimum requirements set by the By-laws, the Board of Directors shall appoint the manager responsible for preparing the company's financial reports, setting the term of the appointment, duties and powers in compliance with current regulations (Article 19 of the By-laws).

The Board of Directors may also establish committees with powers to advise and make proposals, with responsibility for specific issues, and may determine their composition and responsibilities (Article 19 of the By-laws).

The Board of Directors has adopted by resolution certain quantitative and qualitative parameters, differentiated by type or category of transaction, to determine which transactions, apart from intra-group transactions, shall be considered of significant economic, strategic, equity or financial impact and, hence, subject to specific prior examination by the Board, even when the transaction is undertaken by a Group subsidiary.

The types of transactions, which, having passed certain quantitative and qualitative parameters, shall be subject to prior examination by the Board, are mainly real estate, M&A (purchase and sale of holdings, joint venture agreements), and financial transactions (issue of guarantees, financial instruments and taking out loans).

The Chairperson shall call meetings of the Board of Directors whenever he considers it to be in the interests of the Company, or when he receives a written request from one or more CEOs, or from at least three serving Directors, or from the Board of Statutory Auditors or from one of its standing members in the cases provided for by the law (Article 16 of the By-laws).

In line with the recommendations of Article 1 of the Code, the Board has a central role in the Company's Corporate Governance system. The Board of Directors meets regularly and is organised and operates to ensure the effective and efficient performance of its functions. The Chairperson of the Board of Directors, with the assistance of the Company Secretary, shall inform the Directors and Statutory Auditors in advance of the issues to be discussed at board meetings and, if required, shall ensure that appropriate information is provided in advance on the matters on the agenda (Article 16 of the By-laws).

The Board has adopted an IT solution that makes it possible to manage documents useful for the discussion of topics or for their approval in the context of meetings of the Board of Directors or Committees. Through the devices commonly used by Directors and Statutory Auditors, the use of documents is made available, without the use of paper. The system adopted allows a security in the sharing of documents, information and traceability of their use. The documents are made available to Directors and Statutory Auditors, at different times depending on the topics to be discussed and generally not less than two days before the meeting, except for urgent situations or when special confidentiality is required. Under these circumstances, complete discussion of the issues shall be nevertheless ensured.

The managers responsible for preparing the company's financial reports attend the Board of Directors meetings that address and discuss matters falling under their remit. The CEO notifies the department heads that they shall or may be called on to participate in Board meetings when issues falling within their responsibility are discussed, so that they can give their contribution. For the most part, the following department heads are called on to provide in-depth insights during Board meetings: the Compliance and Audit Officer, to discuss internal control and risk management system issues, the Human Resources and Organisation Manager, to discuss remuneration policy and incentive plan issues, as well as - when it's necessary to detail specific

topics for discussion or simply to provide assistance for the analysis of information the Board already has - the heads of the business areas and corporate departments, who do not already participate in the meetings as Directors.

During the meeting called to examine the draft financial statements, the Board of Directors positively assessed the adequacy of the organisational, administrative and general accounting structure of the Company, also with reference to the internal control system and the management of conflicts of interest. These conclusions were supported by positive opinions issued by the Board's own internal committees, which had previously carried out the same assessments within their own spheres of responsibility.

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#### **4.4.2. Board Regulation**

On 3 February 2021, the Board of Directors adopted the Board Regulation, which seeks to ensure compliance with the applicable laws and By-laws, as well as, as far as possible, the principles and recommendations of the Corporate Governance Code, to which the Company adheres. The Regulation defines the duties and methods of functioning of the Board of Directors and its committees, as well as certain duties of the Chairperson, the CEO, the Lead Independent Director and the Secretary. The Regulation also ensures adoption of the principles and recommendations of the Corporate Governance Code with regard to the Board of Statutory Auditors. With regard to the role of the Board of Directors, the Board Regulation:

- (i) includes among the objectives pursuit of the corporate interest in creating long-term value for shareholders, while taking account of the interests of other stakeholders that are significant for the Company.
- (ii) defines certain tasks such as: (a) strategic planning and approval of significant transactions, defining the criteria for identifying them; (b) definition and periodic assessment of the organisational structure and systems of corporate governance, control and risk management; (c) identification of diversity criteria for the composition of the Board and adoption of measures that promote equal opportunity and treatment within the business; (d) succession plans and the remuneration of top management; (e) annual self-assessment; (f) assessment of additional criteria for independence and criteria for the importance of professional relations with directors; (g) determination of the budgets available to the Committees and to the Secretary.
- (iii) establishes certain rules for the organisation of Board business, envisaging that: (a) meetings are called by the Chairperson, with the transmission of documentation at least two days beforehand, (b) business is coordinated and conducted by the Chairperson, (c) the directors may request supplementary information during Board meetings, (d) meeting minutes are submitted to the directors for comments, prior to being recorded in the legal register.
- (iv) requires the outgoing Board to prepare guidelines for the appointment of Directors, as recommended by the Corporate Governance Code, and publish them reasonably in advance of the renewal of the Board. These guidelines identify the managerial and professional profiles and skills considered necessary, as well as the maximum number of appointments held in other companies.

With regard to the instructions regarding specific positions and rules, the Board Regulation envisages, among other matters, that:

- (i) the Chairperson proposes the calendar of meetings, calls the meetings, coordinates business and ensures that documents are made available, ensures that induction meetings are organised, makes proposals for the adoption of engagement policies and ensures that the Board is informed about that dialogue, ensures that the self-assessment

process takes place at least once every year. At least once during the Board's three-year mandate, the above process should be carried out with support from an advisor. The Board Regulation describes the procedures for self-assessments carried out internally.

- (ii) The CEO is the director responsible for the IC&RMS.
- (iii) The lead independent director may be appointed by the Board, upon request from the majority of independent directors. This person coordinates the activities of the independent directors and chairs their meetings held without the presence of the other directors.
- (iv) The Secretary is appointed by the Board on a proposal from the Chairperson and reports to the latter on a functional basis. The Secretary supports the Chairperson and assists the Board on an impartial basis. The Secretary must have at least five years of experience in the legal field, corporate governance or corporate secretarial activities.

With reference to the internal committees established by the Board, the Board Regulation governs the duties, composition and functioning of those recommended by the Corporate Governance Code (Appointments committee, Remuneration Committee - with possible merging of those two committees - and Control and Risks Committee). The Board Regulation also governs the duties, composition and functioning of the Sustainability Committee, if established by the Board. More precisely, the Board Regulation envisages that:

- (i) the committees (a) are established by the Board following each renewal and their mandates expire with that of the Board that appointed them; (b) have at least 3 members; (c) may have their own budget, as determined by the Board; (d) meet prior to each Board meeting that resolves on matters relevant to them, or about which they are expected to make a proposal or express an opinion; however, should a committee be unable to meet on three consecutive occasions, the Board may still adopt the relevant resolutions.
- (ii) Committee chairpersons are appointed by the Board (or by each committee, if not by the Board) and propose the calendar of meetings, call the meetings, ensure that documents are made available, coordinate the works of their committees and the conduct of business, and ensure that brief minutes are taken.
- (iii) Committee secretaries are appointed by each committee from among the Company managers with relevant experience.

Lastly, with regard to the Board of Statutory Auditors, the Board Regulation envisages that: (i) the independence of the Statutory Auditors is verified directly by the Board of Statutory Auditors; (ii) the Board determines whether or not to assign the duties of the Monitoring Board pursuant to Italian Legislative Decree 231/2001 to the Board of Statutory Auditors; (iii) the Board of Statutory Auditors exchanges timely information with the Control and Risks Committee; (iv) the Chairperson and/or other members of the Board of Statutory Auditors may attend committee meetings.

Further information about the matters governed by the Board Regulation is available in the various sections of this Report describing them, as well as in the Board Regulation (more specifically, in the "Corporate Governance Regulation"), available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Group/governance* section.

The Board of Directors may resolve to waive application of one or more provisions of the Regulation, on the basis of specific circumstances and assessments, providing appropriate explanation in the Report on Corporate Governance. To date, however, none of the provisions envisaged in the Board Regulation have been waived.

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#### 4.5. ROLE OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS



With reference to the role of the Chairperson of the Board of Directors, the Board Regulation requires, inter alia and in addition to the matters provided for by law and the By-laws, that the skill possessed, in particular with regard to the following matters:

- ensures the availability of documentation reasonably required to guarantee that the directors are sufficiently informed of the matters on the agenda, allowing directors to act in an informed way in the performance of their role;
- ensures that the activities of board committees with procedural, advisory and propositional functions are aligned with the activities of the Board of Directors, having the power, for example, to request and exchange information with the chairpersons of the committees, as well as with the corporate structures in charge, view the opinions and proposals of committees prior to the board meetings, and be informed in advance of the calendar of committee meetings;
- ensures, in agreement with the CEO, that Group managers, heads of corporate functions for the relevant area, are involved in committee meetings, also on request of individual directors, to provide appropriate detailed analysis of items on the agenda;
- organises induction sessions for members of the Board of Directors and/or of the Board of Statutory Auditors, at the start of and where necessary also during the appointment, aimed at providing them with adequate knowledge of the business sectors in which the Company operates, corporate dynamics and their development in the context of generating value in the long term, as well as relative to principles of correct risk management, of law and of the Code
- ensures the adequacy and transparency of the self-assessment process of the management body, with support from the Nomination Committee;
- formulates, on agreement with the CEO, proposals for adoption or changes to a policy for the management of dialogue with shareholders collectively, as well as with institutional investors and asset managers, also considering the engagement policies adopted by the latter;
- ensures, in the context of organising Board activities, that the Board of Directors is informed, by the first available meeting, about the development and significant content of exchanges with the parties indicated in the previous point.

#### **4.5.1. Induction Programme**

The renewal of the Board of Directors in 2021 through a list voting system led to the appointment of four Directors who held this office for the first time in Prysmian. An induction programme spread over three meetings was organised to provide them with appropriate knowledge of the business sectors in which the Prysmian Group operate, its corporate dynamics and the self-regulatory and legislative framework applicable to the Company. These three sessions, each comprising two half-days of activity, were held between May and September 2021 and covered: *Business strategy, Value drivers, Innovation, People and Culture, Governance and Italian Market, Sustainability*.

The induction sessions were also attended by senior members of the Group's top management team, representing both the business and corporate functions, in order to introduce themselves to the new Directors and describe the corporate sector for which they are responsible. Additionally, experts, professionals and university teachers were invited to provide further analysis and discuss matters relevant to the meetings with those present. Members of the Board of Directors and the Board of Statutory Auditors attended the sessions too.

Additionally, the above induction sessions included two virtual visits to the Group's R&D centre in Milan and factory at Pignataro Maggiore, where cable systems with P-Laser technology are produced.

A two-day induction meeting was organised at the Arco Felice (Naples) plant during the financial year. This event included tours of the plant, which is a centre of excellence for the production of submarine cables, and a visit to the new "Leonardo da Vinci" cable-laying vessel that recently entered into service. The event also included a presentation on strategic matters made available to the Directors and Statutory Auditors, with a focus on Digital Infrastructure. Time is allocated during Board meetings to present and analyse any new internal and external regulatory requirements, especially those with an impact on corporate governance.

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#### **4.5.2. Company Secretary**

The Company Secretary is appointed by the Board, acting on a proposal from the Chairperson, and remains in office until the mandate is revoked or resignation. In order to be appointed, the Secretary must have at least five years of experience in the legal field, with particular reference to corporate governance and/or corporate secretarial work in listed companies. The Board Secretary is currently Giovanni Villa.

The Secretary provides impartial assistance and advice to the Board of Directors on all significant aspects for the proper functioning of the corporate governance system, pursuant to law, the By-laws and the Board Regulation, to which reference is made for further details.

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### **4.6. EXECUTIVE DIRECTORS**

The Directors Valerio Battista, Pier Francesco Facchini and Massimo Battaini have been vested with executive powers by the Board of Directors.

#### **4.6.1. Chief Executive Officer - CEO**

Valerio Battista is an executive director, by virtue of his appointment as CEO of the Company, and is the main person in charge of operations.

The Board of Directors appointed Valerio Battista as the CEO on 28 April 2021, granting him the power of legal representation in dealings with the courts and third parties, as well as all necessary and useful mandates and powers of ordinary administration for the conduct of corporate activities in all their forms, without exception save those assigned differently by law, regulations or the By-laws, to be exercised as sole signatory unless specified otherwise, and with the right to sub-delegate.

In the context of the powers granted to him, the CEO:

- proposes strategic objectives for the Company and the Group to the Board of Directors;
- prepares, supported by the necessary resources, the annual budget of the Company and the Group that must be submitted to the Board of Directors for approval;
- determines the general organisation structure of the Company and the Group, arranging to implement it.

The powers granted to the CEO include, without limitation:

- 1) set down with all appropriate clauses, modify, terminate, transfer and withdraw from any contract and any other deed with direct or indirect subsidiaries;
- 2) buy, exchange and sell in the name and on behalf of the Company and also on behalf of third parties, and transfer to existing or new companies, real estate of any kind or nature wherever located, up to a maximum limit of Euro 10,000,000 (ten million) per transaction;
- 3) buy, exchange and sell in the name and on behalf of the Company and also on behalf of third parties, and transfer to existing or new companies, assets of any kind or nature wherever located, up to a maximum limit of Euro 10,000,000 (ten million) per transaction;

- 4) apply for loans, financing, the opening of credit lines, in any form from banks, finance companies and institutions, parent companies and subsidiaries, up to a maximum limit of Euro 100,000,000 (one hundred million) per transaction;
- 5) apply for the issue or grant of guarantees, also in the interests of subsidiaries, from banks, finance companies and institutions, up to a maximum limit of Euro 100,000,000 (one hundred million) per transaction;
- 6) grant loans or credit lines on behalf of and/or in the interests of any subsidiary;
- 7) grant loans or credit lines on behalf of and/or in the interests of any investee company, up to a limit of Euro 5,000,000 (five million) per transaction;
- 8) grant guarantees, issue comfort letters, indemnity letters, etc., or take on any other commitment in favour of third parties, also in the interests of subsidiaries, up to a maximum limit of Euro 100,000,000 (one hundred million) per transaction;
- 9) sign, modify and/or terminate any contract regarding the "turnkey" supply of the Company's goods or products, including the related issue of bonds, guarantees etc., up to a maximum limit of Euro 100,000,000 (one hundred million) per transaction;
- 10) issue bonds, guarantees, etc., up to a maximum limit of Euro 50,000,000 (fifty million) per transaction, in relation to contracts regarding the "turnkey" supply of goods or products by the Company or by its subsidiaries and associates, together with goods, products or services supplied by third parties;
- 11) subscribe, issue, purchase, modify, sell, repay and transfer financial instruments, bonds etc., up to a maximum limit of Euro 10,000,000 (ten million) per transaction;
- 12) purchase and sell companies and/or business lines, up to a maximum limit of Euro 10,000,000 (ten million) per transaction;
- 13) purchase, sell and/or subscribe to investments in companies, up to a maximum limit of Euro 10,000,000 (ten million) per transaction;
- 14) employ and dismiss staff, including management level, with the power to conciliate and settle;
- 15) sign, pay and undertake any act incidental to or necessary to carry out capital transactions, including capital contributions in favour of subsidiaries;
- 16) sign, pay and undertake any act incidental to or necessary to carry out capital transactions in favour of investee companies, including capital contributions, up to a maximum limit of Euro 5,000,000 (five million) per transaction;
- 17) make donations, signing jointly with the Chairperson of the Board of Directors in office at the time, and sign the related deeds, including those witnessed by notaries, documents and declarations up to a maximum limit of Euro 300,000 (three hundred thousand) per transaction;
- 18) issue, within the scope and limits of the powers granted above, and revoke special mandates and general or special powers of attorney for particular acts or categories of acts, appointing attorneys and, individually or collectively, granting them powers of legal representation and signature and such other powers that he may deem appropriate to improve the performance of the Company, including the right to sub-delegate the granting of mandates and powers of attorney.

Mr. Battista qualifies as the main person in charge of operations (Chief Executive Officer). It should be noted in this regard that no interlocking directorate situation exists because Mr. Battista does not hold any directorships in any other issuer whose Chief Executive Officer is a director of Prysmian S.p.A.

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#### **4.6.2. Chief Financial Officer**

At its meeting on 28 April 2021, the Board of Directors also appointed Director Pier Francesco

Facchini as Chief Financial Officer, and assigned him the following authority and powers:

- 1) represent the Company in all its dealings with third parties, government authorities and any other Italian or foreign public administrations on matters covered by the powers granted herein, including tax matters in particular; sign petitions, claims, appeals, declarations and attestations, fulfil all formalities required by law, carry out all deeds and operations needed to obtain licences, concessions and authorisations;
- 2) represent the Company at the shareholders' and debenture holders' meetings of other companies or entities, and to also take part in the deliberations thereof on matters of both ordinary and extraordinary operations concerning whatsoever matter;
- 3) sign and present tax declarations and returns in general (including VAT); he may negotiate the Company's taxes and duties with Tax Offices, to settle and agree such taxes in the name and on behalf of the Company, provided that the principal amount to be paid, in the case of a settlement, does not exceed Euro 5,000,000 (five million);
- 4) sign payment orders in favour of public entities or their agents in relation to tax or social security payments;
- 5) sign communications to and filings with Chambers of Commerce, Stock and Commodities Exchanges and other companies or bodies concerning the Company's legal and regulatory obligations;
- 6) sign ordinary correspondence with customers and suppliers relating to payments to be made to and by the Company;
- 7) request and collect grants, accept the related conditions, sign the necessary documents and issue receipts;
- 8) set down with all appropriate clauses, modify, terminate, transfer and withdraw from, carrying out all necessary or useful deeds, formalities or operations for their execution:
  - 8.1) intercompany contracts, deeds, documents of every kind with direct and indirect subsidiaries;
  - 8.2) active and passive leases, free use and rental contracts no longer than nine years in duration, completing all connected and consequential acts, including the issue of receipts and notification of cancellation, as well as active and passive leases and rental contracts for movable assets, provided that the total amount of the annual payments for each contract or the costs associated with signing, modifying or terminating them does not exceed Euro 2,000,000 (two million);
  - 8.3) insurance contracts of all kinds (including surety bonds), provided that the related annual premium does not exceed Euro 1,000,000 (one million), completing all connected and consequential acts, including the payment of premiums, the agreement of the payment of damages and claims and any appointments of technical experts, doctors, claim agents and lawyers as required;
  - 8.4) contracts involving the acquisition and/or provision of services of any kind and performance of work, including of an intellectual nature;
  - 8.5) advisory agreements;
  - 8.6) contracts for the acquisition and assignment of commercial credit policies, bank acceptances and other active or passive money market operations, including contracts for the hedging of exchange-rate and interest-rate risk, including those with Group companies, up to a maximum limit of Euro 2,000,000 (two million) per transaction;
  - 8.7) factoring contracts and, in general, contracts for the purchase or assignment of receivables, up to a maximum limit of Euro 4,000,000 (four million) per transaction;

- 8.8) banking contracts in general (including but not limited to current accounts and the opening of credits, advances and other current account transactions, discounts, safe-deposit boxes, deposits of money and securities, including for administration by companies, individuals, banks and post offices, both in Italy and abroad), agreeing the related conditions and interest rates;
- 9) collect receivables and any other sum due to the Company and issue receipts; allow the extension of due dates;
  - 10) endorse, receive, collect and order the collection of sums, mandates, treasury bills, money orders, cheques and credit instruments of any kind, and issue receipts;
  - 11) endorse for collection and discount, collect and acknowledge receipt of bills of exchange, excluding the power to accept drafts, to issue promissory notes and provide guarantees; draw drafts;
  - 12) make deposits, including guarantee deposits, in cash or securities at Cassa Depositi e Prestiti and at the provincial branches of the Treasury, receive receipts and global depository receipts;
  - 13) give payment instructions to banks and issue cheques drawn on the current accounts of the Company with banks and credit institutions in Italy and abroad, to the extent of the liquid funds and credit limits already arranged, with the power to delegate individual deeds to other employees of the Company; make use of deposits in postal current account; collects amounts and cash equivalents from any public or private treasury; make use of the contents of safe-deposit boxes;
  - 14) request the issue of banker's drafts; collect bank cheques and endorse them for collection;
  - 15) sign payment orders in favour of the Company (for interbank fund transfers);
  - 16) undertake at Customs Offices, at transport companies in general and at the Italian postal service (Poste Italiane group), any dispatch, clearance and collection of goods, valuables, parcels, packets and letters, as well as registered and insured post, as well as the signature and collection of currency declarations relating to import and export transactions; sign and approve invoices, circulation certificates, requests and statements necessary for the foregoing transactions;
  - 17) represent the Company in any bankruptcy proceedings, compulsory liquidation, receivership or extraordinary administration and promote the declaration thereof; provide proof of receivables; attend meetings of creditors; accept and reject proposals for composition with creditors and requests to enter receivership or extraordinary administration procedures; issue receipts relating to these procedures;
  - 18) represent the Company in tax and currency audits, inspections and reports of assessment and verification and sign relevant reports;
  - 19) represent the Company before Tax Commissions of any level; appeal, take part in proceedings, indicate an address for service, file briefs and documents, take part in hearings, discuss and accept the related conclusions; appeal, including in the case of cross appeals; appeal to the Court of Appeal and for reversal of judgement; appoint lawyers and attorneys with all the necessary powers; indicate an address for service;
  - 20) sign settlement agreements and appoint arbitrators and friendly mediators;
  - 21) represent the Company in court, with all the necessary powers including those as per Article 183 and Article 547 of the Italian Code of Civil Procedure, for the matters regarding the powers hereby conferred; initiate and conclude legal proceedings, also of a preventive nature and for enforcement, including those for reversal of judgement and quashing of sentences

- before any legal and administrative authority and before the Constitutional Court, and generally any supranational jurisdiction, provided that — in the case of initiating proceedings which are not connected to the recovery and collection of receivables — the overall amount sought does not exceed Euro 3,000,000 (three million); resist such proceedings; appoint lawyers, attorneys and technical experts with all the necessary powers; indicate an address for service;
- 22) apply and sign any pertinent documentation for loans, financing, the opening of credit lines, in any form, from banks, finance companies and institutions, parent companies and subsidiaries, up to a maximum limit of Euro 50,000,000 (fifty million) per transaction;
  - 23) apply and sign any pertinent documentation for the issue or grant of guarantees, also in the interests of subsidiaries, from banks, finance companies and institutions, up to a maximum limit of Euro 50,000,000 (fifty million) per transaction;
  - 24) grant loans or credit lines on behalf of and/or in the interests of any investee company up to a limit of Euro 4,000,000 (four million) per transaction;
  - 25) negotiate, sign and amend guarantees, comfort letters, letters of waiver and the like, and to take on any other commitments in favour of third parties, including acting for the benefit of subsidiaries; sign as sole signatory economic commitments up to Euro 10,000,000 (ten million) per transaction, or sign jointly with the Group's Finance Director — as identified in the Group's organisation chart on a case-by-case basis — economic commitments of between Euro 10,000,000 (ten million) and Euro 150,000,000 (hundred and fifty million) per transaction;
  - 26) subscribe, issue, purchase, modify, sell, repay and transfer financial instruments, bonds etc., up to a maximum limit of Euro 8,000,000 (eight million) per transaction;
  - 27) sign, pay or undertake any act incidental or necessary to carry out capital transactions, including capital contributions in favour of subsidiaries, up to a maximum limit of Euro 20,000,000 (twenty million) per transaction;
  - 28) sign, pay or undertake any act incidental or necessary to carry out capital transactions in favour of investee companies, including capital contributions, up to a maximum limit of Euro 2,000,000 (two million) per transaction;
  - 29) issue, within the scope and limits of the powers granted above, and revoke special mandates and general or special powers of attorney for particular acts or categories of acts, appointing attorneys, vesting them individually or collectively with signatory powers and with those powers that may be deemed appropriate to improve Company's performance, including the sub-delegation of the issue of mandates and powers of attorney.

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#### **4.6.3. Chief Operating Officer**

The Director and Chief Operating Officer, Mr. Massimo Battaini, has been granted specific operating powers for the role he holds by means of a power of attorney issued by the Chief Executive Officer and has received a delegation of powers from the Board of Directors to enter into, with all appropriate clauses, amend, terminate, assign or acquire contracts for the purchase and exchange of base metals and raw materials, with a maximum limit of Euro 250,000,000 (two hundred and fifty million) for each individual transaction.

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**4.6.3. Chairperson**

The Board Chairperson has no executive powers, nor does he have a specific role in the Company's strategic planning, nor is he a controlling shareholder of the Company.

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**4.6.4. Reporting to the Board of Directors**

The Board of Directors, through the CEO, reports to the Board of Statutory Auditors on the matters set out in Article 150, paragraph 1 of the Consolidated Financial Act; this reporting obligation has always been fulfilled during the Board of Directors meetings.

Pursuant to Article 19 of the By-laws, the CEO also reports to the Board of Directors and the Board of Statutory Auditors on the activities undertaken, the general performance of the business, its prospects and the most significant transactions by the Company or its subsidiaries in terms of their impact on results of operations and financial position; in particular, the Chief Executive Officer reports on transactions in which the companies have an interest, on their own behalf or on behalf of third parties or which are influenced by the entity that exercises direction and coordination. Reporting to the Board of Directors and the Board of Statutory Auditors has always taken place during Board of Directors' meetings.

As required by law, as well as by the Code, the Company has established a procedure, which is available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance* section, which defines the parties and transactions requiring reporting to the Company's Board of Directors and Board of Statutory Auditors and the steps and timing that this reporting must follow. In particular, the procedure defines (i) the type, frequency and contents of the reported information, and (ii) how it is to be obtained.

The CEO, at every Board meeting and regardless of how much time has elapsed since the previous meeting, reports to the Board of Directors and to the Board of Statutory Auditors on the work and main transactions undertaken by the Company and its subsidiaries that do not require prior Board approval.

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**4.6.5. Other executive directors**

In addition to Valerio Battista, Pier Francesco Facchini and Massimo Battaini, no other member of the Board of Directors can be identified as an executive Director.

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**4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR****4.7.1. Independent directors**

Eight of the twelve Directors appointed by the Shareholders' Meeting of 28 April 2021 stated, when presenting their candidacy for the renewal of the Board of Directors, that they possessed the independence requirements under article 148, paragraph 3 of the Consolidated Financial Act. Seven of them also stated that they were independent pursuant to the criteria envisaged in art. 2, recommendation 7, of the Code.

At the meeting of the Board of Directors immediately following the aforementioned Shareholders' Meeting, the Board made an assessment of, based on (i) the statements provided when presenting their candidacy, (ii) the information provided verbally by the parties involved during the Board meeting and (iii) the additional information available to the Company, the relationships that could have or appeared to have compromised the independence of judgement of the

Directors declaring themselves independent.

The Directors declaring themselves independent were expressly asked to report any changes that occurred, after submitting their candidacy, which could have altered their independent position. The independent Directors were also asked to report to the Board any relationships with the Company, or persons related to it, to enable the Board to assess whether such relationships could potentially affect the independence of their judgement.

Following that verification process, the Board determined that Directors Paolo Amato, Jaska de Bakker, Francesco Gori, Ines Kolmsee, Mimi Kung, Maria Letizia Mariani, Tarak Mehta and Annalisa Stupenengo meet the independence requirements established pursuant to art. 148, para. 3, Consolidated Financial Act and art. 2, recommendation 7, of the Code.

The Board also deemed that Chairman Claudio De Conto only meets the independence requirements established pursuant to article 148, para. 3 of the Consolidated Financial Act, since he has been in office for more than the nine years indicated in recommendation 7.e) of the Code, and considering his position as a significant representative of the Company.

In evaluating the independence of a Director, and in addition to meeting the requirements outlined in Article 148, paragraph 3 of the Consolidated Financial Act and the criteria envisaged in Art. 2, recommendation 7 of the Code, which do not provide for any reversal of applicability, Prysmian has established that a director shall not normally be considered independent if, during the previous financial year, he has had commercial, financial or professional dealings with the Company, one of its subsidiaries, or with any of their main representatives or with an entity that controls the Company, or with its key representatives, if the total value of such dealings is greater than:

- (i) 5% of the turnover of the legal entity, organisation or professional firm, of which the director has control or is a key representative or partner, or
- (ii) 5% of the annual personal income of the director or of the annual turnover generated directly by the director as part of his/her activity at the legal entity, organisation or professional firm, of which the director has control or is a key representative or partner.

In addition, all Independent Directors have also undertaken to promptly inform the Board of Directors of the occurrence of any circumstance that might result in a breach of the requirement, without, however, undertaking to resign if such a circumstance does occur. Annually, at the meeting to approve the Report, the Board of Directors invites the directors concerned to reconfirm their independence and examines any additional information they may have provided or of which the Board has become aware.

Once again, the conditions assuring the independence of the above Directors were verified and confirmed during the financial year.

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The Board of Statutory Auditors has ensured the proper application of the criteria and verification procedures adopted by the Board for its annual assessment of the independence of its members and noted its findings in its report to the Shareholders' Meeting.

In this regard, an extract of the Board of Statutory Auditors' report of 12 April 2022 to the Shareholders' Meeting, drafted pursuant to Article 153 of the Consolidated Financial Act and Article 2429 of the Italian Civil Code is reported below:

"[...]"

*1. In the performance of its supervision and control activities, the Board of Statutory Auditors acknowledges that:*

[...]

*g) it has supervised the procedures used for implementation of the Self-Regulation Code for listed companies, adopted by the Company, as illustrated in the Report on Corporate Governance and Ownership Structure approved by the Board of Directors on 1 March 2022. The Board of Statutory Auditors has also verified the proper application of the verification criteria and procedures adopted by the Board of Directors to assess the independence of its members. In addition, the Board of Statutory Auditors has verified its own members' compliance with independence and professionalism criteria pursuant to the relevant legislation;*

[...]"

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#### **4.7.2. Meetings of the Independent Directors**

The independent directors meet, in the absence of the other directors, periodically and at least once a year for the approval of the draft annual financial report, to assess the matters considered to be of interest operationally for the Board of Directors and management of the company.

During the Financial Year, two meetings were held with only those directors in possession of the independence requirements specified in the Code. The Chairman of the Board of Directors was invited to participate in both cases.

During these two meetings, the discussions of the independent directors included Prysmian's succession planning arrangements.

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#### **4.7.3. Lead Independent Director**

The Company does not fall under the circumstances in which the Code recommends for issuers to appoint a Lead Independent Director, and the appointment of such a figure has not been requested by the independent directors.

However, ahead of the most recent renewal, when announcing to the market its list of candidates, the outgoing Board of Directors recommended the appointment of a Lead Independent Director, in line with international best practices and the provisions of the Corporate Governance Code.

Adopting this recommendation, the new Board of Directors identified Director Maria Letizia Mariani as the Lead Independent Director.

Pursuant to the Board Regulation adopted by the Company, the Lead Independent Director is a point of reference and responsible for coordinating the requests and contributions of both the non-executive and independent directors, while also coordinating the meetings held solely for the independent directors.

## 5. MANAGEMENT OF CORPORATE INFORMATION

### ***Internal management and external disclosure of documents and information about the Company***

Prysmian adopted a set of procedures for internal management and external disclosure of documents and information about the Company, especially concerning confidential information. These procedures have been aligned with the provisions specified in Regulation (EU) 596/2014 on the harmonisation of Market Abuse regime (the "MAR"). The procedures define how information that can assume a confidential nature should be managed and identify the company managers who will manage and coordinate these information flows through their disclosure to the market. It includes situations where it was initially decided to defer disclosure under the circumstances as required by the applicable legislation. These procedures are available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance* section.

### ***Insider Register***

In compliance with Article 115-bis of the Consolidated Financial Act, the Company has set up an Insider Register of those persons with access to confidential information.

Entries and updates to the insider Register are defined according to the dedicated procedure, which is also aligned with the innovations of Regulation (EU) No. 596/2014 ("MAR") on the harmonisation of Market Abuse legislation. Registry entries can be made on a permanent or interim basis and the procedures identify which individuals are responsible for managing and administering the permanent register, along with the individual projects that are created in the register whenever it is decided to delay communication of confidential information to the market.

### ***Internal Dealing***

The Company has adopted a "Code of Conduct - Internal Dealing" that governs the reporting obligations for transactions concerning Prysmian's shares, debt securities or derivatives, or other financial instruments which are linked to the Company, that are carried out by persons who, because of their position, have access to relevant information (so-called Internal Dealing). This procedure identifies so-called "Relevant Persons" as (i) the Company's directors, (ii) the Company's Statutory Auditors, and (iii) persons with management responsibilities and managers who have regular access to price sensitive information and have the power to take management decisions which can influence the Company's development and future prospects (so-called "Managers with Strategic Responsibilities") whom the Board of Directors identifies by name. Other relevant persons are (iv) "Relevant Shareholders", i.e. those who have a shareholding of at least ten percent of the Company's share capital, (v) Directors and Statutory Auditors of relevant subsidiaries, entities who carry out direction activities and managers of relevant subsidiaries (pursuant to the above procedure) and lastly (vi) the "Persons Closely Associated with Relevant Persons." The "Code of Conduct - Internal Dealing" is available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance* section. In 2016, this version was aligned with the innovations introduced by Regulation (EU) 596/2014 on the harmonisation of Market Abuse regime (the "MAR").

The above "Code of Conduct - Internal Dealing" also sets out blackout periods during which Relevant Persons and Persons Closely Associated with Relevant Persons cannot undertake operations which are subject to disclosure requirements. The blackout periods are thirty calendar days preceding the public announcement of approval of the Company's draft annual financial statements, half-year financial report, and each of the interim reports as at 31 March and 30 September (where scheduled for approval and publication).

However, the Board of Directors, or, in urgent cases, the CEO, has the power to (i) identify further periods or circumstances in which the performance of transactions by Relevant Persons and Persons Closely Associated with Relevant Persons shall be subject to limits or conditions, and (ii) under certain circumstances, allow a Relevant Person and a Person Closely Associated with Relevant Persons to carry out the transaction in periods in which the ban would otherwise be in force.

To date, neither the Board of Directors nor the CEO has made any exceptions to the ban on dealing during blackout periods.

## 6. BOARD COMMITTEES

*(pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)*

The Board of Directors has established the following internal committees:

- (i) Remuneration and Nomination Committee,
- (ii) Control and Risks Committee,
- (iii) Sustainability Committee,

appointing their members, including the chairpersons.

The role of these committees is to investigate, make recommendations and offer advice. Their duties and functioning are governed by the Board Regulation adopted by the Board of Directors, to which reference is made for further information.

The committees are composed of at least three directors who remain in office for the entire duration of their appointment as director, although the Board of Directors retains the power to change the composition of committees at any time.

The Board of Directors has set an annual budget for each committee with regard to any external consulting activities that they may require.

Each committee is coordinated by a chairperson, who may be appointed by the Board of Directors on establishment of the committee or by the committee itself by majority decision of its members. The committee chairperson determines the calendar of meetings, coordinates business, makes relevant documentation available and may invite other Group directors or managers, as well as guests (e.g. advisors), to the meetings.

Each committee chairperson is assisted by a committee secretary, designated by the committee concerned by majority decision from among the senior members of the corporate structures competent for the relevant area.

The committees meet, in any case, prior to each meeting of the Board of Directors where the agenda involves matters within the remit of the committee's duties or where it is necessary that the committee provide an opinion or formulate a proposal.

A summary report is prepared on the decisions reached by each committee, recording among other aspects the reasons for any disapproval expressed by members of the committee. These reports are stored by the committee secretary for the purposes of possible consultation by members of the committee, as well as by the other Directors and Statutory Auditors.

The Board of Directors has not reserved the duties and functions that the Code attributes to the committees; said duties and functions were distributed among the committees only in compliance with the Code's recommendations.

The composition, functions, duties, resources and activities attributable to the committees are dealt with in the following sections of this Report.



## 7. SUSTAINABILITY COMMITTEE

### *Composition and functioning of the committee (pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)*

The Board of Directors has established an internal Sustainability Committee with powers to investigate, make recommendations and give advice on the supervision of sustainability matters linked to business operations and their interactions with all stakeholders.

#### **Composition**

Pursuant to the Board Regulation, the Sustainability Committee comprises independent directors or non-executive directors the majority of whom are independent; in the latter case, the chairperson is an independent director.

The composition of the Sustainability Committee did not change during the Financial Year or, subsequently, in the period up to the date on which this Report was approved.

The committee is composed as follows:

Sustainability Committee	Exec. directors	Independence	
		Art. 148, para. 3, Consolidated Financial Act	Corporate Governance Code
Maria Letizia Mariani (Chairwoman)	No	Yes	Yes
Ines Kolmsee	No	Yes	Yes
Mimi Kung	No	Yes	Yes

On appointing the committee, the Board of Directors appointed Director Maria Letizia Mariani as chairperson and, subsequently, the committee appointed Maria Cristina Bifulco, Chief Sustainability Officer and Group Investor Relations Director, as its secretary.

#### **Tasks**

The Sustainability Committee has been assigned the general task of overseeing sustainability issues related to corporate operations and the dynamics of their interactions with all stakeholders, including in particular:

- a. promoting guidelines for submission to the Board of Directors that integrate sustainability into the business processes, in order to ensure the creation of sustainable value over time for shareholders and all other stakeholders;
- b. spreading the culture of sustainability among employees, shareholders, customers and, in general, stakeholders;
- c. assessing the environmental, economic and social impacts deriving from business activities;
- d. providing opinions on the annual and long-term sustainability objectives to be achieved with specific reference to the management of associated medium and long-term risks for the Company and its subsidiaries, ensuring that these objectives are correctly identified and appropriately managed and monitored;
- e. monitoring the Company's ranking in the main sustainability indices;
- f. expressing opinions on actions and programmes promoted by the Company or by its subsidiaries on corporate social responsibility issues;
- g. checking, before approval by the Board of Directors, the non-financial information to be provided pursuant to European Directive 2014/95/EU;
- h. when requested by the Board of Directors, providing opinions and proposals in relation to

specific corporate social responsibility issues.

### **Activities**

The Sustainability Committee held 10 meetings during the Financial Year, each lasting 1 hour and 45 minutes on average. Attendance by committee members averaged 97%. Discussions addressed the main environmental, social and governance issues and initiatives of relevance to the Company.

This committee has played an active role in defining the Group's sustainability strategy, providing clear guidelines on the most important topics. On climate matters, the committee was consulted when preparing plans for the reduction of Scope 1, 2 and 3 CO<sub>2</sub> emissions. A particular effort was made to eliminate SF<sub>6</sub> gas from the testing of HV cables and connectors, encouraging the marked reduction achieved by the Group in the emissions linked to that gas during 2022. The committee was also involved in the decisions that resulted in the adoption of new and more ambitious climate targets consistent with the latest standards issued by the Science-Based Targets initiative. These targets formalise the commitment made by Prysmian to decarbonise its operations by 2035 and achieve Net-Zero status throughout the entire value chain by 2050.

In the social area, the committee examined the various Prysmian Group initiatives, including the Graduate programme - now in its tenth edition - for the induction of promising new graduates into various functions and geographical areas throughout the Group.

The committee welcomed the efforts made with regard to Diversity & Inclusion, monitoring the constant improvement in the gender equality indicators and contributing to projects designed to reduce the pay gap within the Group, which has declined from 7% to 5% in 2022.

The committee was involved in defining ESG targets for the variable component of the income of persons participating in short-term (MBO) and long-term (LTI) incentive plans, as well as in assessing the achievement of targets.

Additionally, the committee recognised the importance of training personnel on sustainability matters and the need to embed sustainability in the business decisions made at every level. For this reason, the committee allocated its entire budget to support and promote the launch of the Prysmian Group Sustainability Academy during 2022.

The committee was involved in preparing and updating the materiality matrix included in the annual sustainability report of the Prysmian Group and the consolidated non-financial report for 2021. It was also involved in the Prysmian Group's project to publish an expanded report, containing both financial and non-financial information, and a new sustainability report containing more complete non-financial disclosures. Again on the topic on non-financial disclosures, the committee was kept updated about the application of the new taxonomy introduced at European level.

The committee participated in the organisation of events such as the Sustainability Week, which comprised 28 events organised in 15 countries and in 8 different languages, with more than 4,000 participants and contributions from both internal and external speakers. The committee also contributed to various internal and external engagement activities. These included the "Sustainability Call 4 Ideas" to collect ideas from all employees on four sustainability-related categories (workplace safety, processes and products, customers and the inclusion of local communities).

The activities of the committee also focused on monitoring the performance in relation to the main ESG indicators adopted to assess the Company, including the CDP (Carbon Disclosure Project). Accordingly, the committee was constantly updated on Prysmian's participation in the Dow Jones Sustainability Index and on the main areas for improvement in this regard.

The Sustainability Committee also held a joint meeting with the Control and Risks Committee to examine the progress made on including ESG risks in the Enterprise Risk Management model adopted by the Prysmian Group.

The Board of Statutory Auditors was invited to and attended all the committee meetings. These meetings were also attended by Group company employees and external experts, who were invited by the committee to participate in an advisory capacity from time to time, in relation to particular items on the agenda.

The committee was provided access to corporate information and received the benefit of assistance from corporate functions, as required for the performance of its duties. In addition, the committee did not deem it necessary to use additional consultants to those identified from time to time by the relevant company departments for assistance with the preparation of documents and reports to support the opinions discussed during the committee's meetings and later brought to the attention of the Board.

Three committee meetings were held between the end of the Financial Year and the Board meeting held to approve the Report. The committee defined a schedule of meetings and agenda for the 2023 Financial Year, which envisaged, among other things, that the committee should meet at least quarterly, at the end of the financial periods for which the Board of Directors is required to prepare financial reports for release to the market.

## 8. SELF-ASSESSMENT, SUCCESSION AND REMUNERATION OF THE DIRECTORS - REMUNERATION AND NOMINATION COMMITTEE

### 8.1. Self-assessment

With regard to its self-assessment activities, the Board usually - at least once during its three-year term - requests assistance from a leading consulting firm that carries out, among other work, professional analyses of the structure, functioning and efficiency of the Boards of Directors of listed companies and their committees.

Such practices are in line with recommendations expressed by the Directors over the years, who deemed it beneficial to carry out this type of assessment with the assistance of an advisor after at least one full year in office. The purpose of this is to allow the consultants to gather opinions and recommendations from, in particular, the new directors after they have gained sufficient knowledge of the Company, the Group and the functioning of the Board and its committees. During the first year of the current three-year mandate that began on 28 April 2021, the Board of Directors, having consulted the Remuneration and Nomination Committee, decided to carry out this activity without the assistance of an advisor.

The Board therefore mandated the Secretary to prepare a questionnaire covering the size, composition and operation of the Board and its committees, with the option to provide suggestions or propose actions. After submission to the Chairman, the questionnaire was made available to each Director to complete online in an autonomous manner. The answers, opinions and suggestions were collated by the Secretary in an aggregated and anonymous summary document, so that individual respondents could not be identified. This facilitated the free expression of each Director's thoughts, without any conditioning that might have existed, for example, during Board meetings.

The summary document was then submitted to the Remuneration and Nomination Committee for appropriate analysis and decisions and, lastly, to the Board of Directors during the meeting that approved the Report on Corporate Governance and Ownership Structure for 2021.

During the Financial Year, the Board of Directors, acting on a proposal from the Remuneration and Nomination Committee, decided to carry out the self-assessment with assistance from an advisor. The latter was appointed by the Board of Directors following selection by the Remuneration and Nomination Committee, as assisted by the competent business functions.

The self-assessment process included individual interviews of the Directors and the Chairman of the Board of Statutory Auditors by the appointed advisor, based on a questionnaire prepared by the latter that had been revised and agreed by the Board Chairman and the Company Secretary.

The questionnaire was sent to the Directors and the Chairman of the Board of Statutory Auditors before the interviews and discussed during the individual meeting.

All the data and comments gathered were processed by the advisor in a completely anonymous and confidential manner, so that individual respondents could not be identified. This facilitated free expression by each interviewee, without any conditioning that might have existed, for example, during Board meetings.

At the end of the process, a report was submitted to the Board containing the responses to the questionnaire, as supplemented by the clarification that emerged during the individual meetings. This report was also accompanied by an executive summary containing the results of the self-assessment process and the areas identified for improvement.

The above self-assessment work identified the overall adequacy of the size, composition and functioning of the Board of Directors and its committees.

The following particular strengths were identified:

- The overall structure of the Board, including its diversity.

- The presence of a Lead Independent Director and meetings attended solely by the independent directors.
- The contribution made by committees, including, in particular, the new Sustainability Committee.
- A good work environment at Board and Committee meetings, marked by open debate, commitment and personal involvement, high-level contributions and excellent interaction with top management.
- The quality of the decision-making process.
- The effectiveness and quality of induction activities.
- Board commitment to and participation in the strategic debate.
- The effort made to tackle ESG/Sustainability matters by both the executive and independent Directors.

On the other hand, the areas for reflection identified by the self-assessment process included:

- A need to hold additional informal events with a view to further improving Board dynamics
- A need to allocate additional time to personnel and organisational matters.
- In the context of certain committee meetings, the documentation provided could be even more concise and circulated earlier, with a view to the rationalisation of meeting attendance by managers.
- A need to enhance the awareness of certain non-Italian Directors about the Italian Corporate Governance model, with particular reference to the role and duties of the Board of Statutory Auditors.

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## 8.2. Succession plans

Prysmian has an established succession plan for the Executive Director of the Company and for managerial positions within the Prysmian Group.

The succession plan is conceived as a tool to foster generational change in the Company and manage the departure from office of executive directors and top management as smoothly as possible, limiting any adverse effects of any operational discontinuities.

Prior to each renewal of the Board of Directors involving submission by the outgoing Board of its own list of candidates to the Shareholders' Meeting, the succession plan was analysed and updated, having regard for the above, by an independent consulting firm known to be among the leaders in the field.

In addition, the advisor appointed to perform the above work continued, under constant supervision from the Remuneration and Nomination Committee, and in collaboration with the relevant corporate offices, to assess the situation and assist the Board with its self-assessment activities.

The process of updating the succession plan mainly involves mapping clearly all corporate roles, the scope of the responsibilities assigned and the business functions that may fall within the scope of the activities concerned. As a result of this definition, the most relevant top positions are identified, along with those of the executive directors and managers with strategic responsibilities.

The most relevant criteria in terms of leadership, experience and skills are then defined to identify possible candidates for succession to the above-mentioned positions. During 2021, the resulting assessment plan was completed over a period of about two months, consisting of psychometric tests, business cases and interviews conducted by an external consulting firm, recognised on the market for its specific, relevant expertise.

The results were then discussed and shared with the Remuneration and Nomination Committee, and interviews were also organised with some of its members, in order to ensure knowledge, visibility and sharing.

The appointed advisor also gave feedback to each of the participants in the process and defined individual development plans in cooperation with the Company.

Particular attention was also paid to the gender balance/diversity issue, with the aim of optimally supporting talented women included in the pool and the development of the future pipeline. Specific leadership development programmes have also been defined and proposed for the growth and training of internal candidates, intended to also assess international rotations and assignments aimed at enriching the experience profiles of the identified candidates.

Following all this work, the current succession plan for the top management positions within the Prysmian Group is deemed to be both complete and robust.

The succession plan was kept constantly updated by the competent business functions during the Financial Year, with periodic monitoring by the Remuneration and Nomination Committee and analysis and discussion during meetings attended solely by the independent directors. In addition, personal development plans were progressed, with actions linked to gender balance matters. The appointed advisor also continued to update the applicable benchmarks with talented external candidates.

This process aimed at senior positions complements and completes a talent management process called "P4" (*Prysmian People Performance Potential*).

This process has the following main goals:

- strengthen, improve and disseminate the methodology tested in the Prysmian Group aimed at identifying and developing potential;
- align the succession planning process with what the Code suggests;
- reduce the risk of discontinuity in the management of the Prysmian Group;
- identify internal/external options with the aim of a succession in the short or medium term;
- ensure the internal meritocratic development of the resources to ensure the continuity of the Group.

This process, carried out every two years, is managed using an on-line platform and follows a time line comprising four main steps:

1. *Talent identification* (June): each manager is asked to carry out an assessment of the potential (based on three key characteristics) of their co-workers who have had a very good performance rating (P3) for at least two years;
2. Discussion on succession (July-September): the management team of each country or business unit is called to discuss the results of the identification phase, calibrating them by grading the positioning of candidates in a readiness matrix (Performance and Potential). Final calibrations are made at central level (October), gathering together all the regional contributions and validating the succession plan for key positions, as well as identifying talents that are particularly significant for the Group.
3. Definition of succession tables: the main outputs of the preceding discussion comprise the talent pools, which highlight the position of the candidate in the readiness matrix and their organisational level. Through the use of the talent pools, each country/Business Unit will make proposals for the succession planning.
4. *Definition and communication development plans*: after the final discussion, a targeted development plan is defined for each person in the pool and discussed and shared with the talent themselves. This determines a clear commitment on the part of the Group and the participation of the talent themselves.

The P4 process is a crucial tool for grooming the talent pool for succession to senior positions.



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### 8.3. Remuneration of the directors

Further details about the remuneration policy for Directors, Statutory Auditors and Managers with Strategic Responsibilities, and about the compensation paid can be found in the Remuneration Report available on the website of the Company [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance/Remuneration* section and, more specifically, in the sub-sections mentioned on a case-by-case basis in this section of the Report.

#### 8.3.1. Remuneration policy

*(See Section I, §1 and §2 of the Remuneration Report)*

The remuneration policy adopted by Prysmian is the result of a structured and transparent process that, consistent with regulatory instructions and the recommendations of the Corporate Governance Code, actively involves the following corporate bodies and functions: Shareholders' Meeting, Board of Directors, Remuneration and Nomination Committee and Human Resources and Organisation department. These parties are also involved when any policy revisions are made.

In carrying out its duties, the Remuneration and Nomination Committee makes recommendations to the Board on the structure and content of the remuneration policy and, together with the Board, monitors its proper implementation with support from the business functions concerned.

The Board examines and approves the remuneration policy, which is described in the Remuneration Report and submitted to the Shareholders' Meeting of the Company for examination. This report comprises two sections: (i) a remuneration policy, subject to a binding vote at the Shareholders' Meeting at least once every 3 years, or more frequently if changes are made, and (ii) a report on compensation paid, which is subject to a consultative vote at the Shareholders' Meeting every year.

The remuneration policy adopted by Prysmian is designed to attract and retain talented individuals equipped with the skills needed to achieve the established business objectives, as well as to motivate management to pursue sustainable performance over time, in compliance with our business culture and values, via a tangible and verifiable link between variable remuneration on the one hand and, on the other, both personal and Group performance. The Remuneration Policy is founded on the following principles: (i) sharing success on a meritocratic basis, (ii) competitiveness, (iii) fairness and (iv) transparency.

With particular reference to the variable components, the remuneration policy of the Company is strongly focused on ensuring alignment with the established business strategies and guaranteeing sustainable performance over the long term. Indeed, in application of the pay-for-performance principle, the remuneration packages of persons subject to the policy are structured to ensure the prevalence of the variable component, linked to the achievement of predetermined objectives, over the fixed component in the context, nevertheless, of a balanced pay mix. The variable remuneration is mostly paid in shares over a medium/long-term timescale (3-5 years), consistent with the concept of sustainable performance.

#### 8.3.2. Fixed remuneration of the Executive Directors and Top Management

*(See Section I, §7.1 of the Remuneration Report)*

The fixed remuneration of the executive directors and top management (including managers with strategic responsibilities) is determined with reference to the complexity, actual responsibilities and experience required for each role, as well as the relevant remuneration market.

The fixed component of remuneration is not especially significant with respect to the total

package. In fact, a significant part of the remuneration paid is variable and linked to the economic results delivered by the Company and/or the achievement of specific objectives.

### **8.3.3. Variable remuneration and share-based remuneration plans**

*(See Section I, §7.2 of the Remuneration Report)*

The variable component of the remuneration of Executive Directors and Top Management (including Managers with Strategic Responsibilities) comprises two main elements: (i) a short-term incentive (annual MBO plan) and (ii) a long-term incentive (share-based, three-year LTI plan).

The annual MBO plan is reviewed each year by the Remuneration and Nomination Committee, which recommends objectives for the Executive Directors and Managers with Strategic Responsibilities to the Board and identifies the related metrics for their appraisal. Each participant in this plan is assigned different levels of incentives (minimum, target and maximum), expressed as percentages of their gross annual remuneration and linked to relative achievement of their performance objectives. The incentive percentages are defined in relation to the strategic importance of the role, with a view to balancing fixed and variable remuneration based on the position held by each person and their impact on business performance.

The three-year LTI plan is a pillar of the remuneration policy, as well as a fundamental element in ensuring the long-term engagement of key Prysmian Group personnel. The main objectives of this plan are as follows:

- motivate participants to achieve long-term results oriented towards the creation of sustainable value over time;
- align the interests of management with those of shareholders through the use of share-based incentive plans;
- promote management's stable participation in the Company's share capital;
- ensure the long-term sustainability of the Group's annual performance by adopting a deferral mechanism for part of the annual incentive;
- strengthen the retention of participants.

The plan is based on the free-of-charge assignment of shares depending on the level of performance achieved with respect to certain established objectives: cumulative adjusted EBITDA, cumulative Free Cash Flow, relative rTSR with respect to a benchmark of 11 firms, and Sustainability/ESG, as measured by a series of environmental sustainability, social and governance indicators.

Employed executive directors and managers with strategic responsibilities are also offered an opportunity to participate in the discounted share purchase plan (YES Plan) reserved for employees of the Prysmian Group. The plan allows them to buy Prysmian shares at a discount, paid in the form of treasury shares, of 1% of the purchase price, with their annual investment capped at Euro 13,335.

For further information about the execution of the above plans, see the Annual Integrated Report for the Financial Year, the Remuneration Report and the related documentation prepared pursuant to art. 84-bis of the CONSOB Issuers' Regulation, which are available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance/Remuneration* policy section.

### **8.3.4. Remuneration of non-executive directors**

*(See Section I, §5 of the Remuneration Report)*

The remuneration of directors is determined pursuant to Article 2389 of the Italian Civil Code by the Shareholders' Meeting, which may also establish an overall amount for the remuneration due to directors, including those with particular responsibilities. In this case the Board of Directors, acting on a proposal from the Remuneration and Nomination Committee and after consulting the Board of Statutory Auditors, allocates the overall amount fixed at the Shareholders'

Meeting among its members. Directors are entitled to be reimbursed for the expenses incurred in the performance of their functions (art. 14 of the By-laws), within the limits envisaged in the procedure adopted by the Board for such reimbursements.

During the process of identifying and selecting candidates for inclusion on the list submitted by the outgoing Board of Directors for its renewal, the need became evident - as confirmed by direct feedback from the candidates interviewed and the advisor who supported the selection process - to make the remuneration recognised to non-executive and independent directors, as well as the specific remuneration envisaged for the roles of chairperson and member of Board committees, more attractive. Following this feedback, wide-ranging and in-depth benchmarking was carried out, in both the Italian market (represented by companies included in the FTSE MIB index) and the European market (using data from a panel of sector references provided by a specialist advisor). This confirmed the need to improve the competitiveness of the remuneration previously paid, considering inter alia the intensity of the work carried out by the Board committees and the large number of meetings that committee members are expected to attend (significantly more than the average for the reference markets).

Following this work, a proposal was submitted to the Shareholders' Meeting held on 28 April 2021 to award the Board, in addition to the reimbursement of expenses incurred in the interests of the Company, total gross remuneration of Euro 1,030,000 for each year of its mandate. The Shareholders' Meeting approved that proposal, granting the Board of Directors the authority to decide how such amount should be allocated to all or to just some of the directors, taking into account the specific responsibilities of each. The above amount excludes the gross remuneration recognised to the directors directly employed by the Prysmian Group and any additional remuneration recognised to the directors with specific responsibilities pursuant to art. 2389, para. 3, of the Italian Civil Code, which is established by the Board in accordance with the criteria contained in the above-mentioned "*Report on remuneration policy and the compensation paid*".

The Board of Directors therefore accepted the recommendation submitted by the Remuneration and Nomination Committee, establishing, for each year of the mandate, the following allocation of the remuneration:

(i) Euro 130,000 to the Chairperson of the Board of Directors, (ii) Euro 65,000 to each of the non-executive directors qualifying as independent pursuant to the Consolidated Financial Act and (iii) Euro 35,000 to each of member of the Board committees.

The remuneration of the non-executive directors is not linked to financial performance objectives.

### **8.3.5. Earning and payment of remuneration**

The fixed and variable remuneration of the Executive Directors and Managers with Strategic Responsibilities is examined by the Remuneration and Nomination Committee and the Board of Directors. All elements involved in the initial determination and subsequent modification of the fixed portion of the remuneration packages of the above persons are analysed by the Remuneration and Nomination Committee, which submits them to the Board for approval if they are deemed appropriate. Similarly, acting on proposals from the committee, the Board determines the performance objectives to be reached in order to earn the variable portion of the remuneration package, as well as the extent to which the objectives have been achieved, so that the appropriate amount of remuneration can be paid.

The analyses carried out by the Remuneration and Nomination Committee and the final decision taken by the Board on these matters are always based on the principles established in the remuneration policy previously adopted by the Board, which is contained in the Remuneration Report approved at the Shareholders' Meeting.

***Indemnity of directors in the event of resignation, dismissal or termination without just cause or termination following a public tender offer (pursuant to Article 123-bis, paragraph 1, letter i) of the Consolidated Financial Act)***

*(See Section I, §7.7 of the Remuneration Report)*

As concerns the agreements between the Company and the directors, which involve indemnity in the cases provided for by Article 123-bis, paragraph 1, letter i), Consolidated Financial Act, it should be noted that there are no prior agreements concerning early termination of office or employment that are not in compliance with the Corporate Governance Code and corporate governance best practices, the law and local collective agreements, and in any event including compensation greater than two years' fixed salary. In accordance with these provisions, agreements have been concluded providing for the payment of indemnities in the event of early termination of the contracts of Valerio Battista and Pier Francesco Facchini, in any case not due to resignation, termination of the relationship without just cause or following a public tender offer.

Apart from the foregoing, there are no other agreements between the Company and the directors, in the cases provided for by art. 123-bis, para. 1, letter i) of the Consolidated Financial Act.

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**8.4. Remuneration and Nomination Committee**

***Composition and functioning of the committee***

***(pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)***

The Board of Directors has set up an internal Remuneration and Nomination Committee with the task of providing advice and proposals on (i) the remuneration of directors and senior management, (ii) the appointment/replacement of independent directors, (iii) the assessment of the size and composition of the Board.

The Remuneration and Nomination Committee jointly performs the functions that the Code attributes to, respectively, the Nomination Committee and the remuneration committee. This committee was formed in compliance with the stricter rules for the composition of the remuneration committee envisaged in the Code and included in the Board Regulation.

The combination of the functions of the nomination and the remuneration committees, respectively, into one single committee arose from the affinity of some of the competencies required for the two bodies and from the positive experience gained on previous occasions, ensuring efficiency in the discussion of the relevant issues with the elimination of the risk of any possible failure of coordination.

***Composition***

Pursuant to the Board Regulation, the Remuneration and Nomination Committee comprises solely non-executive directors, the majority of whom are independent, and is chaired by an independent director.

The composition of the Remuneration and Nomination Committee did not change during the Financial Year or, subsequently, in the period up to the date on which this Report was approved. The committee is composed as follows:

Remuneration and Nomination Committee	Exec. directors	Independence	
		Art. 148, para. 3, Consolidated Financial Act	Corporate Governance Code
Paolo Amato (Chairman)	No	Yes	Yes

Claudio De Conto	No	Yes	No
Annalisa Stupenengo	No	Yes	Yes

On appointing the committee, the Board of Directors identified the chairperson and determined that all members of the committee had adequate knowledge and experience of financial matters or remuneration policies.

The committee then identified the manager of the Human Resources and Organisation Manager as its secretary.

### **Tasks**

The Remuneration and Nomination Committee has been assigned the following tasks:

- a. support to the Board of Directors in preparation of the remuneration policy;
- b. assess and make proposals to the Board of Directors regarding share incentive plans, stock options, broad share ownership and similar plans for incentivisation and increasing loyalty of management and employees of the Group, also with reference to suitability to pursue the goals of these plans, the methods of actual implementation of them by members of the corporate bodies and any changes or additions to them
- c. make proposals or express opinions to the Board of Directors, in the absence of the directly involved parties, on the remuneration of executive directors, directors with particular responsibilities and top management, as well as, at the instruction of the Chairperson and of the CEO, to determine the criteria for the remuneration of senior management in ways that are able to attract, retain and motivate persons with a level of expertise and experience in line with the Company's needs and are consistent with the remuneration policy. The committee may also formulate proposals and provide opinions on the portion of remuneration of executive directors, directors with specific roles and top management previously indicated by the Board of Directors linked to economic results achieved by the Company and by the Group and/or, where applicable, to achievement of specific targets previously identified by the Board of Directors, as well as on setting these performance targets. In this case, the criteria for determining the amount of compensation shall be fixed from year to year in relation to the strategic objectives determined from time to time by the Board of Directors;
- d. monitor application in practice of the remuneration policy and verify, in particular, effective achievement of the performance targets;
- e. assess periodically the adequacy and consistency of the policy for the remuneration of directors, key management and senior managers;
- f. verify the self-assessment process carried out by the Board of Directors and its committees;
- g. define criteria and recommendations for the optimal composition of the Board of Directors and its committees, including criteria on diversity and guidelines for the maximum number of appointments held by directors;
- h. identify candidates for the role of director, of co-opting is necessary;
- i. oversee the submission of a list by the outgoing Board of Directors, to be implemented according to the procedures and board skills matrix adopted in this regard by the Company;
- j. monitor the preparation, updating and implementation of the succession plans for the CEO, other executive directors and key management;
- k. express opinions supporting assessments by the Board of specific problems in the presence of a general and preventive authorisation to waive non-competition provisions pursuant to art. 2390 of the Italian Civil Code.

### Activities

The Remuneration and Nomination Committee held 11 meetings during the Financial Year, each lasting 1 hour and 40 minutes on average. Attendance by committee members averaged 97% and activities included:

- checking achievement of the targets contained in the incentive sheets used to determine the variable component of the compensation of executive directors, managers with strategic responsibilities and the Chief Audit & Compliance Officer for 2021, as well as the equivalent targets proposed for 2022;
- examining and expressing favourable opinions on the compensation for 2021 paid to the members of the Board of Directors, managers with strategic responsibilities and the members of the Board of Statutory Auditors, as shown in Section II of the 2022 Report on remuneration policy and compensation paid that was subsequently submitted to the Board for approval and then to the Shareholders' Meeting for a consultative vote;
- monitoring the work carried out to define a new stock grant plan, named "BE IN", for Prysmian Group employees not involved in the existing individual incentive systems;
- with reference to the three-year incentive plan (LTI 2020-2022), examining and making proposals to the Board with regard to certain participants no longer employed by Prysmian Group companies, examining estimates for the close-out of the plan and the achievement of objectives, with consequent estimate of the number of shares required to pay the participants, and recommending that the Board should neutralise the effects of Covid-19 on achievement of the performance condition linked to the three-year adjusted EBITDA, at a cost of Euro 155 million;
- contributing to define the structure and the objectives of a new three-year incentive plan (LTI 2023-2025);
- examining proposed updates to the regulation governing the "YES" share ownership plan;
- contributing to define the structure and the objectives of a new long-term monetary incentive plan for the Projects BU;
- participating in pre-engagement activities with investors ahead of the Shareholders' Meeting called for 12 April 2022;
- analysing the results of the Shareholders' Meeting consultation on remuneration policy;
- examining proposed amendments to the policy for appointing the Board of Directors and the Board of Statutory Auditors;
- assessing the feasibility of an annual self-assessment with support from an external advisor and recommending this option to the Board;
- monitoring the update of the Group Succession Plan during the Financial Year.

The Board of Statutory Auditors was invited to and attended all the committee meetings. These meetings were also attended by Group company employees and external experts, who were invited by the committee to participate in an advisory capacity from time to time, in relation to particular items on the agenda.

No directors participated in the committee meetings that examined proposals for submission to the Board regarding their remuneration.

The committee was provided access to corporate information and received the benefit of assistance from corporate functions, as required for the performance of its duties. In addition, the committee did not deem it necessary to use additional consultants to those identified from time to time by the relevant company departments for assistance with the preparation of documents and reports to support the opinions discussed during the committee's meetings and later brought to the attention of the Board.

Four committee meetings were held between the end of the Financial Year and the Board meeting held to approve the Report. In addition, a schedule of meetings and agendas for the 2023 Financial Year was defined, envisaging, among other things, that the committee should



meet at least quarterly, at the end of the financial periods for which the Board of Directors is required to prepare financial reports for release to the market.  
Further information about the Remuneration and Nomination Committee is available in the Remuneration Report.

## 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL AND RISKS COMMITTEE

The Board of Directors has defined, through appropriate guidelines approved as from February 2013, subsequently updated on 25 February 2014 and on 1 March 2017, the principles underlying the IC&RMS in order to guide the identification, measurement, management and monitoring of the Group's most significant risks, in line with the established strategic objectives.

The IC&RMS shall apply to the Company and all Group subsidiaries. This system, integrated with corporate processes, aims to provide an appropriate structure for the pursuit of the Group's medium- to long-term objectives, so that any internal and/or external situations that might jeopardise the achievement of those objectives are promptly dealt with. For this purpose and for the implementation of the provisions of the Corporate Governance Code, the Board of Directors makes reference to the Control and Risks Committee, the compliance and internal audit department directed by the Chief Compliance & Internal Audit Officer, the risk management department directed by the Group's Chief Risk Officer, the Monitoring Boards of the Group's Italian companies appointed pursuant to Italian Legislative Decree 231/2001, and the managers responsible for preparing the company's financial reports.

The IC&RMS shall be implemented through a complex set of rules of conduct (including the Code of Ethics and Group Rules of Conduct), organisational procedures and provisions set out and disseminated by the Group and through regular internal and external assessments.

Starting from 2012, Prysmian began to use an evolutionary Risk Management system, which fosters proactive risk management, using a structured and systematic tool to support the main corporate decision-making processes. This Enterprise risk Management (ERM) model, developed in line with internationally acknowledged models and best practices, enables the Board of Directors and top management to regularly and dynamically analyse — that is, taking into account the changes in the business, in its demands and in the events with potential impact over time — the nature and level of the Group's risks, consistently with the Group's strategic objectives defined in line with the Group's risk appetite, thereby identifying risk management strategies to be adopted, i.e. for which risks and with what priority it is deemed necessary to implement, improve or optimise risk mitigation measures, or more simply, to monitor the Group's exposure to risk over time.

Please note that on 10 May 2018, the Board of Directors approved the Prysmian Group Risk Appetite Framework, following the favourable opinion of the Control and Risks Committee and upon the proposal of the Risk Management department. This framework is aimed at defining a formalised and structured process for determining the level of risk that the Group is willing to assume in pursuing its strategic and business objectives.

The ERM model adopted, formalised in the Group ERM Policy, which incorporated the IC&RMS guidelines, is: (i) extended to all types of potentially significant risk for the Group, detailed in the Risk Model, which divides the internal or external risk areas that characterise the Prysmian Group's business model into five groups (strategic, financial, operational, legal & compliance and planning & reporting); (ii) a common, clearly defined method for measuring and assessing specific risk events in terms of their impact, probability of occurrence and level of adequacy of the existing control system.

The Control and Risks Committee is regularly updated, through the participation of the Chief Risk Officer — appointed from 2013 to govern the ERM process — in all Committee meetings, on the development of the Group ERM programme and on the outcome of the analysis of the actions implemented. The Chief Risk Officer first reports to an internal risk management committee comprised of Group senior management.

Each year, the above-mentioned process involves the Group's main business managers, enabling them to identify and assess the most significant risk factors and set out targeted mitigation measures, and allowing the Chief Compliance & Internal Audit Officer to develop risk-based compliance and audit plans for the next financial year, subject to approval from the Board of Directors. This periodic assessment, considering the need to prepare the non-financial statement pursuant to Italian Legislative Decree 254/2016, also has the objective of understanding and managing the Group's economic, environmental and social sustainability needs, ensuring value creation for its stakeholders over time.

For additional details on the management of sustainability matters within the Group and on the main risks that emerged from the analysis performed, see the Annual Integrated Report ("Risk factors and uncertainties" section of the Directors' Report accompanying the consolidated financial statements) and the Sustainability Report for the Financial Year available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the "Sustainability" section.

The Audit & Compliance Manager is responsible for verifying, independently and objectively, that the IC&RMS functions in an appropriate and effective manner.

He reports hierarchically to the Board of Directors, as well as to the CEO as the director responsible for the internal control and risk management system, to the Control and Risks Committee and to the Board of Statutory Auditors.

The identification and planning of internal audits initiated by the Audit & Compliance department therefore starts from the main risks that emerged within the scope of the ERM process, and then takes into consideration:

- (i) the results of the internal control activities undertaken in previous years and the relevant recommendations, in order to identify possible internal control trends and/or deficiencies that should be further analysed;
- (ii) any need for additional details on the corporate areas/processes highlighted by senior management.

The audit plan for financial year 2022, which took account of the 2021 risk assessment performed in the context of the ERM process, was approved by the Board of Directors at the meeting held on 1 March 2022, after having received a favourable opinion from the Control and Risks Committee and having consulted both the Board of Statutory Auditors and the Director responsible for the internal control and risk management system.

In performing internal Audit activities, the Chief Compliance & Internal Audit Officer and the relevant department's staff are given complete access to all the significant data, documentation, information and personnel for the performance of their function.

Any deficiencies and/or improvement measures that emerged within the scope of the audit activities provide for the immediate definition of actions to be taken to mitigate potential underlying risks, according to a priority order whose implementation is regularly monitored by the Audit & Compliance department.

The Audit & Compliance Manager reports to the Control and Risks Committee, where he also performs the functions of Secretary, with regards to the progress of the compliance and audit plan, including any problems found, improvement measures agreed and their implementation, proposing changes to the original plan, where necessary.

Regular reporting to the Control and Risks Committee allows the Audit & Compliance Manager to annually provide an assessment on the adequacy and proper operation of the IC&RMS for the processes and areas under his/her responsibility. The Board, with the favourable opinion of the Control and Risks Committee, shall in its turn assess the adequacy, efficacy and effective operation of the internal control and risk management system at the meeting when the draft financial statements for the year are examined. As concerns this Financial Year, this assessment was performed on 1 March 2022, leading to the judgement of essentially satisfactory operation. In line with existing best practices in the national and international arena, the Prysmian Group

has also adopted a system for collecting and managing alerts for any irregularity or presumed violation of standards and/or company policies and procedures (the "Helpline policy"). Specifically, the Helpline policy offers everyone (whether employees or not) the opportunity to submit reports to the Group, also online and in anonymous form, about improper conduct and alleged illegal activities that might occur within the organisation. To this end, two channels have been launched for collecting reports, consisting of dedicated telephone lines and a web portal. Both channels are operated independently and are available in any of the 26 languages in use by the Group.

***Main features of the internal control and risk management system over the financial reporting process, also consolidated (pursuant to Article 123-bis, paragraph 2, letter b) of the Consolidated Financial Act)***

With particular reference to the financial reporting process, the analysis of the relevant risks and applicable internal controls are part of the Group's IC&RMS:

- (i) the ERM process takes into account the risks linked to corporate planning and financial reporting, as well as some aspects of compliance including compliance with Law 262/2005 (so-called Savings Law);
- (ii) the Audit & Compliance department prepares the Group compliance and audit plan, which integrates the requirements for operations, security and reliability of IT systems and compliance with Law 262/2005 and Italian Legislative Decree 231/2001;
- (iii) Prysmian maintains a system of administrative and accounting procedures aimed at ensuring the fairness, accuracy, reliability and timeliness of its financial reporting. These include:
  - Group accounting manual, which sets out accounting standard rules and applications;
  - administrative processes manual;
  - procedures for the creation and distribution of financial reporting;
  - other procedures for the preparation of the consolidated financial statements and periodic financial reports (including the chart of accounts, consolidation procedures and procedures for related party transactions).

The Prysmian Group's central functions are responsible for distributing this documentation to Group companies, which can access these accounting standards, procedures and rules through the Group's Intranet site. The Group companies may also issue local policies, procedures and rules that comply with centrally established guidelines.

Within the scope of compliance with Law 262/2005, the Managers responsible for preparing corporate accounting documents, performed a scoping update, aimed at identifying those Group companies included in the scope of consolidation and the processes and sub-processes to be deemed significant for financial reporting. The analysis was performed on the basis of economic and financial criteria set out as percentages and analysed in relation to qualitative parameters linked to the country/process risk level, the maturity of the internal control system, and strategic relevance in relation to Group growth expectations. The scoping was then shared with the Audit & Compliance department.

Based on the scoping results, in 2022 the processes and sub-processes of the companies to be audited were analysed, considering the potential risks connected to a failure to comply with "accounting assertions" – existence and occurrence, completeness, assessment and recording, presentation and reporting, rights and obligations – for each financial statement item deemed significant. In view of the risks encountered, the Audit & Compliance department defined specific activities provided for in the audit plan, aimed at verifying the effectiveness of the design and actual operation of the control systems. Action plans, concerning potential areas for im-

provement identified during the checks undertaken and aimed at strengthening existing controls or adjust its weaknesses, were agreed with each process manager or company. The Audit & Compliance department monitors the implementation of the actions defined in the audit activities above.

The results of the activities undertaken pursuant to Law 262/2005 are regularly examined by the managers responsible for preparing the company's financial reports and then, at least every six months, they are brought to the attention of the Control and Risks Committee, the Board of Statutory Auditors and the Board of Directors.

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### **9.1. Chief Executive Officer**

The CEO, Valerio Battista, is responsible for maintaining the IC&RMS. In execution of this task, during the Financial Year he implemented the IC&RMS guidelines defined by the Board, specifically focusing on:

- (i) ensuring the constant adequacy and effectiveness of the IC&RMS;
- (ii) update based on the development of operational conditions and the regulatory and legislative framework;
- (iii) identification of the main corporate risks, in line with the existing ERM process, taking into account the characteristics of the Group, whose results are regularly subject to examination by the Board of Directors;
- (iv) definition and implementation of the Risk Appetite Framework to support the Group's decision-making processes, in regard to both strategy and business operations.

In executing the task of maintaining the IC&RMS, the CEO may request the Audit & Compliance department to perform specific control and verification activities, in compliance with the timely reporting to be provided to the Chairmen of the Board of Directors, the Control and Risks Committee and the Board of Statutory Auditors. He also reports promptly to the Control and Risks Committee on any problems and critical issues that emerge during his work or that he has become aware of, so that the committee may take appropriate action.

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### **9.2. Control and Risks Committee**

#### ***Composition and functioning of the committee***

#### ***(pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)***

The Board of Directors has established an internal Control and Risks committee to advise and make recommendations to the Board, supporting with appropriate investigative activity its decisions regarding the internal control and risk management system, as well as those regarding approval of the periodic financial reports.

#### ***Composition***

Pursuant to the Board Regulation, the Control and Risks Committee comprises solely non-executive directors, the majority of whom are independent, and is chaired by an independent director.

The composition of the Control and Risks Committee did not change during the Financial Year or, subsequently, in the period up to the date on which this Report was approved.

The committee is composed as follows:

Control and Risks Committee

Independence

	Exec. directors	Art. 148, para. 3, Consolidated Financial Act	Corporate Governance Code
Francesco Gori (Chairman)	No	Yes	Yes
Jaska de Bakker	No	Yes	Yes
Tarak Mehta	No	Yes	Yes

On appointing the committee, the Board of Directors identified the chairperson and determined that all members of the committee had adequate experience of accounting, financial and risk management matters.

The committee then identified the Chief Compliance & Internal Audit Officer as its secretary.

### Tasks

The Control and Risks Committee has been assigned the following tasks:

- (i) express initial, non-binding opinions on specific aspects associated with the main business risks and provide support for the assessments and decisions of the Board of Directors regarding the management of risks deriving from any adverse facts that come to its attention;
- (ii) analyse the contents of non-financial periodic reporting relevant for the internal control and risk management system;
- (iii) assess, having consulted the manager responsible for preparing the Company's financial reports, the independent auditors and the Board of Statutory Auditors, the proper application of accounting standards and, in the case of groups, their consistency for the purpose of preparing the consolidated financial statements;
- (iv) assess the suitability of periodic reporting, both financial and non-financial, in correct representation of the business model, Company strategies, the impact of its activities and its performance;
- (v) examine the contents of non-financial periodic reporting relevant for the internal control and risk management system;
- (vi) examine the annual audit plan, the periodic reports and those of particular relevance prepared by the Internal Audit function;
- (vii) monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit function;
- (viii) assign to the Internal Audit function, where appropriate, the performance of checks on specific operational areas, notifying at the same time the Chairman of the Board of Statutory Auditors;
- (ix) Express opinions on the proposals formulated by the director in charge of the internal control and risk management system, in agreement with the Chairperson, to the Board of Directors, (a) regarding the appointment, withdrawal and remuneration of the internal audit manager, in line with the remuneration policies of the Company and (b) aimed at ensuring that the internal audit manager is equipped with suitable resources for the performance of his/her duties;
- (x) express opinions to the Board of Directors on assessment (a) of the management of risks also in the medium and long term, in order that the main risks - including, through co-ordination with the Sustainability Committee, risks that are relevant in the context of sustainability, also for the purposes of preparing the non-financial report - regarding the Company and its subsidiaries are correctly identified, as well as being appropriately measured, managed and monitored and (b) of the definition of the degree of compatibility of these risks with management that is coherent with the strategic objectives identified;



- (xi) update the Board of Directors, at least on approval of the annual and half-year financial report, on the activities and suitability of the internal control and risk management system;
- (xii) if identified by the Board of Directors as the committee responsible for certain functions defined by applicable regulations governing related-party transactions, express initial opinions for approval by the responsible body of specific related-party transactions performed by the Company or by its subsidiaries, with related parties, pursuant to the regulation governing related-party transactions adopted by the Company;
- (xiii) express opinions to the Board of Directors on assessment of the results submitted by the independent auditors in the letter of suggestions (where present) and in the report on the key points that emerged during the legal audit of the accounts;
- (xiv) meet with the Monitoring Board, together with the Board of Statutory Auditors, for analysis of the half-year report prepared by the Monitoring Board;
- (xv) monitor compliance with the Code of Ethics adopted by the Company.

When Italian Legislative Decree 39/2010 came into force, the Board of Statutory Auditors was identified as the “internal control and audit committee”, meaning that some of the oversight duties belonging to the Control and Risks Committee were then shared with the Board of Statutory Auditors and conducted in a coordinated fashion.

The Board of Directors has assigned the Control and Risks Committee the duties and functions required of independent directors by the legal provisions concerning related party transactions and, specifically, the task of examining the Company’s procedures prior to their adoption (and any future amendments to the same) and of implementing them.

### **Activities**

The Control and Risks Committee held nine meetings during the Financial Year, each lasting two hours and thirty-nine minutes on average.

Average attendance by committee members was 97%. The matters examined and discussed at these meetings included:

- 1) audit of the financial statements at 31 December 2022, the results of the impairment test and the results of the internal audit on financial reporting performed pursuant to Law 262/2005, with collection of the information needed by the committee to express a favourable opinion on the accounting standards adopted to prepare the consolidated financial statements and the half-year report;
- 2) the 2022 audit & compliance plans proposed by the Audit & Compliance department and their subsequent progress, examining in detail the key results of the specific audit and compliance activities undertaken;
- 3) the map of risks faced by the Group in 2022 and the results of the related risk assessment activities carried out during the year, dedicating particular attention to the risk management strategies proposed by management regarding (i) the project to embed the consideration of ESG risks in the ERM process; (ii) the exposure of the main turnkey projects in the HV and submarine sectors to domino-effect risk, as well as those situations in which the committee is requested to express an opinion on the release of company guarantees; and (iii) the activities of the Prysmian Group in Russia, considering the global geopolitical situation after the invasion of Ukraine;
- 4) the Health & Safety plan, designed to reduce the risk of events and improve the safety management plan at the Group’s plants, and the results of the audit work carried out on health and safety matters;
- 5) progress of the investigation launched by the Federal Cartel Office, the German antitrust authority, into alleged coordination for the determination of the standard metals premium applied by the industry in Germany;
- 6) adequacy of the organisational, administrative and accounting structure of the Company,

with particular reference to the internal control and risk management system, including that of the subsidiaries of strategic importance identified by the Managers responsible for preparing the company's financial reports, in agreement with the Group CFO, on the basis of the criteria established by the Board of Directors and the data of the companies concerned as of 31/12/2021;

- 7) implementation and extension to Prysmian PowerLink S.r.l. of the ISO 37001:2016 "Anti-Bribery Management System" certification already obtained by Prysmian S.p.A., which also obtained its renewal;
- 8) the ISO 37002:2021 "Whistleblowing Management Systems" certification obtained by the Company".

On 19 January 2022, the committee also held a joint meeting with the Sustainability Committee to discuss the new integrated model for ERM and ESG risks and receive an update on the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) to report on risks related to climate change.

The Control and Risks Committee also held two joint meetings with the Board of Statutory Auditors to discuss the matters described in detail in items 3), 4), 5) and 6) above.

The Board of Statutory Auditors was invited to and attended all the committee meetings, as did the Group Chief Risk Officer. These meetings were also attended by Group company employees and external experts, including representatives of the auditing company, who were invited by the committee to participate in an advisory capacity from time to time, in relation to particular items on the agenda. The committee was provided access to corporate information and received the benefit of assistance from corporate functions, as required for the performance of its duties. In addition, the committee did not deem it necessary to use additional consultants to those identified from time to time by the relevant company departments for assistance with the preparation of documents and reports to support the opinions discussed during the committee's meetings and later brought to the attention of the Board.

During the meeting held on 9 November 2022, the committee defined a schedule of meetings and agenda for the 2023 Financial Year, which envisaged, among other things, that the committee should meet at least quarterly, at the end of the financial periods for which the Board of Directors is required to prepare financial reports for release to the market.

Lastly, during the current financial year, the committee held three meetings before the Board meeting that approved the Report.

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### 9.3. Chief Compliance & Internal Audit Officer

Acting on a proposal from the director responsible for the internal control and risk management system (CEO), the Board of Directors appointed Alessandro Nespoli as the Audit & Compliance Manager in 2016, after receiving a favourable opinion from the Control and Risks Committee and consulting the Board of Statutory Auditors. The Chief Compliance & Internal Audit Officer has been assigned the duties and rights recommended in the Corporate Governance Code for Internal Audit managers. Following the same procedure and in compliance with the recommendations of the Corporate Governance Code, the Board has also fixed the remuneration of the Chief Compliance & Internal Audit Officer in accordance with Group policies, establishing the budget available to the department in order to ensure that said Officer has sufficient resources to fulfil his/her responsibilities.

In compliance with the recommendations of the Corporate Governance Code, the Chief Compliance & Internal Audit Officer (i) is hierarchically dependent on the Board of Directors that appointed him/her and shall also report to the CEO, the Control and Risks Committee and the Board of Statutory Auditors, and (ii) has no responsibility in any operational area, even though

he has direct access to all information useful for the performance of his/her functions.

The Chief Compliance & Internal Audit Officer is in charge of verifying, on an ongoing basis, that the IC&RMS duly and adequately operates in relation to specific requirements and in compliance with international professional standards. Therefore, he prepares an annual Group compliance and audit plan based on the risk assessment performed within the scope of the ERM process set out in the previous financial year – see section 9 of the Report. The audit & compliance plan for the Financial Year was approved by the Board of Directors on 1 March 2022.

Furthermore, at the time the audit & compliance plan was approved by the Board, the Chief Compliance & Internal Audit Officer was assigned adequate financial resources, previously reviewed by the Control and Risks Committee, for the performance of his/her duties.

During the Financial Year, the Chief Compliance & Internal Audit Officer therefore:

- (i) assessed the operation and adequacy of the internal control and risk management system based on the audit & compliance plan approved by the Board of Directors, including specific checks on the reliability of the accounting and reporting systems. The Chief Compliance & Internal Audit Officer reported the outcomes of his/her verifications to the Control and Risks Committee and the Board of Statutory Auditors at regular meetings;
- (ii) reported on his/her own work at meetings with the Control and Risks Committee and the Board of Statutory Auditors. The Chief Compliance & Internal Audit Officer takes part in the committee meetings as secretary and coordinates the discussions. If requested by the Board of Statutory Auditors, he/she reports during their quarterly inspections on the issues in the scope of his responsibility;
- (iii) regularly reported on his own activities, his risk management methods, on particularly significant events, and the compliance with the plans set out to contain risk, whilst also providing an assessment - as concerns the areas and processes verified - of the satisfactory operation of the internal control and risk management system. These reports were sent to the Chairpersons of the Board of Statutory Auditors and the Control and Risks Committee, as well as to the CEO, given that they did not specifically address their activities.

Michele Cannone, Group Internal Audit VP, reports directly to the Chief Compliance & Internal Audit Officer, as does Giorgio Totis in his roles as Group Compliance VP and Data Protection Officer pursuant to European Regulation on the protection of personal data no. 2016/679 (GDPR - General Data Protection Regulation).

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#### **9.4. Organisational Model pursuant to Italian Legislative Decree 231/2001 and Monitoring Board**

In compliance with the recommendations of Italian Legislative Decree 231/2001, the Board of Directors adopted its own organisational, management and control model (the "Organisational Model 231") with effect from 24 January 2006. It was last updated by resolution dated 1 March 2022. The other Italian companies in the Group in turn adopted their own Organisational Model 231 consistent with the different specifications and circumstances applying to each one of them.

The Organisational Model 231 is revised regularly, consistent with legislative developments and the list of administrative crimes and offences pursuant to Italian Legislative Decree 231/2001, the dynamics of the corporate governance system and organisational structure of the Group, in order to ensure its relevance and effectiveness over time. In particular, each Organisational Model 231 adopted by Prysmian and every Italian Group company was updated during the Financial Year, considering in particular the underlying risk assessments, in order to reflect the legislative amendments made to Italian Legislative Decree 231/01, and aligned with existing operating practices and the organisational changes made over time.

The Organisational Model 231, which is an integral part of the broader system of Group governance, is designed so that suitable operational rules of conduct can be established to prevent the unlawful conduct deemed significant pursuant to Italian Legislative Decree 231/2001, based on analyses of business activities, decision-making processes and the existing system of controls. In particular, the Company considered it appropriate to govern processes and strengthen the system of internal control with specific reference to the following offences and unlawful deeds envisaged in Italian Legislative Decree 231/2001: Articles 24 and 25 (crimes against the Public Administration), Article 24-*bis* (computer crimes and unlawful data processing), Article 24-*ter* (organised crime offences), Article 25-*bis.1* (crimes against industry and trade), Article 25-*ter* (corporate offences, including the crime of "corruption in the private sector"), Article 25-*quater* (offences with the purpose of terrorism or against democracy), Article 25-*quater.1* (practices of female genital mutilation), Article 25-*quinquies* (crimes against the individual, including the offence of illegal intermediation and labour exploitation), Article 25-*sexies* (market abuse), Article 25-*septies* (unintentional manslaughter and serious or most serious injuries committed in breach of the rules on health and safety at work), Article 25-*octies* (receiving, laundering and using money, goods or benefits of illicit origin, and self-laundering), Article 25-*octies.1* (crimes relating to payment instruments other than cash), Article 25-*novies* (crimes relating to copyright violation); Article 25-*decies* (incitement not to make statements or to make false statements in court), Article 25-*undecies* (environmental crimes), Article 25-*duodecies* (employment of illegally staying third-country nationals), Article 25-*terdecies* (racism and xenophobia), Article 25-*quinquiesdecies* (tax offences), Article 25-*sexiesdecies* (smuggling), Article 10, Law 146 of 16 March 2006 (transnational offences).

The Organisational Model 231 adopted by the Company comprises two sections:

- (i) First Section, of a general nature aimed at illustrating the content of Italian Legislative Decree 231/2001, the rules of governance and the general principles underpinning the Organisational Model 231. In this regard, the following are an essential part of it:
  - the Code of Ethics, which sets out the ethical standards of conduct with which all who do business on behalf of Prysmian or Group companies must comply. This document is published on the Prysmian website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Ethics&Integrity* and on the Group's intranet. For the purposes of its widest possible distribution, the Code of Ethics has been translated into 26 languages and is made available to every one of the Group's subsidiaries, with regular training sessions offered to employees and staff;
  - Rules of Conduct, which lay down the main standards of conduct expressed by the above-mentioned Code of Ethics, detailing areas of conduct in two categories of "to do" and "not to do", thereby responding to the need of prevention of possible crime-risk situations.
- (ii) Second Section, aimed at identifying and regulating specific types of conduct to be maintained in areas identified as potentially at risk of crime for the Company, through the definition of specific protocols for decision making, management and control, which, when implementing the standards of conduct as set out in the Code of Ethics and the Rules of Conduct, govern for each crime-risk process: (i) roles and responsibilities of the subjects involved, (ii) decision making/authorisation procedures, (iii) procedures for management and control of activities.

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In compliance with the requirements of Italian Legislative Decree 231/2001, the Company has set up a Monitoring Board, appointed to its current office by the Board of Directors on 28 April 2021 with its term ending at the same time as the current Board of Directors, currently foreseen

as the date of the Shareholders' Meeting convened to approve the financial statements as at 31 December 2023. The Monitoring Board, comprising several members, has the duty of supervising the operation of and compliance with the Organisational Model 231 and ensuring its update through submission of proposals to the Board of Directors. The Board has also approved an annual budget of Euro 100,000 in order to provide the Monitoring Board with adequate financial resources for its activities.

The Board of Directors deemed it appropriate, at the time of its appointment, to set up a specific Monitoring Board, instead of entrusting the task to the Board of Statutory Auditors as allowed by the above-mentioned decree. This choice was deemed appropriate to meet the independence and competence requirements, both fundamental to ensure that the Monitoring Board's actions are authoritative and effective. When appointing the members of the Monitoring Board, the Board also took account of the recommendation made in the Corporate Governance Code to appoint at least one non-executive director and/or member of the Board of Statutory Auditors and/or head of legal or auditing functions within the Company, to ensure coordination between the various parties involved in the IC&RMS.

Accordingly, the following persons appointed as members of the Monitoring Board are duly qualified and in possession of the integrity requirements defined in the Organisational Model 231: Maria Luisa Mosconi, Chair and self-employed professional, Silvano Corbella, self-employed professional and consultant expert in the application of Italian Legislative Decree 231/2001 and Alessandro Nespoli, Chief Compliance & Internal Audit Officer of the Group.

The Company's Monitoring Board met four times during the Financial Year and, with support from the Internal Audit function, verified the actual application of and awareness about the rules of control and conduct pursuant to Italian Legislative Decree 231/2001, as part of the Group Audit Plan approved by the Board of Directors. In addition, with support from the Compliance Function, the Monitoring Board examines the periodic flows of information received from the competent corporate departments, identifying any risk indicators and going into greater detail on a sample basis.

Based on the results of the checks made, the Monitoring Board reports to the Board of Directors every six months on the application and effectiveness of the Organisational Model 231.

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### 9.5. Statutory Auditing Company

The legal audit of the accounts is entrusted, by law, to a auditing company recorded on the register of independent auditors held by the Ministry of Economy and Finance. This appointment is made at the Shareholders' Meeting following a reasoned proposal by the Board of Statutory Auditors.

EY S.p.A. is the auditing company appointed at the Shareholders' Meeting held on 16 April 2015 to perform the legal audit of the separate financial statements of the Company, the audit of the consolidated financial statements of the Prysmian Group and a limited examination of the Company's half-year financial reports for the period 2016-2024. The appointment will end with the approval of the financial statements for the year ended 31 December 2024.

During the Financial Year, the serving independent auditors met with the Group's other control bodies several times. They were invited to participate in both the Control and Risks Committee meetings to discuss significant events and the activities performed for the half-year reporting periods, and the Board of Statutory Auditors meetings to discuss regular control activities. Minutes were taken in all of the meetings.

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### 9.6. Manager responsible for preparing the Company's financial reports

The Board of Directors, with the favourable opinion of the Board of Statutory Auditors, jointly appointed the heads of the "Financial Statements & Compliance" and "Planning & Controlling" departments as the Managers responsible for preparing the Company's financial reports ("Responsible Managers"). In making this choice, the Board of Directors took account of the Company's organisational structure, the Group and the national best practices adopted by other listed companies, also supported by an interpretation published by Assonime<sup>3</sup>, which recommends keeping the office of Manager responsible for corporate accounting documents separate from Board members, because the two offices have different and independent responsibilities.

Hence, the Responsible Managers currently in office are Stefano Invernici, Group Administration SVP, appointed from 28 April 2021, and Alessandro Brunetti, Group Planning & Controlling SVP, appointed from 1 April 2018.

In compliance with Article 19 of the By-laws, both Responsible Managers possess the requisites of professionalism and competence, having also gained at least three years of overall experience through the performance of at least one of the following activities:

- (i) administration, control or executive duties in a business environment;
- (ii) professional activities in the field of credit, finance, securities or insurance;
- (iii) university lecturing on subjects relating to law or economics;
- (iv) administrative or executive functions with public entities or authorities pertaining to the credit, finance, securities or insurance sector or with public entities or authorities not pertaining to these sectors as long as their duties involved managing economic and financial resources.

The Board of Directors has granted both Responsible Managers all powers and authorities necessary for the performance of their duties pursuant to the applicable provisions of the Consolidated Financial Act and the relevant implementation regulations. Specifically, the Responsible Managers may:

- directly access all the information used for the production of accounting data, making use of internal communication channels, which ensure a proper exchange of information among the different corporate departments and bodies. Those powers may be also exercised with subsidiaries and the corporate hierarchies of the consolidated companies;
- lay down administrative and accounting procedures, also providing proposals and evaluations on all procedures already adopted by the Company and the Group;
- deal directly with the auditing company, the Control and Risks Committee and the Board of Statutory Auditors;
- participate directly in the Board of Directors' meetings or by way of the Control and Risks Committee and the Board of Statutory Auditors.

In addition, the Responsible Managers, together with the CEO, shall certify, through a specific report drafted according to the model established by CONSOB regulation and annexed to the separate financial statements, the consolidated financial statements and the condensed half-year financial reports, that: (i) the administrative and accounting processes have been adequately and effectively applied, (ii) these documents correspond to the accounting records and books and (iii) they are able to provide a true and fair view of the financial, economic and equity situation of the Company and of the group of companies included in the scope of consolidation. The Responsible Managers also certify that the accounting reports (e.g. interim reports on operations and/or press releases issued to the market) correspond to the accounting records, books and entries of the Company and the companies included within the scope of consolidation.

<sup>3</sup> Association of the Italian Joint Stock Companies. See Circular No.44 of 2 November 2009.



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### **9.7. Coordination between parties involved in the internal control and risk management system**

The Prysmian Group fosters the exchange of information among the bodies involved in governance of the IC&RMS, whose continuity and timeliness shall be ensured through:

- participation of the Board of Statutory Auditors in the Control and Risks Committee meetings;
- participation of the Responsible Managers in the Control and Risks Committee meetings at least twice a year;
- regular reporting to the Control and Risks Committee, the Board of Statutory Auditors and the CEO as the Director responsible for the IC&RMS, and the Board of Directors by the Chief Compliance & Internal Audit Officer and the Chief Risk Officer, on the work carried out in the context of the internal control and risk management system;
- the exchange of information between the Control and Risks Committee, the independent auditors and the Responsible Managers concerning the accounting standards applied and the adequacy of the administrative and accounting procedures applied for preparing the Company's and the Group's financial reports;
- regular reporting to the Board of Directors and the Board of Statutory Auditors by the Monitoring Board.

The integrated assurance project was pursued further during 2022, in order to identify opportunities for synergy, harmonisation and integration among the main control functions of the Group considered to be assurance providers.

## 10. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

In view of the provisions and guidelines contained in CONSOB Resolution 17221 of 12 March 2010, as subsequently amended, the Board of Directors has voted to adopt a set of "Procedures for Related Party Transactions", which are available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Company/Governance* section.

These procedures govern, inter alia: (i) the roles of the different parties directly involved in the procedures (for example, the Shareholders' Meeting, the Board of Directors, the committee of independent directors, heads of department, etc.); (ii) the gathering, management and diffusion of information concerning the Prysmian list of related parties; (iii) how transactions that the Company intends to carry out with related parties should be prepared and approved; (iv) how and when information and documentation concerning proposed transactions should be made available; (v) exemption from the procedures for certain types of related party transactions and under certain circumstances.

As recommended in Consob Communication DEM/10078683 of 24 September 2010, the Board of Directors, with approval from the committee of independent directors, reviewed the above procedure and concluded that no changes were needed.

This procedure was updated in 2013, with the approval of the relevant committee, in order to apply the new criteria adopted for identifying managers with strategic responsibilities, as amended by the Board of Directors.

In 2016, the procedures were updated to align groups of individuals who are covered by the same procedures with the changes in the organisational structure of the Group.

The procedure in question has been analysed in order to verify the need to adapt to the changes in the regulations on related party transactions following the entry into force of Italian Legislative Decree 49/2019, which transposed EU Directive 2017/828 (SHRD II) in Italy, and the subsequent implementing provisions issued by Consob. The alignment work carried out on the procedure included: a) adoption of the new definition of "related party" and "related-party transactions"; b) definition of three significant thresholds for low value transactions - Euro 150,000 if the related party is a natural person; Euro 250,000 for remuneration and economic benefits relating to a member of an administrative or control body, or a Manager with Strategic Responsibilities; and Euro 500,000 if the related party is a legal person; c) introduction of an abstention requirement for directors involved in the transaction; d) update of the waiver and exemption situations, particularly with regard to special capital transactions.

See the Annual Integrated Report for the Financial Year ("Related-party Transactions" section of the explanatory notes to the financial statements) for an analysis of the related-party transactions carried out.

## 11. BOARD OF STATUTORY AUDITORS

### 11.1. Appointment and replacement

Pursuant to the By-laws, the appointment of the Statutory Auditors takes place based on lists submitted by shareholders who, alone or together with other shareholders, hold shares representing at least 2% of share capital with voting rights, or with a lower percentage established by law or regulation. These lists must be filed at the registered offices at least twenty-five days before the date set for the Shareholders' Meeting in first call. Each list must be accompanied by statements in which the individual candidates accept their candidacy and by the candidates' curriculum vitae. In compliance with CONSOB Resolution No. 76 of 30 January 2023, the minimum shareholding requirement for submitting the candidate lists for 2023 is 1%.

The By-laws (Article 21) contains the procedures for the submission of lists, for compliance with applicable legislation concerning balance of genders, the conduct of elections, the voting process and the replacement of Standing Statutory Auditors who cease to hold office during their mandate.

In particular, it should be noted that lists with a total number of candidates equal to, or greater than, three must comprise candidates belonging to both genders, in accordance with the prevailing pro tempore rules and regulations concerning the balance between genders as regards candidates for the office of Standing Statutory Auditor and candidates for the office of alternate auditor.

The first two candidates on the list with the highest number of votes and the first candidate on the list with the second highest number of votes, who also assumes the position of Chairman of the Board of Statutory Auditors, are elected as Standing Statutory Auditors. The first candidate on the list with the highest number of votes and the first candidate on the list with the second highest number of votes are elected as alternate auditors.

If the above procedures do not ensure that the composition of the standing members of the Board of Statutory Auditors complies with the currently applicable regulations on balance of genders, the necessary replacements will be made from among the Standing Statutory Auditor candidates on the list with the highest number of votes, in accordance with the numerical order in which candidates are listed.

The Statutory Auditors serve for three financial years. Their term in office expires on the date of the Shareholders' Meeting called to approve the financial statements relating to their third financial year in office and they are eligible for re-election.

Pursuant to the By-laws, members of the Board of Statutory Auditors must fulfil the requirements of professionalism, integrity and independence set out in the applicable legislation. In particular, for the purposes of Article 1, paragraph 2, letters B) and C) of Ministry of Justice Decree 162 of 30 March 2000, the business sectors and fields viewed as strictly pertinent to the Company are those relating to the Company's sector of operations, as well as fields relating to private and commercial law, economic disciplines and those relating to the Company's business sector.

The appointment of the current Board of Statutory Auditors took place on 12 April 2022, when the Shareholders' Meeting elected the new statutory auditors using the list voting system.

At that time, the following two lists of candidates were filed for renewal of the Board of Statutory Auditors:

- **List 1**, submitted jointly by shareholders Clubtre S.p.A., Albas S.r.l. and Angelini Partecipazioni Finanziarie S.r.l., owners of 4,424,168 ordinary shares representing 1.65% of Prysmian's share capital:

Section One Standing Statutory Auditors	Section Two Alternate Auditors
1. Roberto Capone	1. Stefano Rossetti
2. Laura Gualtieri	

- **List 2**, submitted jointly by shareholders Aberdeen Standard Investments - Aberdeen Standard Fund Managers Limited; Algebris Ucits Funds Plc Algebris Core Italy Fund; Amundi Asset Management SGR S.p.A. Fund manager for: Amundi Dividendo Italia – Amundi Esg Selection Dinamico – Amundi Esg Selection Bilanciato – Amundi Esg Selection Conservativo – Amundi Obiettivo Risparmio 2022 – Amundi Obiettivo Crescita 2022 - Amundi Obiettivo Risparmio 2022 Due – Amundi Obiettivo Crescita 2022 Due – Amundi Obiettivo Risparmio 2022 Tre – Amundi Obiettivo Risparmio 2022 Quattro – Core Pension Garantito Esg – Core Pension Azionario Plus 90% Esg – Core Pension Azionario 75% Esg – Core Pension Bilanciato 50% Esg – Core Pension Obbligazionario Misto 25% Esg – Seconda Pensione Garantita Esg – Seconda Pensione Prudente Esg – Seconda Pensione Espansione Esg – Seconda Pensione Bilanciata Esg – Seconda Pensione Sviluppo Esg – Amundi Risparmio Italia – Amundi Sviluppo Italia – Amundi Target Controllo – Amundi Obbligazionario Più a Distribuzione, as well as Amundi Luxembourg SA – A-F European Eq Value; Anima Sgr S.P.A. Fund manager for: Anima Italia; Arca Fondi Sgr S.P.A. Fund manager for: Arca Azioni Italia and Arca BB; Bancoposta Fondi S.P.A. Sgr Fund manager for: Bancoposta Azionario Euro, Bancoposta Equity Developed Countries, Poste Investo Sostenibile, Bancoposta Global Equity Hedged Lte, Bancoposta Rinascimento; Etica Sgr S.p.A. Fund manager for: F.do Etica Rendita Bilanciata - F.do Etica Obbligazionario Misto - F.do Etica Bilanciato - F.do Etica Azionario e F.do Etica Impatto Clima; Eurizon Capital S.A. manager of Eurizon Fund segments: Eurizon Fund - Italian Equity Opportunities, Eurizon Next - Strategia Absolute Return, Eurizon Next - Strategia Megatrend, Eurizon Fund - Equity Europe ESG LTE, Eurizon Fund - Equity Europe LTE, Eurizon Fund - Equity Italy Smart Volatility, Eurizon AM SICAV - Italian Equity, Eurizon AM SICAV - Low Carbon Euro, Eurizon AM SICAV - Obiettivo Controllo, Eurizon AM SICAV - Obiettivo Equilibrio, Eurizon AM SICAV - Obiettivo Stabilità, Eurizon AM SICAV - Obiettivo Sviluppo, Eurizon AM SICAV - Absolute Return Moderate ESG, Eurizon AM SICAV - Absolute Return Solution, Eurizon AM SICAV - Global Dynamic Allocation, Eurizon AM SICAV - Global Equity, Eurizon AM SICAV - Global Multiasset 15, Eurizon AM SICAV - Global Multiasset 30, Eurizon Fund - Equity Small Mid Cap Europe; Eurizon Capital Sgr S.P.A. Fund manager for: Eurizon Am Bilanciato Etico - Eurizon Am Bilanciato Euro A Rischio Controllato - Eurizon Am Flexible Trilogy - Eurizon Am Mito 50 (Multiasset Italian Opportunities 50) - Eurizon Am Global Multiasset 30 - Eurizon Am Global Multiasset li - Eurizon Am Global Multiasset Moderato - Eurizon Am Obiettivo Controllo - Eurizon Am Obiettivo Stabilità - Eurizon Am Rilancio Italia Tr - Eurizon Am Ritorno Assoluto - Eurizon Am Total Return Attivo - Eurizon Am Total Return Difensivo - Eurizon Am Total Return Moderato - Eurizon Am Tr Megatrend - Eurizon Am Tr Megatrend li - Eurizon Progetto Italia 70 - Eurizon Azioni Italia - Eurizon Pir Italia Azioni - Eurizon Azioni Pmi Italia - Eurizon Progetto Italia 40; Fideuram Asset Management Ireland Fund manager for Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management Sgr S.P.A. Fund manager for: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 50; Interfund Sicav - Interfund Equity Italy; Generali Investments Luxembourg SA Fund manager for: Gsmart Pir Evoluz Italia, Gis Euro Future Leaders and Gsmart Pir Valore Italia; Generali Investments Partners Spa SGR Fund manager for: GIP Alleanza Obbl., GIP Alto Esg Innov Sost and GF Europe Megatrends Isr; Kairos Partners Sgr S.P.A. as the management company for Kairos International Sicav – Segments: Italia and Italia Pir,

Legal & General Assurance (Pensions Management) Limited; Mediolanum International Funds Limited – Challenge Funds – Challenge Italian Equity; Mediolanum Gestione Fondi Sgr S.P.A. Fund manager for Mediolanum Flessibile Futuro Italia and Mediolanum Flessibile Sviluppo Italia; Stichting Depositary Apg Developed Markets Equity Pool, owners of 9,900,047 ordinary shares representing 3.69206% of the share capital of Prysmian S.p.A.:

Section One Standing Statutory Auditors	Section Two Alternate Auditors
1. Stefano Sarubbi	1. Vieri Chimenti
2. Nicoletta Paracchini	2. Anna Maria Allievi
3. Pier Luigi Pace	

Based on the two lists submitted, the three candidates indicated in List 1 were appointed as members of the Board of Statutory Auditors, voted by the majority of those with voting rights participating in the Shareholders' Meeting, equal to approximately 80.8% of the share capital present or represented, together with the two candidates indicated as number 1 in the two sections of List 2, voted by a minority of those with voting rights participating in the Shareholders' Meeting, equal to approximately 15.2% of the share capital present or represented. Therefore, taking account of the aforementioned Shareholders' Meeting vote and of the legislation concerning protection of minority interests as incorporated in Prysmian By-laws, the Board of Statutory Auditors comprises:

- **Stefano Sarubbi**, Chairman of the Board of Statutory Auditors, drawn from List 2,
- **Roberto Capone**, Standing Statutory Auditor, drawn from List 1,
- **Laura Gualtieri**, Standing Statutory Auditor, drawn from List 1,
- **Stefano Rossetti**, Alternate Auditor, drawn from List 1,
- **Vieri Chimenti**, Alternate Auditor, drawn from List 2.

The three-year term of the Board of Statutory Auditors currently in office will expire on the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2024.

The composition of the Board of Statutory Auditors has not undergone any changes since the close of the financial year.

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### **11.2. Composition and functioning (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis) of the Consolidated Financial Act)**

As required by Article 2409-bis of the Italian Civil Code, the independent statutory audit of the accounts was entrusted to a auditing company that must comply with the regulations applying to audits of listed companies and is under CONSOB supervision.

The Board of Statutory Auditors is therefore required to monitor the Company's compliance with the law and its By-laws and to comply with good management principles in the conduct of its business, and to control the adequacy of the Company's organisational structure, internal control system and administrative accounting system.

Pursuant to the effects of Italian Legislative Decree 39/2010, the Board of Statutory Auditors was identified as the "Internal Control and Audit Committee", meaning that it has supervisory

duties over the financial reporting process, the effectiveness of the systems of internal control, internal audit and risk management, over the statutory audit of the separate and consolidated annual accounts and over the independence of the external auditing firm.

The Board of Statutory Auditors met fourteen times during the Financial Year, four of which with the same members that composed it prior to its renewal on 12 April 2022 and the other ten times with its current members after that renewal. One of the above meetings was held as a joint session of the control bodies of all the Italian companies within the Prysmian Group, while two of the meetings were held jointly with the Control and Risks Committee of the Company. The fourteen meetings were attended by all the serving members of the Board of Statutory Auditors in office at the time. The meetings of the Board of Statutory Auditors each lasted about two hours and fifty minutes on average. The Statutory Auditors also ensured their presence at the one and only Shareholders' Meeting held during the Financial Year, and at the meetings of the Board of Directors, the Remuneration and Nomination Committee, the Sustainability Committee and the Control and Risks Committee.

During the current financial year, the Board of Statutory Auditors held five meetings before the one that approved the Report. Two of the meetings were held jointly with the Control and Risks Committee, during which matters of common interest were discussed.

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#### **11.2.1. Personal and professional details of each Statutory Auditor.**

Below are short curricula vitae for each Statutory Auditor, describing their personal details, field of expertise and past experience in business management.

##### **Stefano Sarubbi**

*Chairman of the Board of Statutory Auditors*

*He was born in Milan on 6 December 1965*

He graduated in Economics and Commerce in 1990 from the Università Cattolica del Sacro Cuore of Milan. He has been enrolled in the Register of Chartered Accountants since 1991 and in the Register of Auditors since 1995.

Since 1997, he has been a founding partner and Director of SIGMAGEST S.p.A., a business consulting company operating in internal auditing, review and implementation of administrative and accounting procedures, evaluation of internal control systems and risk management (e.g. Italian Legislative Decree 231/2001, Sarbanes-Oxley).

Mr. Sarubbi provides tax and corporate consulting services, as well as corporate organisation and internal control services to equity companies and some of the leading international consulting networks. He has also collaborated with several national journals, writing numerous articles on tax matters, and is the author or co-author of several publications on the same subject. He is a statutory auditor in several companies. Among the various positions he currently holds are those of Chairman of the Board of Statutory Auditors of INWIT S.p.A. (a company listed on the Italian Stock Exchange), Destination Italia S.p.A. (listed on the Euronext Growth Milan market), and Acque Minerali S.r.l., as well as member of the Board of Statutory Auditors of Shiseido Italy S.p.A. and Sole Auditor of Mattel Italy S.r.l. and of Coca-Cola Italia S.r.l.

Mr. Sarubbi also gained extensive experience in the field of Monitoring Board. He currently holds this role in some Companies belonging to multinational groups and in the past, among others, he was member of the Monitoring boards of A.T.M. - Azienda Trasporti Milanese S.p.A. (from 2010 to 2019), Milano Serravalle - Milano Tangenziali S.p.A. (from 2011 to 2014), Cordusio Fiduciaria - Unicredit Group (from 2015 to 2017).

He has been Chairman of Prysmian's Board of Statutory Auditors since 12 April 2022 and he was



elected from the slate submitted jointly by a group of shareholders comprising asset management companies and institutional investors, which received the second highest number of votes at the Shareholders' Meeting.

### **Roberto Capone**

*Standing Statutory Auditor*

*He was born in Milan on 30 November 1955*

He graduated in Economics from the Università Cattolica in Milan. He is enrolled in the Register of Chartered Certified Accountants of which he is a committee member and in the Register of Auditors, is a member of Nedcommunity - association of non-executive and independent directors. At the beginning of his professional career, Mr Capone gained experience at a leading Italian bank and then at the Italian branch of a US bank. For almost 30 years, he was a partner at Caramanti Ticozzi & Partners. Since 2019, he has been Managing Partner of Studio Associato CT&P, a leading national and international corporate and tax consulting firm in Milan.

He is currently Chairman of the Board of Statutory Auditors of Aeroporti di Roma, B.F. S.p.A., Crédit Agricole Leasing S.r.l., QC Terme S.r.l., Red Bull S.r.l., White Bridge Investments S.p.A. and Chairman of Supervisory Board pursuant to art. 231/2001 in various companies.

He has been appointed member of Prysmian's Board of Statutory Auditors on 12 April 2022 and was elected from the list submitted jointly by the shareholders Clubtre S.r.l., Albas S.r.l. and Angelini Partecipazioni Finanziarie S.r.l., which obtained the majority of votes at the Shareholders' Meeting.

### **Laura Gualtieri**

*Standing Statutory Auditor*

*She was born in Reggio Emilia on 18 October 1968*

She graduated with honours from her degree in Business Economics from the Commercial University "Luigi Bocconi" of Milan and graduated in Law with full marks from Università Statale of Milan.

She is a registered Lawyer and a Chartered Accountant in Milan.

She is a registered Statutory Auditor.

Since 2004 she has been a partner in the "Tremonti Romagnoli e Associati" law firm, where she began working in 1998. Prior to this she worked for five years as a consultant for the Studio Tributario Deiore tax firm.

She is a subject expert in commercial law at Università dell'Insubria of Varese.

She has been a member of Prysmian's Board of Statutory Auditors since 13 April 2016. With regard to his current appointment, she was elected on 12 April 2022 from the list submitted jointly by the shareholders Clubtre S.r.l., Albas S.r.l. and Angelini Partecipazioni Finanziarie S.r.l., which obtained the majority of votes at the Shareholders' Meeting.

### **Stefano Rossetti**

*Alternate Auditor*

*He was born in Florence on 24 November 1965*

He graduated in Economics and Commerce from the University of Florence in 1995. He is a chartered accountant and auditor. He is a consultant in tax, financial and economic matters. He holds positions in bankruptcy proceedings as a receiver, judicial commissioner and judicial liquidator, and as an advisor for the Court of Florence in matters of financial statements and related profit and loss accounts, valuation of companies, equity entities, company situations, assets, goodwill, company and industrial rights. He also acts as advisor for private companies in relation to company valuations, mergers, demergers and company transformations.

He holds various positions as a member of boards of statutory auditors.

He was elected on 12 April 2022 from the list submitted jointly by the shareholders Clubtre S.r.l., Albas S.r.l. and Angelini Partecipazioni Finanziarie S.r.l., which received the majority of votes in the Shareholders' Meeting.

### **Vieri Chimenti**

*Alternate Auditor*

*He was born in Florence on 23 October 1966*

Graduated in Business Administration from the Bocconi University of Milan in 1992. He has been practising as a chartered accountant since 1994 and as an auditor since 1999.

In 1995 he founded Studio Chimenti, with offices in Florence and Milan, specialising in accounting assistance and consultancy, financial statement preparation, corporate and tax consultancy, extraordinary transactions, appraisals and evaluations, auditing and control.

From 2016 to 2019 he has been a partner in the Milan-based tax law firm Miccinesi e Associati. He holds numerous positions as a member of Boards of Statutory Auditors, Boards of Directors and Supervisory Boards pursuant to Legislative Decree 231/2001.

He was elected on 12 April 2022 from the slate submitted jointly by a group of shareholders comprising asset management companies and institutional investors, which received the second highest number of votes at the Shareholders' Meeting.

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#### **11.2.2. Diversity criteria and policies**

The Company adopted a new policy regarding the composition of the Board of Directors and the Board of Statutory Auditors. The adoption of this policy also meets the requirements of Article 123-bis, paragraph 2, letter d-bis of the Consolidated Financial Act, and is available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the Company/Governance section.

This policy was prepared by the relevant company departments under ongoing monitoring by the Remuneration and Nomination Committee and was approved by the Board of Directors on 20 December 2017 and last updated on 1 March 2022.

The By-laws of Prysmian require the Board of Statutory Auditors to be appointed in such a way as to ensure that the least represented gender obtains a number of members in line with currently applicable rules and regulations on gender balance. The composition of the current Board of Statutory Auditors complies with the provisions of Law 120/2011, envisaging that the appointments reserved for the less represented gender shall be two-fifths of the Standing Statutory Auditors elected, rounded up to the nearest whole number. This reserved quota will apply for six consecutive terms of office.

Taking into account the applicable regulations, the Shareholders' Meeting held on 12 April 2022, called to renew the Board of Statutory Auditors, appointed three standing statutory auditors, of which two men and one woman, as well as two alternate statutory auditors, both men.

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#### **11.2.3. Independence**

A few days after appointment at the Shareholders' Meeting, the Board of Statutory Auditors met for the first time on 12 April 2022. As required by Consob's Issuers' Regulation and the Corporate Governance Code, the Board of Statutory Auditors verified that each of its serving members met the independence requirements specified by law (article 148, paragraph 3, Consolidated Financial Act) and by the Corporate Governance Code for the statutory auditors of listed companies. When carrying out this review, the Board of Statutory Auditors relied on the statements that had been provided by members when applying for their candidacies, which included

a comprehensive list of all administrative and supervisory appointments. Along with their curriculum vitae, these statements were lodged at the company's registered office in the run-up to the Shareholders' Meeting and were published according to law requirements. These statements were confirmed and cross-checked during the meeting. When making said assessments, the Board of Statutory Auditors did not adopt criteria differing from those specified in the Code with regard to the independence of directors. The Board of Statutory Auditors informed the Board of Directors about the outcome of this work at the first subsequent Board meeting, enabling the latter to disclose it to the market in a press release issued immediately after that meeting.

A similar review was carried out by the Board of Statutory Auditors during the Financial Year, as a result of which it was confirmed that the members continued to meet the aforesaid independence requirements. The Company was promptly informed of this outcome.

The Board of Statutory Auditors also carried out self-assessment activities aimed at verifying the suitability of its members and the Board as a whole, as envisaged by the "Rules of Conduct for Boards of Statutory Auditors of Listed Companies" issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (the Italian association of chartered accountants). The Board of Statutory Auditors then informed the Board of Directors that this preliminary work had provided positive confirmation about the functioning of the control body, without revealing any shortcomings with regard to its composition or to each serving member.

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The Board of Statutory Auditors attended the induction activities arranged by the Chairman of the Board of Directors with the aim of increasing the Directors and Statutory Auditors awareness of the Prysmian Group's economic and business dynamics.

The renewal of this Board in 2022 through a list voting system led to the appointment of two Standing Statutory Auditors who held this office for the first time in Prysmian. An induction programme comprising two meetings was organised to provide those Statutory Auditors with appropriate knowledge of the business sectors in which the Prysmian Group operates and its corporate dynamics: the first was held at the headquarters of the Company, in order to introduce the top management of the Group, while the second was held at one of the Group's plants. A two-day induction meeting was also organised at the Arco Felice (Naples) plant during the Financial Year, to which the Directors and Statutory Auditors were invited. This event included tours of the plant, which is a centre of excellence for the production of submarine cables, and a visit to the new "Leonardo da Vinci" cable-laying vessel that recently entered into service. The event also included a presentation on strategic matters made available to the Directors and Statutory Auditors, with a focus on Digital Infrastructure.

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#### **11.2.4. Remuneration**

The Shareholders' Meeting on 12 April 2022 that appointed the current Board of Statutory Auditors also determined that the annual remuneration for the Chairman of the Board of Statutory Auditors would be Euro 75,000, and that the annual remuneration for each of the appointed Standing Statutory Auditors would be Euro 50,000. This decision accepted the proposal made by shareholders Clubtre S.p.A., Albas S.r.l. and Angelini Partecipazioni Finanziarie S.r.l. when submitting their candidate list for the renewal of the Board of Statutory Auditors. No alternative proposals to those made by the above shareholders were submitted when submitting the candidate lists, or during the above Shareholders' Meeting when the remuneration of the Board of Statutory Auditors was discussed. The proposal was endorsed by 96.87% of the shares for

which votes were cast, with no votes against.

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The meetings of the Control and Risks Committee and its joint meetings with the Board of Statutory Auditors provide the main opportunity for exchanges of information among persons with internal control responsibilities, given that they are also attended by the Statutory Auditors and the Audit & Compliance manager. The latter acts as secretary and helps the Chairman of the Control and Risks Committee to organise and coordinate its activities. At these times, there is always an exchange of information useful for the performance of the duties assigned to the three persons involved in internal controls.

## 12. INVESTOR RELATIONS

### 12.1. Access to information

The Board of Directors shall identify and appoint a head of Investor Relations, assigning the office and verifying that the person indeed possesses the necessary qualifications and experience for this role. Maria Cristina Bifulco has been the Group Investor Relations Director since 1 October 2014 and, from 3 February 2021, is also the Chief Sustainability Officer. The Group Investor Relations Director has the task of managing relations with institutional investors and financial analysts, through a process of transparent and timely communication.

In particular, upon publication of its annual, half-year and quarterly results, the Company organises specific conference calls with institutional investors and financial analysts, also allowing the specialist press to take part. In addition, the Company promptly informs the market about any action or decision that could have a material impact on the share price or its performance. Relations with the financial market were continuous and intense during 2022, with more than 500 conference calls and one-on-one or group sessions. Some were held virtually, while others were held in person at the Milan headquarters and in the main financial centres such as London, Paris, New York, Milan and Sydney. The Company also participated in numerous conferences organised at sector level by leading international brokers, as well as in road shows and topic-specific events focused, for example, on the energy transition, digitalisation, innovation and sustainability.

In addition, the Prysmian Group devotes ever greater attention to its relations with ESG investors, being those that focus their investment strategies on various environmental, social and governance matters. Continuous engagement with them by the Company and top management - including activities organised during the Sustainability Week and dedicated meetings - and a proactive approach to ESG rating agencies and their indices, have helped to further increase the weighting of these investors within Prysmian's ownership structure. In fact, the weighting of ESG investors has increased substantially in recent years, rising from about 13% in 2019 to over 48% in December 2022. This latter percentage is considerably greater than average for the industrial sector and the Italian market, where their weighting is about 32% of all institutional investors.

During the Financial Year, greater attention was devoted to educating investors about the various business segments in which the Prysmian Group operates, with special emphasis on the Energy segment. The Investor Relations function organised various virtual and in-person meetings during the Financial Year, with support from the relevant business managers. These helped investors to increase their knowledge of the business and better understand the underlying drivers, with a view to building their confidence and allowing them to make carefully-weighted investment decisions.

Lastly, Prysmian also engages with investment fund managers that focus specifically on one or more areas of sustainable development, such as the energy transition or climate change with regard to the environmental aspect, or the management of human capital, diversity and inclusion, the sustainable value chain and the remuneration policy in relation to social aspects.

Among the main topics addressed during the meetings held with investors, there was great interest in the role played by Prysmian in the energy transition, electrification and digitalisation processes, and in the impact that these long-term trends may have on the creation of value by the Company over the medium-long term.

All meetings focused closely on business performance in the various segments and geographical areas in which the Prysmian Group operates, with attention on the competitive dynamics as well.

In the ESG area, the main topics considered were:

- *Environmental*: climate change (reduction of Scope 1,2,3 emissions); the circular economy and the development of products with a low environmental impact; product and process innovation;
- *Social & Governance*: plans and objectives linked to diversity & inclusion; actions in support of local communities; remuneration policies and incentive systems; processes and actions in support of corporate security.

The Investor Relations section of the Company website contains audio/video recordings of conference calls and presentations to the financial community as well as documents and press releases published by the Company.

Investors may address their requests for information to the Investor Relations office:

Tel. 02.6449.1

[Investor.Relations@prysmiangroup.com](mailto:Investor.Relations@prysmiangroup.com)

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### 12.2. Dialogue with the shareholders

The objective of the Engagement Policy for dialogue with the shareholders and other stakeholders, adopted by the Board of Directors on 3 February 2021, is to facilitate these discussions in view of the recommendations of the Corporate Governance Code and engagement best practices.

The parties addressed by the Engagement Policy are, for the Company, the Board of Directors, the Chairperson, the CEO, the CFO and the Investor Relations Officer and, for the stakeholders, the shareholders, the institutional investors, asset managers and trade associations.

The discussions must comply with legal restrictions (Market Abuse) and the confidentiality and privacy requirements; additionally, all dialogue with the stakeholders must be consistent with the procedures established in the Engagement Policy.

Pursuant to this policy, the following responsibilities have been identified for managing the dialogue with stakeholders:

- *Board*: guides and monitors, receiving timely information from the Chairperson on the development and significant content of this dialogue.
- *Chairperson*: proposes, together with the CEO, adoption of the Engagement Policy and (i) coordinates with the CEO to inform the Board promptly about the dialogue that has taken place; (ii) gathers requests for dialogue or information received directly from the Directors and examines them together with the CEO; (iii) takes responsibility for preparing proposed modifications to the policy.
- *CEO*: holds a Board mandate for the operational management of engagement activities and (i) examines requests for dialogue; (ii) defines procedures for conducting discussions and for the information to be provided; (iii) identifies other directors and/or managers suitable for involvement in specific discussions; (iv) reports to the Board, together with the Chairperson, about the dialogue that has taken place.
- *CFO*: supports the CEO, participating in meetings, contributing to definition of the information to be provided and organising initiatives intended to facilitate dialogue.
- *Investor Relations Officer*: the first contact person for stakeholders. (i) Gathers requests for dialogue and information and submits them to the CEO; (ii) coordinates collection of the information to be provided; (iii) supports the CFO in the organisation of initiatives intended to facilitate dialogue.

Further information about the matters governed by the Engagement Policy is available in the various sections of this Report describing them, as well as in the Engagement Policy (document entitled "Policy for dialogue with the shareholders") available on the Company website



[www.prysmiangroup.com](http://www.prysmiangroup.com) in the *Group/governance* section.

During the Financial Year, the Chairperson and the CEO reported to the Board of Directors on the engagement activities carried out, highlighting the main topics addressed, none of which was considered especially significant since it was all part of normal dialogue with the stakeholders.

### 13. SHAREHOLDERS' MEETING

*(pursuant to Article 123-bis, paragraph 2 letter c) of the Consolidated Financial Act)*

Pursuant to Article 11 of the By-laws, *"All shareholders entitled to attend the meeting may be represented at such Shareholders' Meeting by issuing a specific written proxy, as provided by and subject to the limits set out under applicable law. The proxy for attending the Shareholders' Meetings shall be notified to the Company even by sending the document to the certified e-mail address written in the Call Notice of the Shareholders' Meeting."*

In order to reduce the restrictions and requirements that might make it difficult and costly for those eligible to attend shareholders' meetings and exercise their voting rights, the By-laws allow the Board of Directors to specify in the call notice of the shareholders' meeting that attendance is permitted via telecommunication media which enable all those attending the meeting to be identified and allow them to follow the debate and contribute in real time to the discussion of the items on the agenda.

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The Company adopted shareholders' meetings regulations that govern the orderly and functional conduct of meetings and ensure each shareholder the right to speak on the items under discussion.

In particular, the regulations contain procedures for verifying the right to participate in Shareholders' Meetings, for entering and exiting the premises where the meeting is held, for joining in the debate, with particular attention to the amount of time allowed for those eligible to express their opinion on items on the agenda and for members of the Board of Directors and the Board of Statutory Auditors to reply.

These regulations also define the powers of the meeting's Chairperson and the voting procedures.

The regulations are available on the Company website [www.prysmiangroup.com](http://www.prysmiangroup.com) in the Company/Governance/Shareholders Meeting section.

The Chairperson of the shareholders' meeting directs the debate, giving the floor to directors, Statutory Auditors and those eligible who have requested to speak. Bearing in mind the subject and importance of individual items on the agenda, as well as the number of people requesting to speak, the Chairperson decides in advance how long each speaker and respondent may speak in order to ensure that the proceedings can be completed in one session.

Those eligible may request to speak on each item on the agenda only once, making comments, requesting information and putting forward proposals. Speakers are permitted to request the floor until the Chairperson declares the debate on the related item closed.

Persons who requested the floor are entitled to make a brief reply.

The Chairperson establishes how speakers request the floor and the order in which they may speak.

In order to allow the Chairman, and at the latter's request, anyone assisting him, to respond more completely to issues raised, those eligible are permitted to submit written notes to the Board of Directors setting forth the issues on which they intend to speak, even before the Shareholders' Meeting is opened.

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In order to ensure that shareholders have sufficient information to take informed decisions in their meetings, the Board of Directors approves specific reports on items on the agenda of the Shareholders' Meeting and publishes them within the legally required term, including on the

Company website.

During the Shareholders' Meeting called to approve the annual financial report, the CEO and the Chief Financial Officer present this document using detailed slides and comment on the main figures in the Company's separate financial statements and in the Prysmian Group's consolidated financial statements, thereby reporting on its activities to shareholders.

Nine of the twelve Directors in office at the date of the Shareholders' Meeting on 12 April 2022 attended this meeting. The Chairman and the other two members of the Remuneration and Nomination Committee were present at the meeting, and so were able to provide the Shareholders' Meeting with information about how this committee works, in addition to that already provided in the Remuneration Report.

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The Company's share capital did not change during the Financial Year. For further details, please refer to section 2.a) of this Report.

**14. OTHER CORPORATE GOVERNANCE PRACTICES**  
*(pursuant to Article 123-bis, paragraph 2 letter a) of the Consolidated Financial Act)*

There are no other corporate governance practices to disclose other than those reported and described in the preceding sections.

## 15. CHANGES SINCE THE END OF THE FINANCIAL YEAR

No significant events have occurred since the end of the Financial Year.

## 16. CONSIDERATIONS ON THE LETTER OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The Chairman of the Board of Directors first shared the contents of the letter from the Chairman of the Corporate Governance Committee dated 25 January 2023, and the recommendations contained therein, with the CEO, the Chairman of the Board of Statutory Auditors and, considering the matter addressed by certain recommendations, with the secretaries of the Remuneration and Nomination Committee and the Sustainability Committee for consideration by both committees.

The Chairman then discussed the contents of the letter and its recommendations both at a meeting held with the independent Directors and, subsequently, during the meeting of the Board of Directors that approved this Report, which contains information about the recommendations made in the above letter.

This information is contained inter alia in the following sub-sections:

- §12, with regard to the description of the most important topics of discussion with the shareholders and the criteria and procedures adopted by the Board to promote dialogue with the other important stakeholders (see also the engagement policy adopted by the Company).
- §4.4.1, participation of managers at Board meetings.
- §4.7.1, assessment of the independence of the Directors and description of the criteria adopted to assess the significance of the commercial/financial/professional relations between the Directors and the Company.
- §4.4.1, instructions contained in the Board Regulation about the procedures and timing considered reasonable for the provision of documentation prior to Board meetings.
- §8.3 and, more in detail, in the Remuneration Report, recommendations for the transparency of remuneration policies in terms of the characteristics and weightings of the fixed, short-term variable and long-term variable components of the overall remuneration of the CEO and the other executive directors, as well as for the consistency of the individual parameters of the variable component of long-term remuneration with the various strategic and sustainable success objectives (including non-financial objectives).

The recommendation calling for additional information about the reasons for granting significant operational mandates to the Chairman of the Board of Directors does not apply to Prysmian. See para. §4.5 in this regard.

Lastly, with reference to the Financial Year, the recommendation concerning the guidance on the optimal composition of the administrative body, that must be provided prior to its renewal by the outgoing Board, does not apply to Prysmian either. See paras. §4.2 and §4.3 for information about the activities of the Board of Directors in 2021, when the administrative body was last renewed.

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**TABLES**

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE**  
(as at 31 December 2022)

<b>SHARE CAPITAL STRUCTURE</b>				
	No. shares	No. of voting rights	Listed	Rights and obligations
Ordinary shares	268,144,246	268,144,246	MTA	-
Treasury shares held directly or indirectly by the Company (*)	4,612,031	0	MTA	-

(\*) Shares with suspended voting rights.

\*\*\*

<b>OTHER FINANCIAL INSTRUMENTS</b> (assigning the right to subscribe to newly issued shares)				
	Listed / unlisted	No. outstanding instruments	Category of shares servicing the conversion	No. shares to service conversion
Convertible bonds	MTF - Vienna	€ 750,000,000	ordinary shares	18,640,255

\*\*\*

Declarant	Direct shareholders	% of Ordinary share capital (*)	% of Voting share capital (*)
<b>BlackRock Inc.</b>	BlackRock (Netherlands) B.V.	0.012	0.012
	BlackRock Fund Advisors	1.187	1.187
	BlackRock Advisors LLC	0.107	0.107
	BlackRock Asset Management Deutschland AG	0.186	0.186
	BlackRock Investment Management (UK) Ltd	0.921	0.921
	BlackRock Investment Management LLC	0.218	0.218
	BlackRock Investment Management (Australia) Ltd	0.048	0.048
	BlackRock Financial Management, Inc.	0.044	0.044
	BlackRock Institutional Trust Company, National Association	1.372	1.372
	BlackRock Advisors (UK) Ltd	0.751	0.751
	BlackRock International, Limited	0.012	0.012
	BlackRock Japan Co. Ltd	0.077	0.077
	BlackRock Asset Management Canada Ltd	0.076	0.076
	BlackRock Asset Management North Asia Ltd	0.001	0.001
		<b>Total</b>	<b>5.012</b>
<b>T. Rowe Price Associates Inc.</b>	T. Rowe Price Associates Inc.	<b>3.066</b>	<b>3.066</b>
<b>Norges Bank</b>	Norges Bank	<b>3.060</b>	<b>3.060</b>
<b>Amundi Asset Management</b>	CPR Asset Management SA	0.260	0.260
	Amundi (UK) Ltd	0.004	0.004
	BTF Investment Management SA	0.007	0.007
	Amundi Società di Gestione del Risparmio SpA	0.544	0.544
	Lyxor Funds Solutions SA	0.001	0.001
	Amundi Deutschland GmbH	0.031	0.031
	Amundi Iberia SGIIC SA	0.010	0.010

Declarant	Direct shareholders	% of Ordinary share capital (*)	% of Voting share capital (*)
	Amundi Austria GmbH	0.232	0.232
	Sabadell Asset Management SA	0.078	0.078
	Amundi Hong Kong LTD	0.038	0.038
	Amundi Japan LTD	0.124	0.124
	Etoile Gestion SA	0.013	0.013
	Societe Generale Gestion (S2G)	0.031	0.031
	Amundi Asset Management	3.558	3.558
	<b>Total</b>	<b>4.931</b>	<b>4.931</b>
-	Market	<b>83.931</b>	<b>83.931</b>

(\*): Information about shareholders, who directly or indirectly hold significant interests, as defined by regulations applying to listed companies, is also available on the CONSOB website. It should be noted however that the information published on the CONSOB website, based on notifications by parties required to comply with Article 120 of the Consolidated Financial Act and the CONSOB Issuer Regulation, could differ from the situation presented above; this is because CONSOB is not required to adjust the percentage shareholdings for changes resulting from capital increases.

**TABLE 2: COMPOSITION OF THE BOARD OF DIRECTORS AT THE CLOSE OF THE FINANCIAL YEAR**

BOARD OF DIRECTORS												
Office	Members	Year of birth	First appointment (1)	In office as of	In office until	List (submitters) (2)	List (M/m) (3)	Exec.	Indep. Code	Indep. Consolidated Financial Act	Attendance (4)	No. other offices (5)
Chairman	Claudio De Conto	1962	21/07/2010	01/01/2022	31/12/2022	BOD	M	-	-	X	8/8	3
• CEO	Valerio Battista	1957	15/12/2005	01/01/2022	31/12/2022	BOD	M	X	-	-	8/8	1
Director	Paolo Amato	1964	12/04/2018	01/01/2022	31/12/2022	Shareholders	m	-	X	X	8/8	2
Director and COO	Massimo Battaini	1961	25/02/2014	01/01/2022	31/12/2022	BOD	M	X	-	-	8/8	-
Director	Jaska de Bakker	1970	28/04/2021	01/01/2022	31/12/2022	BOD	M	-	X	X	8/8	2
Director and CFO	Pier Francesco Facchini	1967	28/02/2007	01/01/2022	31/12/2022	BOD	M	X	-	-	8/8	2
Director	Francesco Gori	1952	18/09/2018	01/01/2022	31/12/2022	BOD	M	-	X	X	7/8	1
Director	Ines Kolmsee	1970	28/04/2021	01/01/2022	31/12/2022	BOD	M	-	X	X	7/8	3
Director	Mimi Kung	1965	12/04/2018	01/01/2022	31/12/2022	Shareholders	m	-	X	X	6/8	1
° Director	Maria Letizia Mariani	1960	16/04/2015	01/01/2022	31/12/2022	BOD	M	-	X	X	6/8	1
Director	Tarak Mehta	1966	28/04/2021	01/01/2022	31/12/2022	BOD	M	-	X	X	8/8	1
Director	Annalisa Stupenengo	1971	28/04/2021	01/01/2022	31/12/2022	BOD	M	-	X	X	8/8	-
<b>DIRECTORS WHO CEASED TO HOLD OFFICE DURING THE FINANCIAL YEAR</b>												
-												
Number of meetings held during the financial year: 8												
On occasion of the most recent appointment of the Board of Directors on 28 April 2021, the minimum shareholding for presenting candidate lists was 1% of share capital.												

**Notes**

- This symbol indicates the director in charge of the internal control and risk management system.
  - ° This symbol indicates the Lead Independent Director (LID).
- (1) The date of first appointment of each director is the date on which that director was appointed for the very first time to the Board of Directors.
  - (2) This column indicates if the list from which the director was drawn was submitted by shareholders ("Shareholders") or the outgoing Board ("Board"), or if the director was co-opted and not drawn from a list ("n/a").
  - (3) This column indicates if the list from which the director was drawn obtained the majority of votes at the Shareholders' Meeting ("M") or not ("m").
  - (4) Directors' attendance of meetings of the Board of Directors (no. attendances/no. meetings held during a director's effective period of office).
  - (5) Number of appointments held as a director or Statutory Auditor of other companies listed on regulated markets, in Italy or abroad, or of financial, banking, insurance or other large companies (see Table 5).

**TABLE 3: COMPOSITION OF BOARD COMMITTEES AT THE CLOSE OF THE FINANCIAL YEAR**

BOD		Remuneration and Nomination Committee		Control and Risks Committee		Sustainability Committee	
Position/Status	Members	(1)	(2)	(1)	(2)	(1)	(2)
Independent Non-Executive Chairman, Consolidated Financial Act	Claudio De Conto	m	11/11	-	-	-	-
Independent Non-Executive Director, Consolidated Financial Act/Code	Paolo Amato	P	11/11	-	-	-	-
Independent Non-Executive Director, Consolidated Financial Act/Code	Jaska de Bakker	-	-	m	12/12	-	-
Independent Non-Executive Director, Consolidated Financial Act/Code	Francesco Gori	-	-	P	12/12	-	-
Independent Non-Executive Director, Consolidated Financial Act/Code	Ines Kolmsee	-	-	-	-	m	11/11
Independent Non-Executive Director, Consolidated Financial Act/Code	Mimi Kung	-	-	-	-	m	10/11
Independent Non-Executive Director, Consolidated Financial Act/Code	Maria Letizia Mariani	-	-	-	-	P	11/11
Independent Non-Executive Director, Consolidated Financial Act/Code	Tarak Mehta	-	-	m	11/12	-	-
Independent Non-Executive Director, Consolidated Financial Act/Code	Annalisa Stupenengo	m	10/11	-	-	-	-
<b>DIRECTORS WHO CEASED TO HOLD OFFICE DURING THE FINANCIAL YEAR</b>							
-	-	-	-	-	-	-	-
<i>Number of meetings held during the Financial Year (3):</i>		11		12		11	

**Notes**

- (1) Role of the Director within the Committee ("C": Chairperson; "m": member).
- (2) Directors' attendance of committee meetings (no. attendances/no. meetings held during a director's effective period of office).
- (3) Including joint committee meetings and meetings with the Board of Statutory Auditors.

**TABLE 4: COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AT THE CLOSE OF THE FINANCIAL YEAR**

BOARD OF STATUTORY AUDITORS									
Office	Members	Year of birth	Date of first appointment (1)	In office as of	In office until	List (2)	Indep. from Code	Attendance (3)	No. of other appointments (4)
Chairman	Stefano Sarubbi	1965	12/04/2022	12/04/2022	31/12/2022	m	yes	10/10	14
Standing Statutory Auditor	Roberto Capone	1955	12/04/2022	12/04/2022	31/12/2022	M	yes	10/10	17
Standing Statutory Auditor	Laura Gualtieri	1968	13/04/2016	01/01/2022	31/12/2022	M	yes	14/14	-
Alternate Auditor	Stefano Rossetti	1965	12/04/2022	12/04/2022	31/12/2022	M	yes	N/A	3
Alternate Auditor	Vieri Chimenti	1966	12/04/2022	12/04/2022	31/12/2022	m	yes	N/A	36
AUDITORS WHO CEASED TO HOLD OFFICE DURING THE FINANCIAL YEAR									
Chairman	Pellegrino Libroia	1946	16/04/2013	01/01/2022	12/04/2022	m	yes	4/4	
Standing Statutory Auditor	Paolo Francesco Lazzati	1958	16/04/2013	01/01/2022	12/04/2022	M	yes	4/4	
Alternate Auditor	Michele Milano	1960	13/04/2016	01/01/2022	12/04/2022	M	yes	N/A	
Alternate Auditor	Claudia Mezzabotta	1970	16/04/2013	01/01/2022	12/04/2022	m	yes	N/A	
On occasion of the most recent appointment of the Board of Statutory Auditors on 12 April 2022, the minimum shareholding for presenting candidate lists was 1% of share capital.									
Number of meetings held during the financial year: 14									

**Notes**

- (1) The date of first appointment of each Statutory Auditor is the date on which that auditor was appointed for the very first time to the Board of Statutory Auditors.
- (2) This column reports the list from which each auditor was drawn ("M": majority list "m": minority list).
- (3) This column reports the participation of each auditor in the meetings of the Board of Statutory Auditors (no. of attendances/no. of meetings held in the period in which the auditor was in office during the Financial Year).
- (4) This column reports the number of appointments held by the person in question as a director or Statutory Auditor that are significant for the purposes of article 148 bis of the Consolidated Financial Act and the relevant implementation regulations included in the CONSOB Issuer Regulation. The complete list of appointments has been published by CONSOB on its website, in accordance with Article 144-*quinquiesdecies* of the CONSOB Issuer Regulation.



**TABLE 5: LIST OF APPOINTMENTS HELD BY THE DIRECTORS IN OFFICE IN OTHER COMPANIES AT THE END OF THE FINANCIAL YEAR**
*(in companies listed on regulated markets, or in financial, banking, insurance or other large companies)*

<b>NAME AND SURNAME</b>	<b>OFFICE</b>	<b>COMPANY</b>
Claudio De Conto	CEO	Gnutti Carlo S.p.A.
	Chairman	Star Capital SGR S.p.A.
	Director	Edizione S.r.l.
Valerio Battista	Director	Brembo S.p.A. (*)
Paolo Amato	Director	Fincantieri S.p.A. (*)
	Director	Telepass S.p.A.
Jaska de Bakker	Director	Faerch Group A/S
	Director	Shop Apotheke Europe NV (*)
Massimo Battaini	-	-
Pier Francesco Facchini	Chairman	Prysmian Treasury S.r.l.
	Director	Yangtze Optical Fibre and Cable Joint Stock Ltd Co. (*)
Francesco Gori	Director	Apollo Tyres Ltd (*)
Ines Kolmsee	Director	Umicore S.A. (*)
	Director	Borex Inc. (*)
	Director	ETEX SA
Mimi Kung	Director	Poste Italiane S.p.A. (*)
Maria Letizia Mariani	Member of the Board of Management	Signify (*)
Tarak Mehta	Chairman of the Motion Business Area and member of the Executive Committee	ABB Ltd (*)
Annalisa Stupenengo	-	-

*(\*) Companies listed in regulated markets.*

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