

REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER SEVEN OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 13 APRIL 2016, UPON THE REMUNERATION POLICY OF PRYSMIAN GROUP, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

**7. Consultation on the Prysmian Group's remuneration policies.**

Shareholders,

Art. 123-ter of Italian Legislative Decree 58/1998, relating to transparency of the remuneration of listed company directors, requires listed companies to make a remuneration report publicly available at least 21 days before the shareholders' annual general meeting.

We have therefore convened the meeting in order to submit you the Prysmian Group's "Remuneration Report", approved by the Board of Directors and attached to the present report.

The Remuneration Report has been prepared in accordance with Appendix 3A, Format 7-bis of Consob Issuer Regulation 11971/99 and consists of two sections: section one describing the remuneration policy for members of the governing bodies and for key management personnel and the procedures used to adopt and implement this policy; section two describing in detail:

- a) the remuneration of members of the governing and control bodies as well as of general managers,
- b) the remuneration of any other key management personnel, whose total compensation received during the year (obtained by summing monetary and share-based compensation) is higher than the highest total compensation paid to anyone in a) above.

Pursuant to art. 123-ter, par. 6, of Italian Legislative Decree 58/1998, the Shareholders' Meeting is required to adopt a non-binding resolution for or against section one of the Remuneration Report.

\* \* \*

Shareholders,

now, therefore, we invite you to express your opinion to the following:

*"With regard to the Remuneration Report by the Board of Directors, the Shareholders' Meeting expresses a favourable opinion on section one of the Remuneration Report, containing the description of the remuneration policy for members of the governing bodies and for key management personnel and the procedures used to adopt and implement this policy of the Prysmian Group."*

\* \* \*

# REMUNERATION REPORT



Issuer: **PRYSMIAN S.p.A.**  
Website: [www.prysmiangroup.com](http://www.prysmiangroup.com)

Year of the Report: **2015**  
Date Report approved: **25 February 2016**

**Prysmian**  
Group



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## Chairman's Letter

Dear Shareholders,

I am delighted to present the Remuneration Report for 2015, which will be submitted to the Shareholders' Meeting.

In 2015, all topics related to remuneration within the Prysmian Group were given, as always, the utmost attention. We have pursued the objective of strengthening and upgrading the pay tools we introduced in previous years while continuing to build on a Group pay policy in line with a responsible approach focused on performance, sustainability and a transparent dialogue with investors. Dialogue and transparency with investors remain key elements which we believe are symbolically represented by this report.

Among the most important actions taken by the Remuneration and Appointments Committee during 2015 to support the Board of Directors, we must mention the establishment and support for the launch of the new long-term Incentive plan (LTI 2015-17) for managers and key people in the Group, consisting of a Performance Shares Plan and a Plan to defer and co-invest the annual bonus for 2015 and 2016 approved by the Shareholders' Meeting on 16 April 2015.

During 2015, in addition, the Committee monitored the implementation of the last two cycles of the "YES" (Your Employee Shares) Share Purchase Plan: a plan which has allowed all the Group employees concerned (executives, white and blue collars) in 27 different countries to purchase company shares at favourable conditions and through which we are strengthening the involvement of employees and their sense of belonging to our Group.

Another important initiative to which the Committee lent its support to the Board was the assessment of the design of the new YES plan on the basis of the input collected by the Company through benchmarking with other companies involved in spread ownership plans and listening to feedback from employees collected through a pulse survey on the theme.

In 2015 the Committee also took part in the process to analyse and arrange the succession plan relating to the Group's senior management.

Finally, the Committee was asked to provide its own support in relation to the creation and revision of remuneration packages for the Executive directors, the Managers with Strategic Responsibilities and the Group's Internal Audit Manager. Said packages have been defined in line with the Group's internal policies and with market best practices, also thanks to the benchmarks provided for by a third-party company.

We have collected the information relating to the remuneration policy in this Report, which describes its principles, governance, and elements making up the remuneration of the Executive directors and Managers with strategic responsibilities, the short, medium and long-term incentive mechanisms and the related objectives, with the aim of increasing stakeholders' knowledge of our pay policies and to highlight their consistency with our business strategies.

This Remuneration Report has been approved by the Board of Directors on 24 February 2016 and section I will be submitted for an advisory vote to the Ordinary Shareholders' Meeting pursuant to applicable laws.

The Chairman of the Remuneration and Appointments Committee

Giovanni Tamburi

## Executive Summary

The Remuneration Policy for Executive Directors who hold particular offices and Managers with strategic responsibilities for the Prysmian Group has a twofold aim: attract and retain human resources with the appropriate professional qualities to enable the corporate objectives to be achieved; align the interests of Management to those of shareholders.

To support these two objectives, the most important innovations introduced during 2015 were:

- the launch of the new medium-long term stock incentive plan for the Group Management, which was approved by the Shareholders' Meeting on 16 April 2015, which is based on shares and linked to the three-year business objectives;
- the adjustment to best practices of the policies relating to termination indemnities, with a change which concerned the Chief Executive Officer for whom, should his employment relationship be terminated in advance, indemnity of 24-months base salary is envisaged;
- the adjustment of the levels of fees for Non-executive Directors in order to align them to market practice;
- the launch of the renewal of the Share Purchase Plan on favourable conditions (called YES) for 2016-2018.

The table below sets out the main elements of the package offered to the Group's Executive Directors and those holding particular offices as well as Managers with strategic responsibilities, which will then be analysed in detail in paragraph 5 of Section I of this Report.

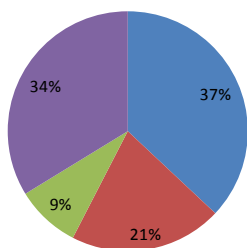
<b>FIXED PAY</b>		<b>ANNUAL GROSS PAY</b> <ul style="list-style-type: none"> <li>- defined in line with the complexity/responsibilities of the role;</li> <li>- benchmarked vs key European market in order to guarantee competitiveness and vs the internal market to guarantee fairness, always bearing in mind individual performance.</li> </ul>
	<b>SHORT TERM</b>	<b>ANNUAL BONUS – MBO (Management by objectives)</b> <ul style="list-style-type: none"> <li>- the pay opportunities are defined as a % of annual pay; a maximum payment level (cap) is envisaged;</li> <li>- the achievement of set levels of Group Net Financial Position and EBITDA is the minimum commonly agreed condition to accrue the bonus;</li> <li>- the bonus payout level depends on the achievement of the preset annual economic and financial targets at Group/Business Unit level</li> </ul>
	<b>MEDIUM TERM</b>	<b>2015 – 2017 CO-INVESTMENT PLAN</b> <ul style="list-style-type: none"> <li>- part of the annual bonus for 2015 and 2016 is co-invested for a maximum period of three years and is <b>conditional</b> on achieving two specific three-year objectives at Group level (Adjusted Cumulative EBITDA and Cumulative ROCE 2015 – 2017);</li> <li>- repayment of the deferred part, including a multiplier linked to the percentage of the bonus co-invested, will be done in Prysmian Shares for achievement of the two targets above;</li> <li>- should one or both objectives not be achieved, the payment of a reduced portion of the deferred bonus in Prysmian shares is envisaged.</li> </ul>
	<b>LONG TERM</b>	<b>2015-2017 PERFORMANCE SHARE PLAN</b> <ul style="list-style-type: none"> <li>- share-based plan with a three-year vesting period which is linked to achievement of three-year performance conditions</li> <li>- in 2018 the beneficiaries will receive a number of Prysmian shares between a preset minimum and maximum amount depending on the achievement of the Adjusted Cumulative EBITDA and Cumulative ROCE objectives for 2015-2017.</li> </ul>
<b>BENEFITS</b>		Non-monetary benefits covering social security and healthcare to integrate the provisions of the social security plans and the minimum contractual requirements.

The following graphs show the theoretical pay-mix of Prysmian CEO and executive directors and managers with strategic responsibilities when a target and maximum annual and three-year performance level is reached.

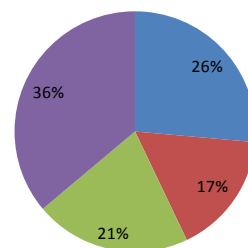
The graph shows the relative weight of the four elements of pay: (1) fixed, (2) cash annual variable - MBO, (3) medium - co-investment - and (4) long-term share variable - performance share.

**CEO and General Manager, Valerio Battista**

Pay-mix – performance target

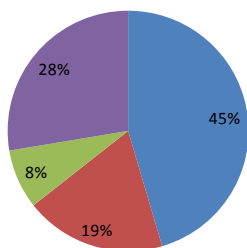


Pay-mix – maximum performance

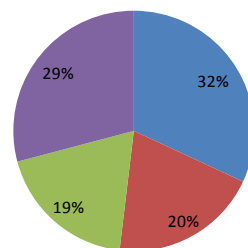


**Executive Directors and Managers with strategic responsibilities**

Pay-mix – performance target



Pay-mix – maximum performance



The performance share and co-investment value is calculated on the plan's fair value basis in terms of shares. The pay-mix is calculated based on the actual potential total payment (cash, shares) in the 2015-2017 period during which the long-term incentive plan will be in effect. Other forms of remuneration (non-competition clauses, retention bonuses), described in Section II of the Report, are not included in the pay-mix analysis.

## Recitals

This document has been prepared in compliance with the provisions contained in CONSOB Resolution no. 18049 of 23 December 2011 in implementation of article 123-TER of Italian Legislative Decree 58/1998 regarding transparency on Directors' pay in listed companies and is structured into two separate sections:

- Section I, which explains the Remuneration Policy to be adopted in the year 2016;
- Section II, which explains the final balance in terms of the Remuneration Policy actually adopted in the year 2015.

## SECTION I

### 1. Introduction

The Remuneration Policy adopted by the Prysmian Group aims to attract and retain talented people with the skills necessary to achieve the company's objectives and to motivate management to pursue ever better performance in compliance with the company's values and culture.

The Group Remuneration Policy is defined so as to align the Management's interests with those of shareholders whilst pursuing the primary objective to create sustainable value in the medium to long term, by forging a real and verifiable link between pay, on the one hand, and performance, both individual and of the Group, on the other.

The Remuneration Policy described in this document applies to the members of the Group's Board of Directors and to Managers with strategic responsibilities.

Prysmian S.p.A. ("Prysmian" or "the Company") is currently managed by a Board of Directors consisting of eleven Directors:

Full name	Position held	Qualification	Control and Risks Committee	Remuneration and Appointments Committee
<b>Tononi Massimo *</b>	Chairman	Independent non-executive director	-	Member
<b>Battista Valerio</b>	Chief Executive Officer and General Manager	Executive director	-	-
<b>Battaini Massimo</b>	Director	Executive director	-	-
<b>Cappello Maria Elena **</b>	Director	Independent non-executive director	Member	-
<b>Capponi Alberto **</b>	Director	Independent non-executive director	-	-
<b>De Conto Claudio **</b>	Director	Independent non-executive director	Chairman	Member
<b>de Virgiliis Monica **</b>	Director	Independent non-executive director	-	-
<b>Facchini Pier Francesco</b>	Director	Executive director	-	-
<b>Mariani Maria Letizia **</b>	Director	Independent non-executive director	Member	-
<b>Romeo Fabio Ignazio</b>	Director	Executive director	-	-



Full name	Position held	Qualification	Control and Risks Committee	Remuneration and Appointments Committee
<b>Tamburi Giovanni **</b>	Director	Independent non-executive director	-	Chairman

[\*] meeting the independence requirements set forth by Art. 148, paragraph 3, of Italian Legislative Decree no. 58 of 24 February 1998.

[\*] meeting the independence requirements set forth by Art. 148, paragraph 3, of Italian Legislative Decree no. 58 of 24 February 1998 and the "Corporate Governance Code for Listed Companies" (ed. July 2015) approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria.

The Group's Managers with strategic responsibilities, in addition to the managers who are also members of the Company's Board of Directors, are:

Full name	Job Title
<b>Hendricus Christiaan Nieman</b>	Senior Vice President Business Energy Products
<b>Andrea Pirondini</b>	Chief Operating Officer
<b>Philippe Vanhille</b>	Senior Vice President Business Telecom Business
<b>Cristiano Tortelli*</b>	Senior Vice President Oil & Gas + SURF

[\*] joined the Group as from 11/01/2016.

## 2. Governance

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

On an annual basis, in fact, the Remuneration and Appointments Committee puts the Remuneration Policy to the approval of the Board of Directors and supervises its application during the year.

The Board of Directors set up the Remuneration and Appointments Committee and appointed its members. This Committee has the role of providing consultancy and making proposals to the Board of Directors with reference to establishing the remuneration of the Group's Executive directors and Managers with strategic responsibilities, as indicated in the table, the appointment/substitution of Independent Directors, as well as the size and composition of the Board.

The Committee currently consists of three Independent non-executive directors: Giovanni Tamburi, Chairman, Claudio De Conto and Massimo Tononi.

The members of the Committee have long and consolidated experience and specific know-how in the economic and financial field.

The main responsibilities of the **Remuneration and Appointments Committee** are:

- to assess and formulate the remuneration policy for Executive Directors who hold particular offices;

- to examine and discuss remuneration policy proposals for Managers with strategic responsibilities;
- to examine and discuss remuneration policy proposals for the Internal Control Director;
- to assess and formulate any proposals made by the Company regarding remuneration policies for the Management;
- to periodically oversee the actual implementation of the proposals made and approved by the Board of Directors for the remuneration of Executive Directors and those holding particular offices, Managers with strategic responsibilities and the Internal Control Director;
- to verify the achievement of the performance objectives related to the incentive systems for the Executive directors and Managers with strategic responsibilities and the Internal Control Director.
- to assess and formulate proposals made to the Board of Directors regarding share incentive plans, stock options, public ownership of shares and similar incentive and retention plans applicable to the Management and the employees of Group companies that are owned by the Company;
- to carry out preliminary investigations for the preparation of succession plans for executive directors if the Board of Directors resolves to adopt them.
- to express opinions on the initiatives and on the programmes promoted by the Company on Corporate Social Responsibility (CSR);
- to monitor the positioning of the Company on the main sustainability indices

For a description of the Committee's duties regarding the Appointment of Directors, please refer to the "Remuneration and Appointments Committee" section of the Report on Corporate Governance and Ownership Structure.

During 2015, the Committee met 5 times and all the members serving at the time of the meetings took part in them. The work undertaken by the Committee, with the support of the Group Human Resources Department, in particular concerned:

- the formulation of proposals to be submitted to the Board of Directors regarding the remuneration of the Company's executive directors, managers with strategic responsibilities and the Internal Control Director as regards both the fixed and variable parts of the remuneration;
- the formulation of proposals to the Board regarding the remuneration due to Non-executive Directors, including those holding particular offices.
- the assessment of the criteria adopted in relation to both the variable incentive systems (based on the achievement of established objectives) and the remuneration policies for senior management;
- the analysis of all information concerning the Prysmian Group remuneration policy as described in the remuneration report approved by the Board of Directors and also submitted for examination to the Shareholders' Meeting;
- the implementation of the new long-term Incentive Plan for the three years 2015-2017 and the closely-related deferral and co-investment plan;

- support in implementing the third and last purchasing window in relation to the Group employee share purchase plan ("YES Plan");
- the definition and structure of the new share purchase plan for Group employees ("YES Plan");
- the definition of the analysis and planning process for human resources to review the succession plan for the Group's senior management;

The Remuneration and Appointments Committee, while providing advice and making proposals, draws on the support of an independent external consultant, Hay Group, which provides information on trends, practices, and market pay levels on a global scale in order to monitor the Top Management pay fairness.

No Director took part in meetings of the Remuneration and Appointments Committee during which proposals relating to their own remuneration are formulated.

The Group Human Resources and Organisation Director acts as Secretary during the Remuneration and Appointments Committee meetings.

### 3. Remuneration policy principles

The key principles that form the basis of Prysmian's remuneration policy are:

- **to adopt a clear and transparent governance model:**  
*"to pursue the creation of a balanced corporate governance system useful to achieve economic and financial objectives while fully safeguarding shareholders, together with the achievement of better performance"*
- **to support the corporate strategy, attract and retain key human resources for the organisation:**  
*"people are essential to achieve strategic objectives"*
- **to ensure consistency between the Management "total remuneration" and the Group's performance, in line with shareholders' expectations:**  
*"the essential driver of Prysmian's remuneration systems is the business performance, in fact, a significant part of the Management's remuneration, both short and medium term, depends on the achievement of performance objectives in line with investors' expectations"*
- **to implement policies in line with the risk profile, through an appropriate balance among the various elements of pay ("pay mix"), aimed at supporting value creation:**  
*"the remuneration systems' philosophy favours a concept of performance measured over a time horizon which is sufficient to guarantee sustainability and value creation in the long term."*
- **to foster the employees' involvement in the Group's results through the purchase and ownership of shares:**  
*"through the YES plan and stock retention policies, Prysmian aims at increasing the number of employee shareholders who are led to participate in the success of the company"*

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

The Shareholders' Meeting of 16 April 2015 has approved for the Board, in addition to a reimbursement of all expenses incurred on behalf of the Company, a total gross remuneration of Euro 530,000 for each year in office. The Shareholders' Meeting has also given authority to the Board of Directors to determine

the distribution of the above-mentioned remuneration to all or only some of the individual directors, based on the specific responsibilities held by each of them.

The Board of Directors has accepted the proposal submitted by the Remuneration and Appointments Committee which sets forth the following allocation of the annual remuneration:

- (i) Euro 50,000 to each of the 7 independent non-executive directors, pursuant to the Consolidated Law on Finance (TUF),
- (ii) Euro 60,000 for the Chairman of the Board of Directors, and
- (iii) Euro 20,000 to each of the 6 members of the internal committees.

## **5. Remuneration of Executive Directors and Managers with strategic responsibilities – elements of pay**

The remuneration structure of Executive directors and directors assigned specific duties and Managers with strategic responsibilities is defined by Prysmian with a twofold goal; on the one hand, it aims to attract and retain resources with appropriate professional qualities enabling them to achieve the company's objectives, whilst on the other it seeks to bring the Management's interests in line with those of the shareholders, thereby guaranteeing the sustainability of the business and results in the medium- and long-term.

This section of the report describes the key elements and the guidelines of the Remuneration Policy for the year 2016.

### **5.1. Fixed remuneration**

The Executive directors and the Managers with strategic responsibilities' fixed pay levels are set at the moment of hiring according to the complexity, the actual responsibilities and the experience required of the job, as well as to the reference remuneration market.

The comparison with the remuneration market is carried out with the support of a job evaluation method which enables consistent comparison and ensures a competitive position in the external market. For Top Management positions, the reference market used consists of a panel of around **250 European listed companies** supplied by the international company **Hay Group** which is an expert on remuneration. These companies are included in the **FT Europe 500 listing** as the main companies in Europe in terms of capitalisation.

The fixed component of the remuneration package is of relative importance on the total remuneration package of the individual directors. This limited weight, yet which is sufficient and appropriate even in the event that the variable part should not be disbursed due to failure to achieve the associated objectives, is such as to reduce excessively risk-oriented behavior, to discourage initiatives focused on short-term results and to enable a flexible approach to be taken towards the variable component.

Once a year, the Remuneration and Appointments Committee prepares a Remuneration Policy proposal for the Top Management to be put for approval to the Board of Directors.

This policy may entail an update to the fixed remuneration. These revisions must take into account a range of factors including competitiveness compared to market remuneration data, sustainability, internal fairness and the individual performance assessed through a global performance assessment system (**P3 – Prysmian People Performance**). All the employees of the Prysmian Group are concerned by this formal annual performance assessment system, including senior managers. This system envisages the assessment of employees' performance on two fronts: in terms of achieving **results** and in terms of aligning to the values and **leadership** model adopted by the Group.

## **5.2. Variable short and medium/long-term remuneration**

The variable component within the remuneration packages offered in Prysmian consists of three main elements:

- annual bonus (short term);
- co-investment of annual bonus + multiplier (medium term);
- performance share (long term);

### **5.2.1. Annual bonus (MBO)**

The variable annual incentive system (MBO - Management By Objectives) designed by the Group for employees holding positions of responsibility aims to align individual conduct with the organization's annual strategic objectives, rewarding the beneficiary for the results achieved in the short-term (1 year).

The annual variable incentive system is reviewed each year by the Appointments and Remunerations Committee that proposes the objectives for the Executive directors and Managers with strategic responsibilities to the Board of Directors, identifying the various metrics.

Each participant is assigned percentages of their gross annual pay in the case of achieving the performance objectives at **target** level and at the **maximum** level. The final balance and the payment of the bonus within these percentages will vary depending on the level of achievement of the objectives assigned up to the pre-set maximum (cap). The incentive percentages are defined in relation to the strategic nature of the role, with the aim of balancing the fixed and variable remuneration according to the position held and the impact on results.

A multiplier/demultiplier of the final value of the MBO is then envisaged, linked to the individual performance assessment (P3), but always within the limits of the **cap** identified in advance for each. In determining the bonus disbursed, the employee's qualitative performance and conduct are therefore also taken into consideration. The MBO plan is subject to a strict regulation and the annual communication process is clear and transparent to all participants.

The payment of the annual Bonus will take place on a proportional basis depending on how many months the person has been at the Group during the performance period, but a **minimum working period of nine months** in the year is required to receive the proportional amount of the bonus. New recruits will be involved only if they joined the company before July each year.

In line with previous years, the MBO 2016 plan envisages:

- **two ON/OFF conditions**, of an economic and financial nature, the achievement of which determines the possibility of accessing the system; in the case of failure to achieve one of the two access conditions no incentive will be provided, as happened in 2013 and 2014;
- **four objectives** which are mainly economic/financial with a different weighting and are independent from one another; the right to payment of a bonus share accrues on achieving the entry level of at least one of these four objectives.

Here below is the scheme of objectives for 2016 for the CEO, Executive Directors and Managers with strategic responsibilities.<sup>1</sup>

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<sup>1</sup> Usually Prysmian Group announces the annual guidance in May. Therefore the numerical targets are not listed in the objectives schemes, to avoid anticipating this communication .

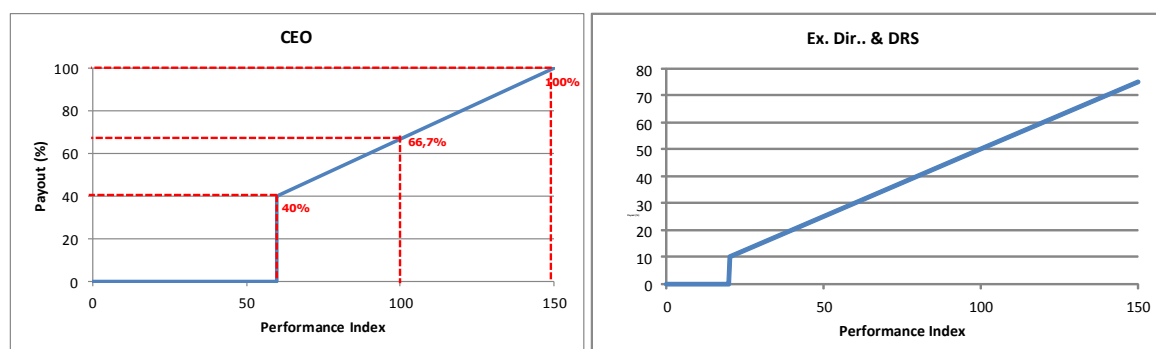
CEO				Ex. Dir. & DRS			
A	Group Net Financial Position			EUR mln			EUR mln
B	Group Recurring EBITDA			EUR mln			EUR mln
Objectives		Weight		U of M	Objectives		U of M
		min	max		min	max	
1	Group Recurring EBITDA	40	60	EUR Mln	1	Group Recurring EBITDA/ Business Recurring EBITDA (e.g. Telecom Recurring EBITDA)	40/50 60/75 EUR Mln
2	Group Net Financial Position	20	30	EUR Mln	2	Group Net Financial Position	20 30 EUR Mln
3	Group Fixed Costs	20	30	EUR Mln	3	Group Fixed Costs	20/10 30/15 EUR Mln
4	M&A Projects (RemCo and Board assessment)	20	30		4	Individual Objective	20 30
				100			100 150

All the objectives envisage an entry level (min.) and a maximum limit (max.). Should the entry level value not be achieved, the performance index achieved in regard to that given objective will be zero, instead if the objective is achieved for values between the target value and maximum value, the performance index will be calculated by linear interpolation. Finally, in the case of exceeding the maximum value, the performance index achieved will in any case be equal to the maximum value.

The total performance index of the target scheme is 100, which corresponds to payment of the minimum bonus percentage, and 150 as a maximum which corresponds to the payment of the maximum bonus percentage.

Should the final performance index obtained be below 100 or be between 100 and 150 the final bonus value will be calculated in a linearly proportional manner (diagrams below).

Example of the payout curve in the case of the Chief Executive Officer and in the case of Executive directors and Managers with strategic responsibilities.

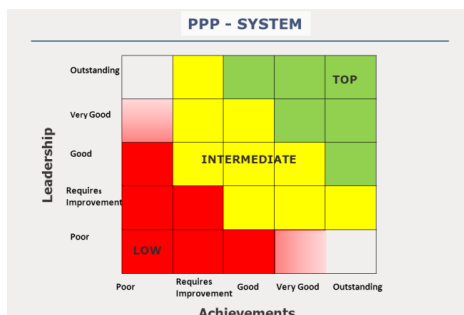


In addition, in keeping with 2015, also in the 2016 performance year the multiplier/demultiplier of the accrued MBO will be included, linked to the performance assessment (always using the Group performance management system – P3).

In particular the bonus given will be:

- increased by 15% (of the bonus value accrued) for the first Group line – i.e. those who report directly to the CEO in the case of a very positive performance assessment (green evaluation) up to a maximum equivalent to the maximum bonus percentage (cap);
- reduced by 15% (of the bonus value accrued) in the case of a negative performance assessment (red evaluation);
- confirmed in the case of a positive performance assessment (yellow area).

In any case, the payout, including also the part to be co-invested according to the chosen profile in the long-term incentive plan of the Group, may not exceed for the CEO 100 % of his base salary and 75% for Executive directors and Managers with strategic responsibilities.



### 5.2.2. Co-investment plan

The Plan to defer and co-invest part of the accrued annual bonus (MBO), valid for 2015-2016 represents one of the components of the long-term Incentive Plan, together with the Performance Shares, proposed for 2015-2017 and described below. The LTI 2015-2017 plan was approved by the Shareholders' Meeting on 16 April 2015.

The Beneficiaries of this Plan, around **300 group key managers**, including the Executive Directors and the Managers with strategic responsibilities, have all adhered to the Plan, although it is not obligatory, but is the essential condition for Beneficiaries to access the performance share plan.

The Deferral and co-investment plan envisages part of the payment of the annual bonus accrued for 2015 and 2016 being deferred for a period respectively of two years and one year and, if certain pre-determined three-year Group performance objectives are achieved, returned increased in the form of Prysmian shares.

If, on the other hand, said performance objectives should not be achieved, this amount will be returned, again in the form of shares, but reduced by a different percentage, which changes depending on the chosen co-investment profile.

The Deferral and co-investment plan therefore also makes a significant portion of the annual incentive (MBO) deferred and conditional on achieving the three-year objectives. As such, the co-investment has a maximum cap linked to the one of the MBOs.

The annual bonus co-investment profiles available to the beneficiaries have chosen and to which different risk levels are associated are the following:

- **basic profile:** the participant co-invests 25% of their annual bonus potentially accrued in 2015 and 2016 with the possibility of obtaining, in 2018 and in case of target level achievement of the pre-set objectives, a multiple of 1.5 times the amount co-invested (including the Co-investment itself), or of losing 25% of the co-invested amount should the Target not be achieved.
- **balanced profile:** the participant co-invests 50% of their annual bonus accrued in 2015 and 2016 with the possibility of obtaining, in 2018 and in case of target level achievement of the pre-set objectives, a multiple of 2 times the amount co-invested (including the Co-investment itself), or of losing 50% of the co-invested amount should the Target not be achieved.
- **dynamic profile:** the participant co-invests 75% of their annual bonus accrued in 2015 and

2016 with the possibility of obtaining, in 2018 and in case of target level achievement of the pre-set objectives, a multiple of 2.5 times the amount co-invested (including the Co-investment itself), or of losing 75% of the co-invested amount should the Target not be achieved.

The choice between the different profiles, which is made on accepting the plan (April 2015) and which can no longer be changed, saw a strong preference for the **dynamic profile** – around **60%** of managers in fact opted for this profile.

The objectives to which the multiple/demultiplier will be linked are:

- the Group's accumulated adjusted EBITDA in the three years 2015-17
- the Group's accumulated ROCE in the three years 2015-17

### 5.2.3. Performance share

The Performance Share Plan for 2015-2017, which was approved by the Shareholders' Meeting on 16 April 2015, provides for the assignment of a minimum and maximum number of Prysmian Shares. In 2018, the Beneficiaries of the Plan will receive, within the aforementioned range, the number of shares linked to the level of achievement of two three-year economic and financial objectives at Group level:

- the Group's accumulated adjusted EBITDA in the three years 2015-17, counting for **70%** and
- the Group's accumulated ROCE in the three years 2015-17, counting for **30%**.

	Performance indicators 2015-17		DISTRIBUTION CURVES
	Accumulated ADJUSTED EBITDA (weight 70%)	Average ROCE (weight 30%)	
Minimum performance (target)	€ 1,850 m	16%	100
Maximum performance (cap)	€ 2,150 m	19.6%	150

The assignment value at the target level (assigned if the target level of both the above objectives is achieved) and the maximum level (if the maximum level of both the above objectives is achieved) has been defined for each beneficiary in relation to the role held, the contribution to results and the individual fixed remuneration levels. The assigned maximum level for each participant represents also the cap.

If an intermediate performance level is achieved between target and maximum, the number of performance shares assigned will be defined by linear interpolation.

In compliance with Art. 6 of the *Code of Conduct for Listed Companies* a lock-up period, deemed of medium/long term nature (2 years) is also envisaged, during which the beneficiaries are not allowed to dispose of part of the shares that may have been allocated to them. For Executive directors and Managers with strategic responsibilities, this lock-up will be applied to 100% of shares, net of those sold to cover tax obligations.

In addition, for Executive Directors and Managers with strategic responsibilities **10%** of such shares are defined as **career shares**: Beneficiaries cannot use them until the end of their career in Prysmian.

The plan includes **clawback** clauses for 4 years and **malus** clauses for 2 years, aimed at the partial or total recovery of the bonus paid, in particular circumstances, for example fraud. The clause will cover the group CEO and the Senior Management who report to them. It will also cover the other participants if involved in fraud or wilful misconduct.



For more details about the Plan, reference can be made to the related Information Document, available from the website [www.prysmiangroup.com](http://www.prysmiangroup.com), in the Investor Relation - Corporate Governance - Remuneration - Incentive Plans section).

### **5.3. Benefits**

The total pay offer is integrated by the following additional benefits:

- supplementary pension plan
- supplementary medical insurance
- non-professional injuries insurance coverage
- company car
- ticket restaurant

These benefits are adapted to local contexts, taking account of the characteristics of the reference market and regulations.

## **6. Other elements**

### **6.1 Non-competition agreements**

Prysmian envisages the possibility of signing non-competition agreements for Executive Directors and Managers with strategic responsibilities and other employees with key roles within the organization.

In conformity with case law and practice, these agreements provide for the payment of a percentage of annual fixed remuneration, according to the duration and extent of the restriction arising from the agreement itself.

The non-competition agreements in place provide for the payment of this remuneration whilst employment contracts remain valid. As regards the Executive directors and Managers with strategic responsibilities, the Company has established that, progressively, in stipulating new agreements, said remuneration will only be paid upon termination of employment in line with consolidated market practices.

The restriction relates to the sector in which the Group operates and has a variable territorial scope depending on the position held by the individual beneficiary.

For example during 2015 the agreement with the Chief Executive Officer was reviewed and aligned to the new Policy.

### **6.2 Retention bonus**

Without prejudice to its possible offer, to date no retention bonus is applicable to any Executive Director or Manager with strategic responsibilities.

### **6.3 The "YES" Plan**

On 16 April 2013, the Prysmian Shareholders' Meeting approved the share purchase plan, at favourable conditions, for the Group's employees: the YES (Your Employee Share) plan.

The main objectives of the YES plan are the following:

- to strengthen the commitment and the involvement of employees;
- to make shareholders, customers and employees share their interests in the long term;
- to spread the internal perception of the Prysmian Group as "One Company".

The Plan, intended for the Group's employees, has been implemented in 27 countries and offers to the employees the opportunity to purchase Prysmian shares, with a discount granted in the form of treasury shares, within three annual purchase windows (2014, 2015 and 2016), while accepting some time constraints relating to the availability of shares. A maximum number of 500,000 treasury shares are

reserved for the Plan.

The employees who participate in the Plan may purchase Prysmian shares with a specific discount that is granted in the form of treasury shares, equal to 1% for Senior Executives (the CEO, Executive Directors and Managers with Strategic Responsibilities), 15% for managers and 25% for the remaining employees so as to encourage the participation of employees at all levels. For each category, a maximum annual investment has been set, i.e. Euro 13,335 for Senior Executives and Managers, Euro 8,000 for all other employees, within each purchase window. All participants, except for Senior Executives, will receive an entry bonus equal to 6 shares on the first year of participation.

The plan rules as briefly set out in the previous paragraph have undergone local variations applicable only in some countries. These local variations are described in the addendum to the Regulation, of which they are an integral part.

The Plan launched at global level in 2013 with a take-up of around 32% of employees in its first year, confirmed this success with a percentage of 30% during the second cycle implemented in 2015 and the results of the third cycle closing at the end of 2015 saw the subscription at 23%. The total number of employees who have adhered to the Plan is 44% of all the employees involved.

For further details about the Plan, reference can be made to the related Information Document, available from the website [www.prysmiangroup.com](http://www.prysmiangroup.com), in the Investor Relation - Corporate Governance - Remuneration - Incentive Plans section.

## **7. End of service or termination indemnity**

As regards Executive Directors and/or Managers with strategic responsibilities, the Company undertakes not to enter into ex ante agreements for termination of office or of an employment relationship that are not in line with the provisions of the Code of Conduct and Corporate Governance best practice, in compliance with the laws and local collective bargaining agreements and in any case based on a payment not exceeding a 2-year remuneration.

During 2015, the only agreement that differed from this Policy concerning the Chief Executive Officer, was also brought into line.

Indeed, as from 01/03/2015 a new agreement has been stipulated with Valerio Battista in case of early termination of his employment contract, providing for an indemnity equal to **24 months'salary** to be disbursed if the contract is terminated on the initiative of the Company due to consensual termination, to significant changes in role and position or death and permanent disability, but not for cause.

## **8. Pay structure for auditors**

A specific long-term incentive plan has been envisaged for the manager of the Internal Audit Department, with objectives in line with his responsibilities; therefore, he has been excluded from the long-term incentive Plan (LTI 2015-17), in compliance with the indications of Article 6 of the Code of Conduct for Listed Companies (2014 Edition). The managers responsible for financial reporting, on the other hand, participate in the Plan; the malus and clawback plans have been included also to protect and support the positive outcome of their work.

## SECTION II

This section of the Remuneration Report illustrates each of the items making up Directors and Managers with strategic responsibilities remuneration, and highlights its consistency with the policies described in the first section of the document relating to 2014 and published in 2015.

### I. Chairman of the Board of Directors

The remuneration of **Massimo Tononi, Chairman of the Board of Directors**, totally amounts to Euro 130,000 of which Euro 60,000 for his position as Chairman of the Board of Directors, Euro 50,000 as an Independent Director and Euro 20,000 as a member of the Remuneration and Appointments Committee. The fixed remuneration paid during 2015 amounts to an overall total of Euro 116,700, of which Euro 30,000 was paid in April, as the second instalment of the remuneration for the period from April 2014 to April 2015 and Euro 86,700 in December as the first instalment of the remuneration for 2015 – 2016.

### II. Chief Executive Officer

The remuneration of **Valerio Battista, Chief Executive Officer and General Manager** of the Prysmian Group, is made up as follows:

- *Fixed pay*: Euro 1,080,000. The gross annual pay of Valerio Battista increased starting from 1 March 2015 from the previous Euro 970,000 to Euro 1,100,000.
- *Annual cash variable pay*: the value of the accrued annual bonus 2015 (MBO) is Euro 924,410, which corresponds to the total envisaged on achievement of performance levels above the target, as shown in the following table.

				2015	2014	2013
ON/OFF CONDITIONS	A	Group Net Financial Position		ON	ON	ON
	B	Group Recurring EBITDA		ON	OFF	OFF
Objectives		Weight				
		min	max	Perf. Achiev.		
OBJECTIVES	1	Group Recurring EBITDA		40	60	60
	2	Group Net Financial Position		20	30	30
	3	Group Fixed Cost*		20	30	22,9
	4	M&A projects (valutazione RemCo e Board)		20	30	30
		100	150	142,9	0	0

Valerio Battista chose to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is Euro 231,103 and the value of the deferred bonus will be Euro 693,307.

- *Deferral and co-investment 2015-2017*: Valerio Battista is included among the beneficiaries of the deferral and co-investment plan; as part of this Plan, the deferred share of his annual bonus including the multiplier will give him the right, in the case of achieving the defined performance target conditions, to receive 111,321 shares in 2018. Should the performance conditions not be achieved he will instead receive 11,132 shares.
- *Performance share 2015-2017*: Valerio Battista is included among the beneficiaries of the Performance Share Plan; under this Plan, he has been assigned a total of 186,898 options to

receive shares in 2018, on achieving the defined performance target conditions. The maximum number of options attributable in the case of achieving the objectives at the maximum level (cap) is 280,347<sup>2</sup>.

- Benefits: the value of the non-cash benefits package allocated to the Chief Executive Officer is Euro 11,394.

As from 01/03/2015 a new agreement has been stipulated with Valerio Battista in case of early termination of his employment contract, providing for an indemnity equal to **24 months' salary** to be disbursed if the contract is terminated on the initiative of the Company due to consensual termination, to significant changes in role and position or death and permanent disability.

In addition, Valerio Battista holds a **Non-Competition Agreement** which includes a non-competition obligation for three years from terminating the employment relationship, for whatever reason it might occur. The remuneration for accepting this restriction is 40% of the base remuneration, multiplied by the number of years the agreement is in force (three) and will be paid only on termination of the employment relationship.

Valerio Battista has chosen to participate in the Group employee share purchase plan (YES), with an investment of Euro 13,335 in the second share purchase cycle (July 2015). Thanks to this investment he has received 712 shares, 7 of which on a free basis.

### III. Executive directors

The remuneration of **Fabio Ignazio Romeo, Chief Strategy Officer** of the Prysmian Group, is made up as follows:

- *Fixed pay*: Euro 701,710, including gross annual pay of Euro 601,710 and the fee for the non-competition agreement equal to Euro 100,000 for the 2015 portion. This agreement, which applies to the 2013-2016 period, envisages the payment of the fee in four annual instalments of equal value.
- *Annual cash variable pay*: the value of the accrued annual bonus for 2015 (MBO) is Euro 451,282, which corresponds to the total envisaged on achievement of performance levels above the target level on the basis mainly of economic/financial indicators which have already been seen in the context of the Group CEO. Fabio Ignazio Romeo chose to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is Euro 112,821 and the value of the deferred bonus will be Euro 338,461.
- *Deferral and co-investment 2015-2017*: Fabio Ignazio Romeo is included among the beneficiaries of the deferral and co-investment plan; as part of this Plan, the deferred share of his annual bonus including the multiplier will give him the right, in the case of achieving the defined performance target conditions, to receive 54,345 shares in 2018. Should the performance conditions not be achieved he will instead receive 5,435 shares.
- *Performance share 2015-2017*: Fabio Ignazio Romeo is included among the beneficiaries of the Performance Share Plan; under this Plan, he has been assigned a total of 77,291 options to receive shares in 2018, on achieving the defined performance target conditions. The maximum

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<sup>2</sup> In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2015 of 8.5/32.5 of the options allocated to target.

number of options attributable in the case of achieving the objectives at the maximum level (cap) is 115,936<sup>3</sup>.

- *Benefits*: the value of the non-cash benefits package allocated to Fabio Ignazio Romeo is Euro 7,424.

Fabio Romeo has chosen to participate in the Group employee share purchase plan (YES), with an investment of Euro 13,335 in the second share purchase cycle (July 2015). Thanks to this investment he has received 712 shares, 7 of which on a free basis.

The remuneration of **Pier Francesco Facchini, Chief Financial Officer** of the Prysmian Group, is made up as follows:

- *Fixed pay*: Euro 525,000.
- *Annual cash variable pay*: the value of the accrued annual bonus 2015 (MBO) is Euro 393,750, which corresponds to the total envisaged on achievement of performance levels above the target on the basis solely of economic/financial indicators. Pier Francesco Facchini chose to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is Euro 98,438 and the value of the deferred bonus will be Euro 295,312.
- *Deferral and co-investment 2015-2017*: Pier Francesco Facchini is included among the beneficiaries of the deferral and co-investment plan; as part of this Plan, the deferred share of his annual bonus including the multiplier will give him the right, in the case of achieving the defined performance target conditions, to receive 47,417 shares in 2018. Should the performance conditions not be achieved he will instead receive 4,742 shares.
- *Performance share 2015-2017*: Pier Francesco Facchini is included among the beneficiaries of the Performance Share Plan; under this Plan, he has been assigned a total of 67,437 options to receive shares in 2018, on achieving the defined performance target conditions. The maximum number of options attributable in the case of achieving the objectives at the maximum level (cap) is 101,156<sup>4</sup>.
- *Benefits*: the value of the non-cash benefits package allocated to Pier Francesco Facchini is Euro 7,067.

Starting on 08/01/2007 an indemnity equal to 24 months of his gross annual pay was defined for Pier Francesco Facchini in view of early termination of the employment relationship. This indemnity accrues if termination of the contract occurs at the Company's initiative and is not connected to performance criteria.

Pier Francesco Facchini has chosen to participate in the Group employee share purchase plan (YES), with an investment of Euro 13,335 in the second share purchase cycle (July 2015). Thanks to this investment he has received 712 shares, 7 of which on a free basis.

The remuneration of **Massimo Battaini, Senior Vice President Energy Projects** of the Prysmian Group, is made up as follows:

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<sup>3</sup> In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2015 of 8.5/32.5 of the options allocated to target.

<sup>4</sup> In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2015 of 8.5/32.5 of the options allocated to target.

- *Fixed pay:* Euro 660,769, including gross annual pay of Euro 590,769 and the fee for the non-competition agreement equal to Euro 70,000 for the 2015 portion. This agreement, which applies to the 2015-2019 period, envisages the payment of the fee in four annual instalments of equal value. The gross annual pay of Massimo Battaini increased starting from 1 March 2015 from the previous Euro 540,000 to Euro 600,000.
- *Annual cash variable pay:* the value of the accrued annual bonus for 2015 (MBO) is Euro 405,000, which corresponds to the total envisaged on achievement of performance levels above the target level on the basis mainly of economic/financial indicators relating to the Group and the relevant business area. Massimo Battaini chose to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is Euro 101,250 and the value of the deferred bonus will be Euro 303,750.
- *Deferral and co-investment 2015-2017:* Massimo Battaini is included among the beneficiaries of the deferral and co-investment plan; as part of this Plan, the deferred share of his annual bonus including the multiplier will give him the right, in the case of achieving the defined performance target conditions, to receive 54,741 shares in 2018. Should the performance conditions not be achieved he will instead receive 5,474 shares.
- *Performance share 2015-2017:* Massimo Battaini is included among the beneficiaries of the Performance Share Plan; under this Plan, he has been assigned a total of 69,364 options to receive shares in 2018, on achieving the defined performance target conditions. The maximum number of options attributable in the case of achieving the objectives at the maximum level (cap) is 104,046<sup>5</sup>.
- *Benefits:* the value of the non-cash benefits package allocated to Massimo Battaini is Euro 10,228.

Massimo Battaini has chosen to participate in the Group employee share purchase plan (YES), with an investment of Euro 13,335 in the second share purchase cycle (July 2015). Thanks to this investment he has received 712 shares, 7 of which on a free basis.

#### **IV. Non-executive directors**

The remuneration of Non-executive Directors consists solely of a fixed fee of Euro 50,000. Non-executive Directors who are members of committees receive a further fixed fee of Euro 20,000 for each role covered on the two committees.

The fixed fees paid during 2015 to Mr De Conto correspond to an overall total of Euro 86,700, of which Euro 26,700 paid in April, as the second instalment of the fee for the period April 2014 to April 2015 and Euro 60,000 in December as the first instalment of the fee for 2015 - 2016.

The fixed fees paid during 2015 to Ms Cappello correspond to an overall total of Euro 66,700, of which Euro 20,000 paid in April, as the second instalment of the fee for the period April 2014 to April 2015 and Euro 46,700 in December as the first instalment of the fee for 2015 - 2016.

The fixed fees paid during 2015 to Mr Tamburi correspond to an overall total of Euro 60,000, of which Euro 13,300 paid in April, as the second instalment of the fee for the period April 2014 to April 2015 and Euro 46,700 in December as the first instalment of the fee for 2015 - 2016.

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<sup>5</sup> In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2015 of 8.5/32.5 of the options allocated to target.

Ms de Virgiliis, in office since 16.04.2015, during 2015 received an overall total of Euro 33,300 as the first instalment of the fee for 2015 – 2016.

Mr Capponi, in office since 16.04.2015, during 2015 received an overall total of Euro 33,300 as the first instalment of the fee for 2015 - 2016.

Ms Mariani, in office since 16.04.2015, during 2015 received an overall total of Euro 46,700 as the first instalment of the fee for 2015 - 2016.

Mr d'Amico, who left his office on 16.04.2015, during 2015 received a fixed fee of Euro 13,300 as the second instalment of the fee 2014 – 2015.

Mr Del Ninno, who left his office on 16.04.2015, during 2015 received a fixed fee of Euro 20,000 as the second instalment of the fee 2014 – 2015.

Mr Froehlich, who left his office on 16.04.2015, during 2015 received a fixed fee of Euro 20,000 as the second instalment of the fee 2014 – 2015.

## **V. Statutory Auditors**

The remuneration of the statutory auditors consists solely of a fixed fee of Euro 75,000 for the Chairman and Euro 50,000 for each standing auditor.

Maria Luisa Mosconi, besides the fee of Euro 50,000 as auditor, as from 16 April 2015 also receives a fee of Euro 10,000 per annum as the Chairman of the Supervisory Body of Prysmian SpA.

Paolo Lazzati, besides the fee of Euro 50,000 as auditor, during 2015 received a fee of Euro 31,600 per annum as auditor of the subsidiaries Prysmian Cavi e Sistemi S.r.l. and Prysmian PowerLink S.r.l.

## **VI. Managers with strategic responsibilities**

The three Managers with strategic responsibilities, differently from managers who are also members of the Board of Directors, received, at aggregate level, pay as follows:

- *Fixed pay*: Euro 1,490,000, including annual gross pay of Euro 1,340,000 and the fees for the non-competition agreements stipulated with all the Managers with strategic responsibilities, equal to Euro 150,000 for the 2015 portion.
- *Annual cash variable pay*: the value of the accrued annual bonus (MBO) for 2015 is Euro 944,280 which corresponds to the total envisaged on achievement of performance levels above the target level on the basis mainly of economic/financial indicators relating to the Group and the relevant business area. All three Managers with strategic responsibilities have chosen to participate in the Co-investment Plan with a Dynamic Profile. Therefore, the value of the annual bonus paid is Euro 236,070 and the value of the deferred bonus will be Euro 708,210.
- *Deferral and co-investment 2015-2017*: the Managers with strategic responsibilities are included among the beneficiaries of the deferral and co-investment plan; under this Plan, the deferred share of their annual bonus including the multiplier will give them the right, in the case of achieving the defined performance target conditions, to receive 118,096 shares in 2018. Should the performance conditions not be achieved they will instead receive 11,809 shares.
- *Performance share 2015-2017*: the Managers with strategic responsibilities are included among the beneficiaries of the Performance Share Plan; under this Plan, they have been assigned a total of 172,126 options to receive shares in 2018, on achieving the defined performance target

conditions. The maximum number of options attributable in the case of achieving the objectives at the maximum level (cap) is 258,188<sup>6</sup>.

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- *Benefits*: the value of the non-cash benefits package allocated to the Managers with strategic responsibilities is Euro 107,607.

Two Managers with strategic responsibilities have also chosen to participate in the Group employee share purchase plan (YES), with a total investment of Euro 18,335 in the second share purchase cycle which (July 2015). Thanks to this investment they have received 1,016 shares, 66 of which on a free basis.

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<sup>6</sup> In the *Tables* in the following pages, the fair value of the Plan is given considering the amount accrued in 2015 of 8.5/32.5 of the options allocated to target.



## Remuneration report tables

**Table 1- Fees paid to members of the Board of Directors, general managers and other managers with strategic responsibilities**

	Full name	Position held	Term of office	End of term of office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair Value of equity remuneration	End-of-service or post-employment benefits
							Bonuses and other incentives	Profit sharing					
	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8
1	<b>Vale rio B attista</b>	CEO	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					1080.000		231.103		11394	3.665	1326.152	
	II) Remuneration from subsidiaries and associates												
	<b>III) Total</b>					<b>1.080.000</b>		231.103		<b>11.394</b>	<b>3.665</b>	<b>1.326.152</b>	
Notes										Travel allowance			
2	<b>Fabio Romeo</b>	Chief Strategy Officer	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					70170		112.821		7.424	6.035	827.990	
	II) Remuneration from subsidiaries and associates												
	<b>III) Total</b>					<b>701.710</b>		112.821		<b>7.424</b>	<b>6.035</b>	<b>827.990</b>	
Notes							of which: 601.719 euro as Gross Annual Remuneration; 100.000 euro as fee for Non-competition clause			Travel allowance			
3	<b>Pier Francesco Facchini</b>	Chief Financial Officer	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					525.000		98.438		7.067	3.145	633.650	
	II) Remuneration from subsidiaries and associates												
	<b>III) Total</b>					<b>525.000</b>		98.438		<b>7.067</b>	<b>3.145</b>	<b>633.650</b>	
Notes													
4	<b>Massimo Battaini</b>	SVP Business Energy Projects	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements												
	II) Remuneration from subsidiaries and associates					660.769		101.250		10.228	5.270	777.517	
	<b>III) Total</b>					<b>660.769</b>		<b>101.250</b>		<b>10.228</b>	<b>5.270</b>	<b>777.517</b>	
Notes: the remuneration indicated refers to the year 2015.							of which: 590.769 euro as Gross Annual Remuneration; 70.000 euro as fee for Non-competition clause			Travel allowance			
5	<b>Massimo Tononi</b>	Chairman	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					96.695	20.005					116.700	
	II) Remuneration from subsidiaries and associates												
	<b>III) Total</b>					<b>96.695</b>	<b>20.005</b>					<b>116.700</b>	
Notes													

**Table 1 – follows**

	Full name	Position held	Term of office	End of term of office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair Value of equity remuneration	End-of-service or post-employment benefits
							Bonuses and other incentives	Profit sharing					
	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8
6	<b>Monica de Virgiliis</b>	Independent non-executive director	16/4/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					33.300					33.300		
	II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>33.300</b>					<b>33.300</b>		
<i>Notes</i>													
7	<b>Claudio De Conto</b>	Independent non-executive director	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					46.690	40.010				86.700		
	II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>46.690</b>	<b>40.010</b>				<b>86.700</b>		
<i>Notes</i>													
8	<b>Maria Letizia Mariani</b>	Independent non-executive director	16/4/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					33.357	13.343				46.700		
	II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>33.357</b>	<b>13.343</b>				<b>46.700</b>		
<i>Notes</i>													
9	<b>Maria Elena Cappello</b>	Independent non-executive director	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					33.300	13.343				46.643		
	II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>33.300</b>	<b>13.343</b>				<b>46.643</b>		
<i>Notes</i>													
10	<b>Alberto Capponi</b>	Independent non-executive director	16/4/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					33.300					33.300		
	II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>33.300</b>					<b>33.300</b>		
<i>Notes</i>													
11	<b>Giovanni Tamburi</b>	Independent non-executive director	1/1/2015-31/12/2015	2018									
	I) Remuneration from the company which prepares the financial statements					46.657	13.343				60.000		
	II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>46.657</b>	<b>13.343</b>				<b>60.000</b>		
<i>Notes</i>													

**Table 1 – follows**

	Full name	Position held	Term of office	End of term of office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair Value of equity remuneration	End-of-service or post-employment benefits
							Bonuses and other incentives	Profit sharing					
	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8
12	<b>Cesare d'Amico</b>	No n-executive independent director	1/1/2015-16/4/2015	16/04/2015									
	I) Remuneration from the company which prepares the financial statements					13.300					13.300		
	(II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>13.300</b>					<b>13.300</b>		
<i>Notes</i>													
13	<b>Giulio Del Ninno</b>	No n-executive independent director	1/1/2015-16/4/2015	16/04/2015									
	I) Remuneration from the company which prepares the financial statements					13.333	6.667				20.000		
	(II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>13.333</b>	<b>6.667</b>				<b>20.000</b>		
<i>Notes</i>													
14	<b>Fritz Froehlich</b>	No n-executive independent director	1/1/2015-16/4/2015	16/04/2015									
	I) Remuneration from the company which prepares the financial statements					13.333	6.667				20.000		
	(II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>13.333</b>	<b>6.667</b>				<b>20.000</b>		
<i>Notes</i>													
15	<b>Pellegrino Libroia</b>	Chairman of the Board of Statutory Auditors	1/1/2015-31/12/2015	16/04/2015									
	I) Remuneration from the company which prepares the financial statements					75.000					75.000		
	(II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>75.000</b>					<b>75.000</b>		
<i>Notes</i>													
16	<b>Paolo Lazzati</b>	Auditor	1/1/2015-31/12/2015	2016									
	I) Remuneration from the company which prepares the financial statements					50.000					50.000		
	(II) Remuneration from subsidiaries and associates					31.600					31.600		
	<b>(III) Total</b>					<b>81.600</b>					<b>81.600</b>		

**Table 1 – follows**

	Full name	Position held	Term of office	End of term of office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-cash benefits	Other remuneration	Total	Fair Value of equity remuneration	End-of-service or post-employment benefits
							Bonuses and other incentives	Profit sharing					
	A	B	C	D	1	2	3		4	5	6=1+2+3+4+5	7	8
17	<b>Maria Luisa Mosconi</b>	Auditor	1/1/2015-31/12/2015	08/07/1905									
	I) Remuneration from the company which prepares the financial statements					50.000	10.000**					13.300	
	(II) Remuneration from subsidiaries and associates												
	<b>(III) Total</b>					<b>50.000</b>	<b>10.000</b>					<b>13.300</b>	
Notes					(**) the fee starts from 16 April 2015 following the appointment as Chairman of the Supervisory Board of Prysmian SpA								
18	<b>3</b>	Managers with strategic	1/1/2015-31/12/2015										
	I) Remuneration from the company which prepares the financial statements					13.333		179.820		92.852	124.434	1500.106	
	(II) Remuneration from subsidiaries and associates							56.250		14.756	44.175	502.181	
	<b>(III) Total</b>					<b>13.333</b>		<b>236.070</b>		<b>107.608</b>	<b>168.609</b>	<b>2.002.287</b>	
Notes					of which: 1.340.000 euro as Gross Annual Remuneration; 150.000 euro as fee for Non-competition clause								
										Allowance for transfer and expatriation			

**Table 3A - Incentive plans based on financial instruments other than stock options, in favour of members of the Board of Directors, general managers and other managers with strategic responsibilities**

A	B	1	Financial instruments allocated in previous years that did not vest in the year		Financial instruments allocated in the year					9	Financial instruments that vested during the year and could be allocated		12
			2	3	4	5	6	7	8		10	11	
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
<b>Valerio Battista</b>	<b>Chief Executive Officer</b>												
Remuneration from the company which prepares the financial statements		Performance Share 2015-2017			186.898	17,99	31.12.2017	16.04.2015	19,10				879.369
		2015 bonus co-investment			111.321	17,99	31.12.2017	16.04.2015	19,10				523.774
Remuneration from subsidiaries and associates													
<b>Total</b>					298.219								1.403.143
Notes													
<b>Fabio Romeo</b>	<b>Chief Strategy Officer</b>												
Remuneration from the company which prepares the financial statements		Performance Share 2015-2017			77.291	17,99	31.12.2017	16.04.2015	19,10				363.660
		2015 bonus co-investment			54.345	17,99	31.12.2017	16.04.2015	19,10				255.698
Remuneration from subsidiaries and associates													
<b>Total</b>					131.636								619.358
Notes													
<b>Pier Francesco Facchini</b>	<b>Chief Financial Officer</b>												
Remuneration from the company which prepares the financial statements		Performance Share 2015-2017			67.437	17,99	31.12.2017	16.04.2015	19,10				317.296
		2015 bonus co-investment			47.417	17,99	31.12.2017	16.04.2015	19,10				223.100
Remuneration from subsidiaries and associates													
<b>Total</b>					114.854								540.396
Notes													
<b>Massimo Battaini</b>	<b>Senior Vice President Business Energy Projects</b>												
Remuneration from the company which prepares the financial statements		Performance Share 2015-2017			69.364	17,99	31.12.2017	16.04.2015	19,10				326.363
Remuneration from subsidiaries and associates		2015 bonus co-investment			48.772	17,99	31.12.2017	16.04.2015	19,10				229.474
<b>Total</b>					118.136								555.837
Notes													

**Table 3A – follows**

A	B	Financial instruments allocated in previous years that did not vest in the year		Financial instruments allocated in the year						Financial instruments that vested during the year and were not allocated	Financial instruments that vested during the year and could be allocated		Financial instruments accruing in the year
		1	2	3	4	5	6	7	8	9	10	11	12
Full name	Position held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instrumen	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instrume	Value at vesting date	Fair Value
<b>Managers with strategic responsibilities</b>	<b>3 people</b>												
Remuneration from the company which prepares the financial statements	Performance Share 2015-2017				133.590	17,99	31.12.2017	16.04.2015	19,10				628.551
	2015 bonus co-investment				86.618	17,99	31.12.2017	16.04.2015	19,10				407.547
Remuneration from subsidiaries and associates	Performance Share 2015-2017				38.536	17,99	31.12.2017	16.04.2015	19,10				181.315
	2015 bonus co-investment				27.095	17,99	31.12.2017	16.04.2015	19,10				127.486
<b>Total</b>					285.840								1.344.899
Notes													

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

A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses in previous years			Other bonuses
			( A )	( B )	( C )	( A )	( B )	( C )	
Valerio Battista	Chief Executive Officer		Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Remuneration from the company which prepares the financial statements		2015 MBO Plan to be paid in 2016	231.103						
Remuneration from subsidiaries and associates									
<b>Total</b>			231.103						
Notes									
Full name	Position held	Plan	Bonus for the year			Bonuses in previous years			Other bonuses
			( A )	( B )	( C )	( A )	( B )	( C )	
Fabio Romeo	Chief Strategy Officer		Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Remuneration from the company which prepares the financial statements		2015 MBO Plan to be paid in 2016	112.821						
Remuneration from subsidiaries and associates									
<b>Total</b>			112.821						
Notes									
A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses in previous years			Other bonuses
			( A )	( B )	( C )	( A )	( B )	( C )	
Pier Francesco Facchini	Chief Financial Officer		Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Remuneration from the company which prepares the financial statements		2015 MBO Plan to be paid in 2016	98.438						
Remuneration from subsidiaries and associates									
<b>Total</b>			98.438						
Notes									

**Table 3B- follows**

Full name	Position held	Plan	Bonus for the year			Bonuses in previous years			Other bonuses
<b>Massimo Battaini</b>	<b>Senior Vice President Business Energy Projects</b>		Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Remuneration from the company which prepares the financial statements									
Remuneration from subsidiaries and associates	2015 MBO Plan to be paid in 2016		101.250						
<b>Total</b>			101.250						
Notes									
A	B	1	2			3			4
Full name	Position held	Plan	Bonus for the year			Bonuses in previous years			Other bonuses
<b>Other managers with strategic responsibilities</b>			Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Remuneration from the company which prepares the financial statements	2015 MBO Plan to be paid in 2016		179.820						
Remuneration from subsidiaries and associates	2015 MBO Plan to be paid in 2016		56.250						
<b>Total</b>			236.070						
Notes									



## Model No. 7- ter

**TABLE 1: Equity investments of members of management and control boards and general managers**

FULL NAME	POSITION HELD	INVESTE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES BOUGHT	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR
Valerio Battista	Chief Executive Officer	Prysmian S.p.A.	3.319.085	712	0	3.319.797
Pier Francesco Facchini	Director	Prysmian S.p.A.	148.377	712	0	149.089
Massimo Battaini (1)	Director	Prysmian S.p.A.	100.403	712	0	101.115
Fabio Romeo	Director	Prysmian S.p.A.	127.207	712	0	127.919
Cesare d'Amico (2)	Director	Prysmian S.p.A.	289.000	11.000	93.000	207.000

(1) Massimo Battaini holds his shares in Prysmian S.p.A. both directly and indirectly through his spouse

(2) The Director left his office following expiration of his mandate on 16 April 2015. He holds his participation in the share capital of Prysmian SpA both directly and indirectly through Fi.Pa. Finanziaria di Partecipazione S.p.A. and his spouse. The shares bought or sold as shown in the table refer to transactions carried out in the year 2015.

**TABLE 2: Equity investments of other managers with strategic responsibilities**

NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITIES	INVESTE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES BOUGHT	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR
3	Prysmian S.p.A.	33.406	1.143	0	34.549