

REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER ONE OF THE AGENDA OF THE EXTRAORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 28 APRIL 2020, THE PROPOSAL TO AMEND THE SHARE CAPITAL, PURSUANT TO ART. 125-TER OF ITALIAN LEGISLATIVE DECREE 58/98, AS AMENDED AND UPDATED, AND ARTICLE 72 OF THE CONSOB REGULATION NO. 11971/99, AS AMENDED AND UPDATED, DRAWN UP IN ACCORDANCE WITH APPENDIX 3A TO THE SAME CONSOB REGULATION.

1. **Proposal to increase the share capital free of charge, to be reserved to Prysmian Group employees for the implementation of an incentive plan, in a maximum nominal amount of Euro 1,100,000, through the award, under art. 2349 of the Italian Civil Code, of an equivalent maximum amount either of profit or of profit reserves, with the issue of up to no. 11,000,000 ordinary shares with a nominal value of Euro 0.10 each. Revocation of the authorisation to a similar share capital increase under the shareholder resolution dated 12 April 2018. Amendment of art. 6 of the By-laws. Resolutions related thereto.**

Shareholders,

The Board of Directors on 5 March 2020 deliberated to submit to the ordinary Shareholders' Meeting the approval of a long term incentive plan reserved for employees of Prysmian S.p.A. (the "**Company**") and of Italian and foreign Prysmian Group's companies (the "**Plan 2020-2022**"), described in the information document prepared in accordance with Art. 84-bis of the regulation adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently modified, made available to the Shareholders for review of Point four of the agenda of the ordinary session of the Shareholders' Meeting.

The information document, which we ask you to review for more information on the Plan 2020-2022, lists the criteria for identifying the recipients and the features of the Plan and describes, in detail, the basic reasons for its adoption.

The Plan 2020-2022 envisages the granting to the recipients, free-of-charge, of ordinary shares of the Company. These shares could be composed of newly issued shares resulting from increase in capital, by either of profit or of profit reserves under art. 2349 of the Italian Civil Code, and, if needed according to plan rule provisions, of treasury shares owned by the Company.

In order to guarantee a sufficient supply of shares serving the Plan 2020-2022, the Board intends to submit to you the proposal to increase the share capital, free-of-charge, for a maximum amount of Euro 1,100,000, through the award, under art. 2349 of the Italian Civil Code, of an equivalent maximum amount deriving from the "*Reserve for share issue as per article 2349 of the Civil Code*" according to the ordinary session of the Shareholders' Meeting, with the issue of up to no. 11,000,000 ordinary shares (equal to about the 4.1% of the current share capital) with a nominal value of Euro 0.10 each, to be offered to the employees of Prysmian Group.

We remind that, according to art. 23 of the Articles of Association: "*The Shareholders' Meeting may also resolve, in accordance with art. 2349 of the Italian Civil Code, an extraordinary allocation of profits by issuing bonus shares for a nominal amount corresponding to such profits*".

It is finally reminded that, as announced on 12 November 2019, the Board of Directors resolved not to execute the mandate received from the shareholders on 12 April 2018, allowing implementation of a long-term incentive plan relative to the 2018 three-years period (the "**Plan 2018**"). As a consequence, it is unusable the relevant shareholders' authorization for the capital increase serving the Plan 2018. Therefore, the revocation of such authorisation will be submitted to the Shareholders' Meeting.

1. Reasons and assignment of the Increase in Capital

The Company, in coherence with the widespread standard practice at national and international level and in conformity with the recommendations of the Corporate Governance Code of listed companies regarding remuneration, considers that the Plan 2020-2022 constitutes an instrument capable of involving the staff who occupy key positions in Prysmian S.p.A. and in other Prysmian Group's companies in the pursuit of the strategic objectives, as well as aligning the interests of the management, of the employees and the shareholders in a medium-long term

perspective, oriented to a long-term sustainable value creation. This Plan also has the objective of contributing to the development of a culture of trust in the growth of the value of the Prysmian Group, by promoting the identification and the sense of belonging of the management and the employees involved, with significant effects in terms of loyalty and retention, through the deferral of part of the annual bonus by receiving shares of the Company.

These goals justify the exclusion of the right of option in favour of the shareholders.

To this end, the Plan 2020-2022 develops over a period, considered consistent with the aforementioned goals, of three years which elapses between the moment of the adherence to the Plan 2020-2022 and the date of the granting of the shares.

The increase in the share capital is placed at the exclusive service of the aforementioned Plan and is therefore solely intended for the employees of Prysmian S.p.A. and of Italian and foreign Prysmian Group's companies, in accordance with Article 2359 of the Italian Civil Code, including the executives Directors of the Company.

The shares can be issued also in several tranches over the lifetime of the resolution to increase the capital described, to the final date of 31 December 2024.

2. Features of the Shares

The shares of the Company that can be awarded to the beneficiaries of the Plan 2020-2022, will have the same coupon due date as the currently outstanding ordinary shares of the Company and will therefore have the coupons in effect on that date attached.

3. Statutory modification as a result of the resolution proposing the capital increase

The operation described entails a modification of Article 6 of the Articles of Association in order to acknowledge the resolution of increase in the share capital.

In particular, a new paragraph will be added to Article 6 of the Articles of Association which states:

"The Extraordinary Shareholders' Meeting dated 28 April 2020 resolved to increase the share capital for a maximum amount of Euro 1,100,00.00, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", with the issue of up to no. 11,000,000 ordinary shares with a nominal value of Euro 0.10 each, to be offered free of charge to the employees of Prysmian S.p.A. and of Prysmian Group's companies, beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 28 April 2020, and to be carried out by the final date of 31 December 2024".

Given both the abovementioned lack of execution the Plan 2018 and of the relevant proposal of revocation, it is also submitted the elimination of the current fourth paragraph of Article 6 of the Articles of Association relevant to the authorization of the Shareholders' Meeting dated 12 April 2018, to increase the share capital to service the Plan 2018.

Here below is the current text of Article 6 of the Articles of Association, compared with the text submitted for the approval of the Extraordinary Shareholders' Meeting. The comparison furthermore highlights, as far as may be necessary, the removal of the current second paragraph of Article 6 relevant to the authorization for the share capital increase by the Shareholders' Meeting, serving a long-term incentive plan for employees of the Company and its direct and indirect subsidiaries, being such plan fully executed with a relevant share capital increase of euro 533,140.90:

Current Text	Modified Text
<p align="center">Article 6 – Capital and shares</p>	<p align="center">Article 6 – Capital and shares</p>
<p>The authorised and paid-up share capital is equal to €26,814,424.60 (twenty-six million eight hundred fourteen thousand four hundred twenty-four point sixty) divided into 268,144,246 (two hundred sixty-eight million one hundred forty-four thousand two hundred forty-six) ordinary shares, with a par value of €0.10 (Euro nought point one zero) each and may be increased in accordance with applicable laws, following a resolution by the Shareholders' Meeting</p>	<p>[unchanged text]</p>
<p>The Extraordinary Shareholders' Meeting of on 16 April 2015 resolved to increase the share capital for a maximum amount of Euro 536,480, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", with the issue of up to no. 5,364,800 ordinary shares with a nominal value of Euro 0.10 each, to be offered free of charge to the employees of Prysmian S.p.A. and/or its subsidiaries, beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 16 April 2015, and to be carried out by the final date of 31 December 2019.</p>	<p>The Extraordinary Shareholders' Meeting of on 16 April 2015 resolved to increase the share capital for a maximum amount of Euro 536,480, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", with the issue of up to no. 5,364,800 ordinary shares with a nominal value of Euro 0.10 each, to be offered free of charge to the employees of Prysmian S.p.A. and/or its subsidiaries, beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 16 April 2015, and to be carried out by the final date of 31 December 2019.</p>
<p>The Extraordinary Shareholders' Meeting held on 12 April 2017 resolved to increase the share capital against cash contributions, in installments, with exclusion of the option right pursuant to art. 2441, par. 5 of the Italian Civil Code, for a maximum nominal value of euro 1,457,942.70, to be paid in one or more installments through the issue of a maximum of 14,579,427 Company's ordinary shares having the same characteristics as the outstanding ordinary shares, to be reserved exclusively and irrevocably for the conversion of the "Prysmian S.p.A. €500,000,000 Zero Coupon Equity Linked Bonds due 2022" Bond, without prejudice to the fact that the subscription deadline for the newly issued shares is 17 January 2022 and, if on that date the capital increase is not entirely subscribed, it shall be considered as increased by an amount equal to the subscriptions made.</p>	<p>[unchanged text]</p>
<p>The Extraordinary Shareholders' Meeting of on 12 April 2018 resolved to increase the share capital for a maximum amount of Euro 756,281.90, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", with the issue of up to no. 7,562,819 ordinary shares with a nominal value of Euro 0.10 each, to be offered free of</p>	<p>The Extraordinary Shareholders' Meeting of on 12 April 2018 resolved to increase the share capital for a maximum amount of Euro 756,281.90, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", with the issue of up to no. 7,562,819 ordinary shares with a nominal value of Euro 0.10 each, to be offered free</p>

<p>charge to the employees of Prysmian S.p.A. and/or other Prysmian Group companies, beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 12 April 2018, and to be carried out by the final date of 31 December 2022.</p> <p>In the resolutions passed for to increase the share capital by issuing share for cash, the option right may be excluded up to a maximum of 10% of the previously existing share capital, provided the issue price corresponds to the shares' market value and this is confirmed in a specific report from the firm appointed for the statutory audit of accounts.</p>	<p>of charge to the employees of Prysmian S.p.A. and/or other Prysmian Group companies, beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 12 April 2018, and to be carried out by the final date of 31 December 2022.</p> <p>The Extraordinary Shareholders' Meeting dated 28 April 2020 resolved to increase the share capital for a maximum amount of Euro 1,100,000.00, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", with the issue of up to no. 11.000.000 ordinary shares with a nominal value of Euro 0.10 each, to be offered free of charge to the employees of Prysmian S.p.A. and of Prysmian Group's companies, beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 28 April 2020, and to be carried out by the final date of 31 December 2024.</p> <p>[unchanged text]</p>
---	--

The modifications shown do not imply a withdrawal pursuant to Art. 2437 Italian Civil Code.

* * *

In connection with the above, the following resolution is therefore submitted for the approval of the Extraordinary Shareholders' Meeting:

"The Extraordinary Shareholders' Meeting of Prysmian S.p.A., having reviewed the Directors' Report,

RESOLVES

- I. To revoke the resolution adopted on 12 April 2018 by the Shareholders' Meeting granting the authorization for the share capital increase for a maximum amount of Euro 756,281.90, in a divisible form, with the issue of up to no. 7,562,819 ordinary shares, to be offered free of charge, through the award under art. 2349 of the Italian Civil Code, to the employees of Prysmian S.p.A. and/or its subsidiaries.***
- II. To increase the share capital to increase the share capital for a maximum amount of Euro 1,100,000.00, in a divisible form, with the issue of up to no. 11.000.000 ordinary shares with a nominal value of Euro 0.10 each, to be offered free of charge, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", to the employees of Prysmian S.p.A. and of Italian and foreign Prysmian Group's companies, beneficiaries of the incentive plan approved by the***

Ordinary Shareholders' Meeting of 28 April 2020, and to be carried out by the final date of 31 December 2024.

- III. *To modify Article 6 of the Articles of Association by adding the following penultimate paragraph "The Extraordinary Shareholders' Meeting dated 28 April 2020 resolved to increase the share capital for a maximum amount of Euro 1,100,000.00, through the award under art. 2349 of the Italian Civil Code, of an equivalent amount deriving from the "Reserve for share issue as per article 2349 of the Civil Code", with the issue of up to no. 11.000.000 ordinary shares with a nominal value of Euro 0.10 each, to be offered free of charge to the employees of Prysmian S.p.A. and of Prysmian Group's companies, beneficiaries of the incentive plan approved by the Ordinary Shareholders' Meeting of 28 April 2020, and to be carried out by the final date of 31 December 2024".*
- IV. *To grant the Board of Directors, and on its behalf severally the Chairman and the Managing Director each time in charge, the authority to implement the above resolutions, including:*
 - i) *The power to update Article 6 of the Articles of Association, in the section relative to the amount of the share capital and the number of shares that form it, with respect to the total or partial subscription of the increase in capital, thereby also filing such updates with the Companies' Register;*
 - ii) *The power to carry out any activity, to prepare, submit, sign any document, or deed, requested, necessary or appropriate for the purpose of executing the deliberated share capital increase and performing every preparatory, ancillary, instrumental and consequent activity, with separate delegation to the legal representatives pro tempore for every and any activity not reserved by the law or internal regulations to the collegial body;*
 - iii) *The power to perform any act necessary or opportune for the execution of the resolution, also granting separate delegation to the legal representatives pro tempore to introduce the changes allowed or requested for registration in the Companies' Register;*
- V. *To approve that, if the increase of the deliberated capital was not totally underwritten by the final date of 31 December 2024, the share capital is intended in any case increased for an amount equal to the subscriptions collected".*

Milan, 20 March 2020

* * *