

# Shareholders' Meeting

## 12, 13 and 14 April 2011

*(Descriptive Report about the proposal concerning the items of the agenda)*

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### Prysmian S.p.A.

#### Sede Legale

Viale Sarca, 222  
20126 Milano  
Phone +39 02 6449.1

Partita IVA 04866320965  
Registro delle Imprese di Milano  
e Codice Fiscale 04866320965

R.E.A. di Milano 1777895  
Capitale Sociale deliberato: € 21.580.409,90  
Capitale Sociale sottoscritto e versato: € 21.385.387,20

## Shareholders' Meeting Call

The Shareholders are invited to attend an Ordinary and Extraordinary Shareholders' Meeting to be held in Milan, via Filodrammatici n. 3 (at the premises of Mediobanca), on the following dates:

- **Tuesday 12th April 2011**, at 15:00 p.m. (CET), in first call in ordinary and extraordinary session, or if necessary;
- **Wednesday 13th April 2011**, at the same time and place, in second call in extraordinary session, or if necessary;
- **Thursday 14th April 2011**, at the same time and place, in second call in ordinary session and in third call in extraordinary session;

to discuss and resolve on the following

### Agenda

#### Ordinary session

1. Financial statements at 31 December 2010; Directors' report and proposed allocation of profit for the year; report by the Board of Statutory Auditors; report by the Independent Auditors; related resolutions.
2. Resolutions under art.2386 of the Italian Civil Code; resolutions related thereto.
3. Determination of emoluments of the Board of Directors for financial year 2011.
4. Incentive plan: resolutions under article 114-bis of Italian Legislative Decree 58/98.

#### Extraordinary session

1. Proposal of a divisible share capital increase, with exclusion pre-emptive right under article 2441, paragraph 8, and article 134 of the Italian Legislative Decree no.58/98 (UFA), until a maximum nominal value of Euro 213,500 by issuance of a maximum of no. 2,131,500 new ordinary shares, with a nominal value of Euro 0.10 each, to be granted to employees of the Prysmian S.p.A. and of its subsidiaries. Consequent amendment of the article 6 of the Company's By-laws "Capital and shares".
2. Proposed amendment of art. 9 of the By-laws; related resolutions.
3. Proposed amendment of art. 14 of the By-laws; related resolutions.
4. Proposed amendment of art. 23 of the By-laws; related resolutions.

The authorized and paid up share capital is equal to Euro 21,385,387.20, divided in 213,853,872 ordinary shares of nominal value 0.10 Euro, each share gives the right to a vote in the Shareholders' Meeting. At the present date the Company owns n. 3,028,500 treasury shares.

#### **Resolutions under art. 2386 of the Italian Civil Code**

It is reminded that, pursuant to article 14 of the Company's By-laws, in the case in which there will be no need to appoint the entire Board of Directors, the Shareholder's Meeting will adopt the related resolution by legal quorum not being applicable the slate voting mechanism.

Any proposed candidate names can still be filed at the Company's registered offices in Viale Sarca 222, Milan.

### **Attendance at the meeting**

May attend or be represented at Shareholders' Meetings all holders of voting rights provided the certificate issued by authorized intermediaries, on the basis of the evidence resultant from the accounting books, has reached the Company's registered office at least the seventh working day before the date scheduled for the first call of the Shareholder's Meeting, that will coincide with Friday 1st April 2011. All whom will result as owners of the shares only after the above date will not have the right to participate and to vote at the Shareholders' Meeting. In order to facilitate confirmation of their entitlement to vote, the holders of voting rights are requested to display a copy of the certificate sent by the respective intermediaries to the Company.

Every shareholder may be represented at the Shareholders' Meeting by issuing a written proxy, also by using the proxy form that can be found on the Company's website at [www.prysmian.com](http://www.prysmian.com) (in the section Investor Relations/ Shareholders Information/Shareholders' Meeting) or at the Company's registered office.

The proxy can also be issued by electronic means and can be notified to the Company by sending the document to the certified email address: [corporate\\_pryspa@legalmail.it](mailto:corporate_pryspa@legalmail.it).

In relation to the present Shareholders' Meeting, the Company chosen the lawyer Mr. Dario Trevisan as appointed representative pursuant to article 135-undecies UFA. The proxy to appointed representative can be granted by filling and signing the proxy form that can be found on the website at [www.prysmian.com](http://www.prysmian.com) (in the section Investor Relations/ Shareholders Information/Shareholders' Meeting) or at the Company's registered office. The proxy form and the voting instructions, duly singed, have to be reached either via recorded delivery by Mr. Dario Trevisan at viale Majno 45, 20122 Milan, or via certified electronic mail to the address: [info@rappresentante-designato.it](mailto:info@rappresentante-designato.it), at least the second working day before the date of the first convening of the Shareholders' Meeting. Within the same deadline, the proxy and the voting instructions, can be revoked. The proxy issued in favor of the representative appointed by the Company will not have effect in relation to the items for which no voting instructions were given.

Pursuant to article 127-ter, paragraph 1, of the Legislative Decree number 58/98, the Shareholders may ask questions in relation to the items of the agenda also before the date of the Shareholders' Meeting by sending certified mails with advise of delivery to the Company's registered office or by email to the address: [corporate\\_pryspa@legalmail.it](mailto:corporate_pryspa@legalmail.it). The questions have to be received within the second working day before the date of the first convening of the Shareholders' Meeting, together with the certificate issued by authorized intermediaries stating the quality of shareholder; anyway such certificate is non required if the company receives by the same authorized intermediaries the notification necessary to attend the Shareholders' Meeting. The questions received before the Shareholders' Meeting will be answered at the latest during the meeting. The Company may give a single answer to the questions having the same content.

Under art. 126-bis of the Legislative Decree number 58/98, the Shareholders who, even jointly, represent at least a fortieth of the share capital may ask, within ten days from the publication of the Shareholders' Meeting call, the integration of the items of the agenda, specifying in the request the additional items they are proposing to discuss. The request has to be presented in writing at the Company's registered office by recorded delivery, together with the certificate issued by authorized intermediaries stating the ownership of the number of shares required to present such request. Within the same time-limit and by the same means has to be filed a report on the items proposed to be discussed. The integration of the agenda is not allowed for the items in which the Shareholders' Meeting will adopt the resolution, pursuant to the applicable law, on proposal of the directors or on the basis of a project or of a report issued by the same, different from the ones envisaged by article 125-ter, paragraph 1, of the Legislative Decree number 58/98.

The possible integrated agenda will be published by the same means of the publication of the previous call.

### **Documentation**

At the Company's registered offices, at Borsa Italiana S.p.A. and on the Company's website at [www.prysmian.com](http://www.prysmian.com), will be made available to the public today, the Board of Directors' proposals in relation to the items on the agenda and to the relevant reports and documentation, and by 21 March 2011 the relevant documentation for the financial statements and the annual report on corporate governance. Shareholders have the right to examine them and, upon request, to obtain copy of them.

Considering the Company's Shareholder's structure, **it is expected that the Shareholders' Meeting, both in the ordinary and in the extraordinary session, will be held on April 14th, 2011.**

Milan, 10 March 2011

## Ordinary session

**1. Financial statements at 31 December 2010; Directors' report and proposed allocation of profit for the year; report by the Board of Statutory Auditors; report by the Independent Auditors; related resolutions.**

Shareholders,

We are submitting the financial statements for the year ended 31 December 2010 for your approval and propose that you adopt the following:

**"RESOLUTION"**

The Shareholders' Meeting:

- acknowledges the report by the Board of Directors,
- acknowledges the reports by the Board of Statutory Auditors and by the Independent Auditors,
- has examined the financial statements at 31 December 2010, which close with a profit of Euro 83,239,542.72,

***RESOLVES***

a) to approve:

- the report on operations by the Board of Directors;
- the financial statements at 31 December 2010

as presented by the Board of Directors, as a whole and in their individual parts, along with the proposed provisions - which report a profit of Euro 83,239,542.72;

b) to allocate profit for the year of Euro 83,239,542.72 as follows:

- Euro 16,000.00 to the Legal Reserve, thereby reaching one-fifth of share capital at 31 December 2010, as required by art. 2430 of the Italian Civil Code;
- approximately Euro 35 million to pay a gross dividend of Euro 0.166 to each voting share;
- the remainder of approximately Euro 48.2 million to the retained earnings.

The dividend will be payable from 21 April 2011, with the shares going ex-div on 18 April 2011, and will be paid to those shares outstanding on the ex-div date".

## **2. Resolutions under art.2386 of the Italian Civil Code; resolutions related thereto.**

Shareholders,

with reference to the second item of the agenda of the Ordinary Meeting, you are invited to resolve upon the appointment of two members of the Board of Directors.

In this regard it is reminded that, following to the resignations of Mr. Mario Ortù and Mr. Stefano Bulletti, the Board of Directors, with the consent of the Board of Statutory Auditors and pursuant to article 2386 paragraph 1 of the Italian Civil Code, had co-opted on 3 March 2011 Mr. Frank Dorjee and Friedrich Fröhlich (the “**Co-opted Directors**”), after having verified they satisfied the requirements envisaged by Italian law and, in respect to Mr. Fröhlich, also the ownership of the requirements envisaged by the art. 148, third paragraph, of Italian Legislative Decree 58/98, and by the Corporate Governance Code of Borsa Italiana, needed in order to be considered as an “independent director”.

Pursuant to art.2386, paragraph 2, of the Italian Civil Code, the term of office of the Co-opted Directors will expiry with today’s Shareholder’s Meeting.

Therefore, the Shareholders’ Meeting is asked to appoint two directors in order to satisfy the requirement to have ten members in the Board of Directors, as per the decision taken by the Shareholders’ Meeting held on April 15<sup>th</sup>, 2010. It is remind that, pursuant to article 14 of the Company’s By-laws, as not the entire Board of Directors has to be appointed, the Shareholders’ Meeting will adopt the related resolution by legal quorum, not being applicable the slate voting mechanism.

The newly appointed directors will be in charge until the expiring date scheduled for the others members of the Board of Directors, therefore until the approval of the financial statement at 31<sup>st</sup> December 2011.

After having said that, the Board of Directors submits to today’s Shareholders’ Meeting the proposal to confirm in their office the Co-opted Directors. The *Curricula Vitae* and the declarations issued by Messrs. Frank Dorjee and Friedrich Fröhlich (regarding: (i) their willingness to accept the charge; (ii) the existence of no reasons why they are ineligible or incompatible for the position; (iii) their possession of the competence and integrity requirements provided under the applicable laws) will be available at the Company’s seat and on the following website: [www.prysmian.com](http://www.prysmian.com).

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Granted all the above, we submit to your approval the following proposal of resolution:

*“The Shareholder’s Meeting of Prysmian S.p.A., after reviewing the descriptive report of the Board of Directors and, acknowledging the expiration of the charge of the two directors as well as the provisions of the By-Laws and of Article 2386 of the Italian Civil Code, considering the need to satisfy the requirement to have ten members in the Board of Directors, as per the decision taken by the Shareholders’ Meeting held on April 15<sup>th</sup>, 2010,*

***resolves***

*to appoint as members of the Board of Directors of the Company Messrs:*

- Frank Franciscus Dorjee born at Geelong (Australia) on 2 August 1960,*
- Friederich Wilhelm Frohlich born at Olpe (Germania) on 19 March 1942.*

*The office of the appointed members of the Board of Directors will expire together with that of the directors currently in charge and, therefore, until the approval of the financial statement at 31<sup>st</sup> December 2011.”*

**3. Determination of emoluments of the Board of Directors for financial year 2011.**

Shareholders,

Article 14 of the By-laws requires the Shareholders' Meeting to determine the emoluments payable to the Board of Directors.

You are reminded that the Shareholders' Meeting of 15 April 2010 had set the annual emoluments for the entire Board of Directors at Euro 325,000 for financial year 2010, and granted the Board itself the authority to determine how such sum should be allocated between all or just some of the directors in view of the specific positions held by each.

The Board of Directors, taking note and sharing the decision of the Remuneration and Nomination Committee, therefore submits to today's Shareholders' Meeting the proposal to determine an annual emoluments payable to the Board of Directors for financial year 2011 equal to Euro 350,000, and to grant the Board itself the authority to determine how such sum should be allocated between all or just some of the directors, also in view of the specific positions held by each.

#### **4. Incentive plan: resolutions under article 114-bis of Italian Legislative Decree 58/98.**

Shareholders,

You have been convened in ordinary session also to submit to your approval, under art. 114-bis, paragraph 1, of Legislative Decree 58 dated 24 February 1998 (so called Unified Financial Act), an incentive plan reserved to Prysmian S.p.A. and/or its subsidiaries employees, with any Directors of the Company included, (the “**Incentive Plan**”), and to grant the Board of Directors with the relevant powers.

A description of the Incentive Plan can be found into the Information Document, pursuant to Article 84-bis of the Regulations adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently modified and integrated, due to be published within the required deadline.

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Therefore we submit the following proposal for your approval:

*"The Shareholders' Meeting of Prysmian S.p.A.*

*- in view of the Information Document, prepared pursuant to Article 84-bis of the Regulations adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently modified (the “Information Document”)*

*resolves:*

- i. *to approve the Incentive Plan reserved to Prysmian S.p.A. and/or its subsidiaries employees, with any Directors of the Company included, as described into the Information Document;*
- ii. *to grant the Board of Directors with all the necessary and appropriate powers in order to establish and execute the Incentive Plan. In particular, purely as an example, the Board of Directors will have the authority, with the right to sub-delegate, to: (i) identify the beneficiaries from among the employees of the Prysmian Group and more specifically from among the members of the Board of Directors of Prysmian S.p.A. and the employees of Prysmian S.p.A. and its Italian and foreign subsidiaries, as well as determine the quantity of options to be allocated to each of them; (ii) establish the conditions in terms of results and/or the performance objectives to which the exercise of the options will be subordinated; (iii) establish every other term and condition for the execution of the Incentive Plan; (iv) approve the regulations governing the Incentive Plan. All of this in conformity with the relevant instructions established in the Information Document. For the execution of the Incentive Plan, the Board of Directors, at his own discretion, can assign shares to the participants either through withdrawal from the supply of treasury shares held by the Company, or by newly-issued shares resulting from an increase in capital, in accordance with Art. 2441, paragraph 8, of the Civil Code, the approval of which will be submitted to the Shareholders' Meeting during the extraordinary session of the meeting of today;*
- iii. *to grant the Chairman of the Board of Directors and the Managing Director, pro-tempore in charge, severally between them and with the power to sub-delegate, any power to fulfill any duty arising from the Law and following to the resolutions adopted".*

## Extraordinary session

**1. Proposal of a divisible share capital increase, with exclusion pre-emptive right under article 2441, paragraph 8, and article 134 of the Italian Legislative Decree no.58/98 (UFA), until a maximum nominal value of Euro 213,500 by issuance of a maximum of no. 2,131,500 new ordinary shares, with a nominal value of Euro 0.10 each, to be granted to employees of the Prysmian S.p.A. and of its subsidiaries. Consequent amendment of the article 6 of the Company's By-laws "Capital and shares".**

Shareholders,

The Board of Directors on 3 March 2011 deliberated to submit to the ordinary shareholders' meeting convened for 12 and 14 April 2011, in first and possibly second convocation, the approval of an incentive plan reserved for employees of Prysmian S.p.A. and/or its subsidiaries (the "Plan"), 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 4 of the agenda of the ordinary session of the General Meeting.

The information document, which we ask you to review for more information on the Plan, 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 envisages the allocation, free-of-charge, of options valid for the subscription of ordinary shares of the Company in the ratio of one share for every option exercised. These shares could be composed of own shares or of newly issued shares resulting from increase in capital, excluding the right of option, in accordance with Art. 2441, paragraph 8, of the Italian Civil Code.

We wish to specify that the options provided for in the Plan may only be allocated to the recipients that the Board of Directors will identify each time, in the context of the delegation that it will receive from the General Meeting and in any case in compliance with the criteria provided in the information document for the identification of the recipients.

We wish to remind you that the Plan envisages that the right to receive options from the Company to underwrite shares applies to the recipients of the Plan only upon reaching objectives of an economic-financial nature relative to the 2011-2013 three-year period.

In order to guarantee a sufficient supply of shares, should the objectives of an economic-financial nature provided for in the Plan be achieved, the Board intends to submit to you the proposal to increase the share capital in divisible form, excluding the right of option of the shareholders in accordance with Article 2441, paragraph 8, of the Italian Civil Code and Article 134 TUF, for a maximum amount of Euro 213,150, through the issuance, also in several tranches, of a maximum of 2,131,500 new ordinary shares with euro 0.10 par value, to be offered for subscription against payment, at par value, to the employees of Prysmian SpA and its subsidiaries, by and no later than 30 March 2016, under the terms and conditions provided for in the Plan.

**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 constitutes an instrument capable of involving the staff who occupy key positions in Prysmian and in its subsidiaries in the pursuit of the strategic objectives, as well as aligning the interests of management, of the employees and the shareholders in a medium-long term perspective. 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 management and the employees involved, with significant effects in terms of loyalty and retention. Furthermore, following the successful conclusion of the Public Offering of Purchase and Exchange of all the Draka Holding N.V. ordinary shares, which took place on 8 February 2011, which will lead to the creation of a new industrial leading group in the industry of cables, with a global presence in more than 50 countries, approximately 90 plants and more than 20,000 employees, Prysmian intends to support the process of integration with the new Plan which will therefore also have the following objectives:

- Motivate people to reach long term results, by creating value and synergies for the new Group,
- Develop a “one-company” identity through the definition of an objective of shared performance,
- Align the performance of the management of the new group with the expectations of the investors,
- Introduce an instrument of retention, coherent with the new organization and the new roles, by improving the levels of overall remuneration of the Key Managers,
- Reinforce the sustainability of the results obtained at the Group level, in conformity with the instructions of the Corporate Governance Code of listed companies promoted by Borsa Italiana S.p.A. and which Prysmian has adopted.

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

To this end, the Plan develops over a period of time, considered consistent with the aforementioned goals, of three years which must elapse between the moment of the allocation of the rights and the date they are exercised.

The increase in the 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/or its subsidiaries in accordance with Article 2359 of the Italian Civil Code, including some of the Directors of the Company, more specifically the Managing Director and General Manager, the Chief Financial Officer, the Chief Commercial Officer and the Chief Strategic Officer.

The shares can be issued also in several tranches over the span of 5 years from the resolution to increase the capital described to the final date of 30 March 2016.

## 2. Features of the Shares

The Shares of the Company that can be underwritten by the beneficiaries of the Plan (after exercising the options) will have the same coupon due date as the ordinary shares of the Company at the underwriting date and will therefore have the coupons in effect on that date attached.

## 3. Statutory modification as a result of the resolution proposed to increase the capital

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

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

*“The Extraordinary General Meeting of Shareholders on [\*] resolved to increase the share capital in divisible form, excluding the right of option of the shareholders in accordance with Article 2441, paragraph 8, of the Italian Civil Code and Article 134 TUF, for a maximum amount of Euro 213,150, through the issuance, also in several tranches, of a maximum of 2,131,500 new ordinary shares with the par value of Euro 0.10, to be offered for subscription against payment to employees of Prysmian S.p.A. and/or its subsidiaries, beneficiaries of the incentive plan approved by the Ordinary General Meeting of [\*], and to be carried out by the final date of 30 March 2016.”*

Below please find the comparison of the text of Article 6 of the Articles of Association with the text submitted for the approval of the Extraordinary General Meeting:

Current Text	Modified Text
Article 6 – Capital and shares	Article 6 – Capital and shares
<p>The authorised and paid-up share capital is equal to € 21.385.387,20 (twenty-one million three hundred eighty-five thousand three hundred eighty-seven point twenty euros) divided into 213.853.872 (two hundred thirteen million eighty-three thousand eight hundred seventy-two) ordinary shares, with a par value of €0.10 (nought point one zero) each and may be increased in accordance with applicable laws, following a resolution by the Shareholders' Meeting.</p> <p>The Shareholders' Meetings held on 30 November 2006 and 15 April 2010 resolved to increase the share capital up to a par original maximum amount of €310,000.00 (three hundred and ten thousand euros), of which at 15 April 2010 there remained €77,388.80 to exclusively serve a stock option plan in favour of the Company's employees and its direct and indirect subsidiaries pursuant to Art. 2359 of the Italian Civil Code and to be paid in full at the time of each subscription. The foregoing is subject to the fact that, in the event the capital increase has not been fully subscribed by the deadline of 30 June 2013, the capital shall be deemed to have been increased by an amount equal to the subscriptions gathered until such date.</p> <p>The Shareholders' Meeting held on 24 January 2011 approved a divisible share capital increase for consideration, up to an original maximum nominal value of Euro 3,270,409.90 (three million two hundred and seventy thousand four hundred and nine euros and ninety cents), by issuing a maximum number of 32,704,099 (thirty-two thousand seven hundred and four thousand and ninety-nine) ordinary shares, of nominal value Euro 0.10 each, to be subscribed by a contribution of shares originating from the acceptance of the voluntary public purchase and exchange offer for all of the ordinary shares of Draka Holding N.V. and to be executed by 31 December 2011 at the latest.</p>	<p>The authorised and paid-up share capital is equal to € 21.385.387,20 (twenty-one million three hundred eighty-five thousand three hundred eighty-seven point twenty euros) divided into 213.853.872 (two hundred thirteen million eighty-three thousand eight hundred seventy-two) ordinary shares, with a par value of €0.10 (nought point one zero) each and may be increased in accordance with applicable laws, following a resolution by the Shareholders' Meeting.</p> <p>The Shareholders' Meetings held on 30 November 2006 and 15 April 2010 resolved to increase the share capital up to a par original maximum amount of €310,000.00 (three hundred and ten thousand euros), of which at 15 April 2010 there remained €77,388.80 to exclusively serve a stock option plan in favour of the Company's employees and its direct and indirect subsidiaries pursuant to Art. 2359 of the Italian Civil Code and to be paid in full at the time of each subscription. The foregoing is subject to the fact that, in the event the capital increase has not been fully subscribed by the deadline of 30 June 2013, the capital shall be deemed to have been increased by an amount equal to the subscriptions gathered until such date.</p> <p>The Shareholders' Meeting held on 24 January 2011 approved a divisible share capital increase for consideration, up to an original maximum nominal value of Euro 3,270,409.90 (three million two hundred and seventy thousand four hundred and nine euros and ninety cents), by issuing a maximum number of 32,704,099 (thirty-two thousand seven hundred and four thousand and ninety-nine) ordinary shares, of nominal value Euro 0.10 each, to be subscribed by a contribution of shares originating from the acceptance of the voluntary public purchase and exchange offer for all of the ordinary shares of Draka Holding N.V. and to be executed by 31 December 2011 at the latest.</p> <p><b>The Extraordinary General Meeting of Shareholders on [*] resolved to increase the share capital in divisible form, excluding the right of option of the shareholders in accordance with Article 2441, paragraph 8, of the Italian Civil Code and Article 134 TUF, for a maximum amount of Euro 213,150, through the issuance, also in several <i>tranches</i>, of a maximum of 2,131,500 new ordinary shares with the par value of Euro 0.10, to be offered for subscription against payment to employees of Prysmian S.p.A. and/or its subsidiaries, beneficiaries of the incentive plan approved by the Ordinary General Meeting</b></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><b>of [*], and to be carried out by the final date of 30 March 2016.</b></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>
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The modification shown does not imply a withdrawal pursuant to Art. 2437 Italian Civil Code.

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

*“The Extraordinary General Meeting of the Shareholders of Prysmian S.p.A., having reviewed the Directors’ Report,*

*Resolves*

- I. *To increase the share capital against payment, in divisible form, in accordance with Article 2441, paragraph 8, of the Italian Civil Code and Article 134 TUF, for a maximum amount of Euro 213,150, through the issuance, also in several tranches, of a maximum of 2,131,500 new ordinary shares with the par value of Euro 0.10, to be offered for subscription against payment at par value to employees of Prysmian S.p.A. and/or its subsidiaries, beneficiaries of the incentive plan approved by the Ordinary General Meeting of [\*], and to be carried out by the final date of 30 March 2016.*
- II. *To modify Article 6 of the Articles of Association by adding the following penultimate paragraph “The Extraordinary General Meeting of Shareholders on [\*] resolved to increase the share capital in divisible form, excluding the right of option of the shareholders in accordance with Article 2441, paragraph 8, of the Italian Civil code and Article 134 TUF, for a maximum amount of Euro 213,150, through the issuance, also in several tranches, of a maximum of 2,131,500 new ordinary shares with the par value of Euro 0.10, to be offered for subscription against payment to employees of Prysmian S.p.A. and/or its subsidiaries, beneficiaries of the incentive plan approved by the Ordinary General Meeting of [\*], and to be carried out by the final date of 30 March 2016.”*
- III. *To grant the Board of Directors the authority to implement the above resolutions, including:*
  - i) *The power to update Article 6 of the Articles of Association, in the part relative to the amount of the 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 Register of Companies;*
  - 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 increase in capital deliberated 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 Register of Companies;*

- iv) *To establish that, if the increase in capital deliberated were not totally underwritten by the final date of 30 March 2016, the capital is intended in any case increased for an amount equal to the subscriptions collected”.*

- 2. Proposed amendment of art. 9 of the By-laws; related resolutions.**
- 3. Proposed amendment of art. 14 of the By-laws; related resolutions.**
- 4. Proposed amendment of art. 23 of the By-laws; related resolutions.**

**REPORT ON THE PROPOSALS ON THE AGENDA OF THE EXTRAORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. OF 12, 13 AND 14 APRIL 2011, PREPARED UNDER ART. 125-TER OF LEGISLATIVE DECREE 58 DATED 24 FEBRUARY 1998, AS AMENDED, AND UNDER ARTICLES 72 AND 92 OF THE CONSOB REGULATIONS ADOPTED BY RESOLUTION 11971/99, AS AMENDED.**

Shareholders,

You have been convened in extraordinary session to discuss and adopt resolutions concerning the proposed amendment of the By-laws of Prysmian S.p.A. (subsequently referred to as "**Prysmian**" or the "**Company**") as discussed below.

## 1. Proposed amendment of art. 9 of the By-laws; related resolutions.

Shareholders,

We propose amending **art. 9 of the By-laws** in order to introduce:

- (i) the possibility of convening the ordinary annual general meeting of shareholders within 180 days from the end of the financial year, when particular circumstances relating to the Company's structure and purpose so dictate, as permitted in general terms by art. 2364, par. 2 of the Italian Civil Code;
- (ii) the possibility for the Board of Directors to establish, if it sees fit, that the Shareholders' Meeting be held after just one call.

As regards the possibility of convening the ordinary annual general meeting within 180 days from the end of the financial year, it will be recalled that this has recently been reinstated by art. 3, par. 23 of Legislative Decree 27/2010 (concerning "Implementation of Directive 2007/36/EC, relating to the exercise of certain rights of shareholders in listed companies" – known as the Shareholders' Rights Directive), which has amended 154-ter, par. 1 of the Unified Financial Act so that the provisions of art. 2364, par. 2 of the Italian Civil Code also apply to listed issuers whose member state of origin is Italy. Art. 2364, par. 2 of the Italian Civil Code requires an ordinary Shareholders' Meeting to be convened at least once a year, within one hundred and twenty days of the end of the financial year. However, the by-laws may permit a longer deadline, but not exceeding one hundred and eighty days, for companies required to prepare consolidated financial statements or when particular circumstances relating to a company's structure and purpose so dictate. It is therefore thought appropriate to reinstate in the By-laws the possibility of extending the call of the ordinary annual general meeting to up to 180 days from the end of the financial year, also because Prysmian is a company required to prepare consolidated financial statements.

With reference to the possibility for the Board of Directors to establish, if it sees fit, that the Shareholders' Meeting be held after just one call, it is recalled that revised art. 2369, par.1 of the Italian Civil Code permits the by-laws of companies that utilise risk capital markets to eliminate the use of calls beyond the first one. In such event, (i) the ordinary Shareholders' Meeting could be validly formed regardless of the proportion of capital represented by the participating shareholders and would adopt resolutions by absolute majority vote of the capital represented at the meeting, while (ii) the extraordinary Shareholders' Meeting could be validly formed when at least one-fifth of share capital is represented at the meeting and resolutions would be adopted when at least two-thirds of the capital represented in the meeting votes in their favour. In order to simplify the procedures for calling Shareholders' Meeting, we request that you include in the By-laws an option for the Board of Directors to establish, when it sees fit, that just one call be made for the Shareholders' Meeting. This would mean that the Board of Directors would exercise its technical discretion to decide on each occasion whether to adopt the multiple call mechanism or the single call one, and in the latter case would make specific mention of this in the notice convening the meeting.

The existing text of art. 9 of the Prysmian By-laws is compared with that which the Board of Directors proposes be adopted.

EXISTING TEXT	PROPOSED TEXT
Article 9 – Shareholders' Meeting	Article 9 – Shareholders' Meeting
The Shareholders' Meeting shall be ordinary or extraordinary in accordance with applicable law, when duly convened, represents the entire shareholder body. The meeting resolutions, passed in compliance with the law and this By-Laws, are binding upon all shareholders even if absent or dissenting.	Unchanged
An Ordinary Meeting shall be called within the prescribed times and when required in accordance with applicable law and whenever the Board of Directors deems it appropriate.	<b>An Ordinary Meeting to approve the annual financial statements shall be called within one hundred and twenty days of the end of the financial year. If the legal requirements are satisfied, the Shareholders' Meeting may be called within one hundred and eighty days of the end of the financial year. The Directors shall disclose the reasons for such a delay in the report required under art. 2428 of the Italian Civil Code.</b>
The Meeting may also be called even after the second call, under the same terms and conditions as required for the second call, subject to the applicable provisions of applicable law for the Extraordinary Meetings.	Unchanged
New	<b>The Board of Directors can establish, if it sees fit, that ordinary and extraordinary Shareholders' Meetings be held after just one call. In the event of just one call, the legally required quorums in such circumstances shall apply.</b>
At the request of the Board of Directors, the Ordinary Meeting will approve the rules of proceedings governing the orderly and functional conduct of its meetings, in particular in order to guarantee each shareholder the right to contribute to the discussion of the items on the agenda.	Unchanged

\* \* \* \*

The proposed amendments to art. 9 of the By-laws examined herein do not entitle shareholders to withdraw if they have not approved the related resolution, since such amendments do not constitute any of the circumstances for withdrawal identified in art. 2437 of the Italian Civil Code.

The Board of Directors therefore submits the following proposal for your approval:

"In view of the report prepared under art. 125-ter of Legislative Decree 58 dated 24 February 1998 and articles 72 and 92 of the CONSOB Regulation 11971/99, the Extraordinary Shareholders' Meeting of Prysmian S.p.A.

*resolves:*

1. to amend art. 9 of the By-laws as follows:

#### Article 9 – Shareholders' Meetings

The Shareholders' Meeting shall be ordinary or extraordinary in accordance with applicable law, when duly convened, represents the entire shareholder body. The meeting resolutions, passed in compliance with the law and this By-Laws, are binding upon all shareholders even if absent or dissenting.

An Ordinary Meeting to approve the annual financial statements shall be called within one hundred and twenty days of the end of the financial year. If the legal requirements are satisfied, the Shareholders' Meeting may be called within one hundred and eighty days of the end of the financial year. The Directors shall disclose the reasons for such a delay in the report required under art. 2428 of the Italian Civil Code.

The Meeting may also be called even after the second call, under the same terms and conditions as required for the second call, subject to the applicable provisions of applicable law for the Extraordinary Meetings.

The Board of Directors can establish, if it sees fit, that ordinary and extraordinary Shareholders' Meetings be held after just one call. In the event of just one call, the legally required quorums in such circumstances shall apply.

At the request of the Board of Directors, the Ordinary Meeting will approve the rules of proceedings governing the orderly and functional conduct of its meetings, in particular in order to guarantee each shareholder the right to contribute to the discussion of the items on the agenda.

2. to grant the Company's current legal representatives severally, the widest powers to comply with all formalities needed to file the resolutions adopted with the Company Registrar and to make any amendments, changes or additions to the present resolution that might be necessary or nonetheless requested by the competent authorities."

## 2. Proposed amendment of art. 14 of the By-laws; related resolutions.

Shareholders,

We also propose amending **art. 14 of the By-laws** in order to allow also the Board of Directors, when renewing the entire Board, the opportunity of presenting a candidate slate. This amendment appears to be in line with Prysmian's public company structure and also takes account of its fragmented shareholder base which could result in the failure of those entitled to present any candidate slates.

The existing text of art. 14 of the Prysmian By-laws is compared with that which the Board of Directors proposes be adopted.

EXISTING TEXT	PROPOSED TEXT
Article 14 – Board of Directors	Article 14 – Board of Directors
The Company shall be managed by a Board of Directors of not less than 7 (seven) members nor more than 13 (thirteen) members, shareholders or not, who shall hold the office for a maximum period of three fiscal years and until the Meeting approving the Financial Statements for the last fiscal year of their office has been convened. They may be re-elected.	Unchanged
The Shareholders' Meeting shall decide on the number of Board of Directors members. The members of the Board of Directors must have the competence, integrity and independence requirements provided under applicable law; in particular, at least one of the Directors — or two if the Board of Directors is composed by more than seven members — must fulfill the independence requirements provided for Statutory Auditors under Art. 148, paragraph 3 (three), of Legislative Decree No. 58/98.	Unchanged
The Board of Directors shall be appointed on the basis of slates presented by shareholders in accordance with the following paragraphs. The candidates in the slate must be listed with a progressive number.	The Board of Directors shall be appointed on the basis of slates presented by shareholders in accordance with the following paragraphs. The candidates on the slate must be listed with a progressive number.
Are entitled to present or contribute to the presentation of slates only shareholders who, alone or together with other shareholders, represent a total of at least 2% [two per cent] of the ordinary share capital with voting rights at the ordinary Shareholders' Meeting, or representing a lower percentage where required by an applicable law or regulation in force. The ownership of numbers of shares necessary to present the slate has to be proven on the terms and in the manners set out by Law provisions. Each shareholder or shareholders belonging to the same group or who are connected, even indirectly, cannot — not even through an intermediary or trustee — present or contribute to the presentation of more than one slate. Each candidate may appear on only one slate, on pain of ineligibility. No candidate who is not in possession of the requirements set out in applicable laws may be included on the slate. The first and the second candidate on each slate must fulfil the independence requirements set out in applicable laws.	<b>The outgoing Board of Directors are</b> <del>or contribute to the presentation</del> <b>of slates as well as those</b> <del>only</del> <b>shareholders</b> who, alone or together with other shareholders, represent a total of at least 2% [two per cent] of the ordinary share capital with voting rights at the ordinary Shareholders' Meeting, or representing a lower percentage where required by an applicable law or regulation in force. The ownership of numbers of shares necessary to present the slate has to be proven on the terms and in the manners set out by Law provisions. Each shareholder or shareholders belonging to the same group or who are connected, even indirectly, cannot — not even through an intermediary or trustee — present or contribute to the presentation of more than one slate. Each candidate may appear on only one slate, on pain of ineligibility. No candidate who is not in possession of the requirements set out in applicable laws may be included on the slate. The first and the second candidate on each slate must fulfil the independence requirements set out in applicable laws. <b>The slate of the Board of Directors, if presented, must</b>

	<p>be filed with the Company's registered office within the thirtieth day before the date set for the first call of the Shareholders' Meeting and formally published in accordance with the terms of the following paragraph.</p>
<p>The slates must be filed with the Company's registered office and published at the care and expense of the shareholders who presented them, in at least one of the daily newspapers listed in the foregoing Art. 10, at least twenty-five days prior to the date set for the first call of the Shareholders' Meeting. Together with each slate, within the above deadline, each candidate must file a declaration confirming his candidacy and certifying, under his own liability, that there are no reasons why he/she is ineligible or incompatible for the position and that he/she meets the requirements set out in applicable laws and this By-Laws. Together with the declarations, each candidate shall file a curriculum vitae describing his personal and professional characteristics, indicating his possible candidacy as an independent Director. Each person with voting rights may only vote for one slate. Any lists which do not comply with the aforementioned requirements shall be deemed not to have been presented.</p>	<p><b>Without prejudice to the above</b>, the slates must be filed with the Company's registered office and published <del>at the care and expense of the shareholders who presented them, in at least one of the daily newspapers listed in the foregoing Art. 10, at least twenty-five days prior to the date set for the first call of the Shareholders' Meeting in accordance with prevailing law</del>. Together with each slate, within the above deadline, each candidate must file a declaration confirming his candidacy and certifying, under his own liability, that there are no reasons why he/she is ineligible or incompatible for the position and that he/she meets the requirements set out in applicable laws and this By-Laws. Together with the declarations, each candidate shall file a curriculum vitae describing his personal and professional characteristics, indicating his possible candidacy as an independent Director. Each person with voting rights may only vote for one slate. Any lists which do not comply with the aforementioned requirements shall be deemed not to have been presented.</p>
<p>For the election of the Board of Directors, the following procedure shall be observed:</p> <p>(a) five-sixths of the Directors to be elected shall be chosen from the slate that obtains the majority of the votes cast, in the order in which they are listed on the slate; in the event of a fractional number, it shall be rounded down to the nearest whole number;</p> <p>(b) the remaining Directors shall be taken from the other slates; for this purpose the votes obtained by the slates shall successively be divided by one, two, three and four according to the number of Directors to be chosen. The quotients thus obtained shall be assigned to the candidates on each slate in the order specified thereon. The quotients given to each candidate on the various slates will be given in a single decreasing ranking. Those who have obtained the highest quotients shall be elected. If more than one candidate have obtained the same quotient, the candidate from the slate that has not yet elected any Directors or that has elected the smallest number of Directors, shall be elected.</p>	<p>For the election of the Board of Directors, the following procedure shall be observed:</p> <p>(a) five-sixths of the Directors to be elected shall be chosen from the slate that obtains the majority of the votes cast, in the order in which they are listed on the slate; in the event of a fractional number, it shall be rounded down to the nearest whole number;</p> <p>(b) the remaining Directors shall be taken from the other slates; for this purpose the votes obtained by the slates shall successively be divided by one, two, three and four according to the number of Directors to be chosen. The quotients thus obtained shall be assigned to the candidates on each slate in the order specified thereon. The quotients given to each candidate on the various slates will be given in a single decreasing ranking. Those who have obtained the highest quotients shall be elected. If more than one candidate have obtained the same quotient, the candidate from the slate that has not yet elected any Directors or that has elected the smallest number of Directors, shall be elected. <b>All this is on the understanding that at least one director shall be taken from a slate, if presented and voted, presented by shareholders who are not connected, either directly or indirectly, with those who presented or voted for the slate that obtained the majority of votes cast.</b></p>

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

If a single slate is presented, if no slate is presented or if the Board of Directors is not being elected in its entirety, the Shareholders' Meeting shall vote with the legal quorum required by applicable laws.

If an elected independent Director should lose his/her independence requirements, he/she shall give immediate notice to the Board of Directors and, in any event, shall resign from his/her office.

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

Unchanged

The Shareholders' Meeting shall determine the Directors' compensation pursuant to Art. 2389 of the Italian Civil Code. It may also decide a global amount of compensation payable to the Directors including those charged with special powers pursuant to last paragraph of the aforementioned article. In such a case, the Board of Directors, after considering the proposals of the relevant Committee and obtaining the opinion of the Board of Statutory Auditors, shall distribute between its members the global amount determined by the Shareholders' Meeting. The Directors shall be entitled to reimbursement of the expenses incurred in the performance of their duties.

Unchanged

\* \* \* \*

The proposed amendments to art. 14 of the By-laws examined herein do not entitle shareholders to withdraw if they have not approved the related resolution, since such amendments do not constitute any of the circumstances for withdrawal identified in art. 2437 of the Italian Civil Code.

The Board of Directors therefore submits the following proposal for your approval:

"In view of the report prepared under art. 125-ter of Legislative Decree 58 dated 24 February 1998 and articles 72 and 92 of the CONSOB Regulation 11971/99, the Extraordinary Shareholders' Meeting of Prysmian S.p.A.

*resolves:*

1. to amend art. 14 of the By-laws as follows:

<b>Article 14 – Board of Directors</b>
The Company shall be managed by a Board of Directors of not less than 7 (seven) members nor more than 13 (thirteen) members, shareholders or not, who shall hold the office for a maximum period of three fiscal years and until the Meeting approving the Financial Statements for the last fiscal year of their office has been convened. They may be re-elected.
The Shareholders' Meeting shall decide on the number of Board of Directors members. The members of the Board of Directors must have the competence, integrity and independence requirements provided under applicable law; in particular, at least one of the Directors — or two if the Board of Directors is composed by more than seven members — must fulfill the independence requirements provided for Statutory Auditors under Art. 148, paragraph 3 (three), of Legislative Decree No. 58/98.
The Board of Directors shall be appointed on the basis of slates presented in accordance with the following paragraphs. The candidates on the slate must be listed with a progressive number.
The outgoing Board of Directors is entitled to present slates as well as those shareholders who, alone or together with other shareholders, represent a total of at least 2% [two per cent] of the ordinary share capital with voting rights at the ordinary Shareholders' Meeting, or representing a lower percentage where required by an applicable law or regulation in force. The ownership of numbers of shares necessary to present the slate has to be proven on the terms and in the manners set out by Law provisions. Each shareholder or shareholders belonging to the same group or who are connected, even indirectly, cannot — not even through an intermediary or trustee — present or contribute to the presentation of more than one slate. Each candidate may appear on only one slate, on pain of ineligibility. No candidate who is not in possession of the requirements set out in applicable laws may be included on the slate. The first and the second candidate on each slate must fulfil the independence requirements set out in applicable laws.
The slate of the Board of Directors, if presented, must be filed with the Company's registered office within the thirtieth day before the date set for the first call of the Shareholders' Meeting and formally published in accordance with the terms of the following paragraph.
Without prejudice to the above, the slates must be filed with the Company's registered office and published in accordance with prevailing law. Together with each slate, within the above deadline, each candidate must file a declaration confirming his candidacy and certifying, under his own liability, that there are no reasons why he/she is ineligible or incompatible for the position and that he/she meets the requirements set out in applicable laws and this By-Laws. Together with the declarations, each candidate shall file a curriculum vitae describing his personal and professional characteristics, indicating his possible candidacy as an independent Director. Each person with voting rights may only vote for one slate. Any lists which do not comply with the aforementioned requirements shall be deemed not to have been presented.
For the election of the Board of Directors, the following procedure shall be observed:
(a) five-sixths of the Directors to be elected shall be chosen from the slate that obtains the majority of the votes cast, in the order in which they are listed on the slate; in the event of a fractional number, it shall be rounded down to the nearest whole number;
(b) the remaining Directors shall be taken from the other slates; for this purpose the votes obtained by the slates shall successively be divided by one, two, three and four according to the number of Directors to be chosen. The quotients thus obtained shall be assigned to the candidates on each slate in the order specified thereon. The quotients given to each candidate on the various slates will be given in a single decreasing ranking. Those who have obtained the highest quotients shall be elected. If more than one candidate have obtained the same quotient, the candidate from the slate that has not yet elected any Directors or that has elected the smallest number of Directors, shall be elected. All this is on the understanding that at least one director shall be taken from a slate, if presented and voted, presented by shareholders who are not connected, either directly or indirectly, with those who presented or voted for the slate that obtained the majority of votes cast.
If none of such slates has yet elected a Director or each of them have elected the same number of Directors, the candidate

from the slate that obtained the largest number of votes shall be elected. If the different slates have received the same number of votes and their candidates have been assigned the same quotients, a new vote shall be held by the entire Shareholders' Meeting and the candidate obtaining the simple majority of the votes shall be elected.

If a single slate is presented, if no slate is presented or if the Board of Directors is not being elected in its entirety, the Shareholders' Meeting shall vote with the legal quorum required by applicable laws. If an elected independent Director should lose his/her independence requirements, he/she shall give immediate notice to the Board of Directors and, in any event, shall resign from his/her office. In case of any vacancy in the Board of Directors during the fiscal year, for any cause or reason, the Board of Directors shall proceed according to Art. 2386 of the Italian Civil Code. If one or more of the Directors no longer in office were taken from a slate which also contained the names of unelected candidates, the Board of Directors shall replace them by appointing, according to the progressive order, individuals from the slate of the outgoing Director, provided that such individuals are still eligible and willing to accept the office. At least one of the members of the new Board of Directors – or two if it is composed by more than seven members – must fulfill the independence requirements provided under applicable law. If the majority of Directors appointed by the Shareholders' Meeting resign or fall from office for other reasons, the entire Board of Directors shall be deemed to have resigned. Such resignation is effective when the Board of Directors is reconstituted by persons appointed by the Shareholders' Meeting, which must urgently be called by the remaining Directors.

The Shareholders' Meeting shall determine the Directors' compensation pursuant to Art. 2389 of the Italian Civil Code. It may also decide a global amount of compensation payable to the Directors including those charged with special powers pursuant to last paragraph of the aforementioned article. In such a case, the Board of Directors, after considering the proposals of the relevant Committee and obtaining the opinion of the Board of Statutory Auditors, shall distribute between its members the global amount determined by the Shareholders' Meeting. The Directors shall be entitled to reimbursement of the expenses incurred in the performance of their duties.

2. to grant the Company's current legal representatives severally, the widest powers to comply with all formalities needed to file the resolutions adopted with the Company Registrar and to make any amendments, changes or additions to the present resolution that might be necessary or nonetheless requested by the competent authorities."

### 3. Proposed amendment of art. 23 of the By-laws; related resolutions.

Shareholders,

Lastly, we propose amending **art. 23 of the By-laws** by introducing, in accordance with art. 2349, par. 1 of the Italian Civil Code, the option to distribute profits to employees of the Company or its subsidiaries by issuing them bonus shares. This amendment will allow the Shareholders' Meeting, in extraordinary session, to adopt possible initiatives for securing employee loyalty and incentivising them.

The existing text of art. 23 of the Prysmian By-laws is compared with that which the Board of Directors proposes be adopted.

EXISTING TEXT	PROPOSED TEXT
<b>Article 23 – Annual financial statements and profits</b>	<b>Article 23 – Annual financial statements and profits</b>
The Company's fiscal year shall end on December 31 of each year.	Unchanged
At the end of each fiscal year, the management body shall draft the annual Financial Statement (Balance Sheet, Profit and Loss Account and Notes to the Accounts) and shall present the statements to the Shareholders' Meeting for the relevant resolutions, together with the other documents required by applicable law.	Unchanged
The net profits shown on the Balance Sheet duly approved by the Shareholders' Meeting shall be allocated as follows:  (i) 5% (five per cent) to the legal reserve until this reaches an amount equal to one-fifth of the share capital; (ii) the remainder shall be available for distribution by the Shareholders' Meeting as it deems appropriate.	Unchanged
The Board of Directors may, during the course of the fiscal year and within legal limits, distribute interim dividends to the shareholders.	Unchanged
All dividends not collected within five years from the day on which they become due and payable shall revert to the Company.	Unchanged
New	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.

\* \* \* \*

The proposed amendments to art. 23 of the By-laws examined herein do not entitle shareholders to withdraw if they have not approved the related resolution, since such amendments do not constitute any of the circumstances for withdrawal identified in art. 2437 of the Italian Civil Code.

The Board of Directors therefore submits the following proposal for your approval:

"In view of the report prepared under art. 125-ter of Legislative Decree 58 dated 24 February 1998 and articles 72 and 92 of the CONSOB Regulation 11971/99, the Extraordinary Shareholders' Meeting of Prysmian S.p.A.

*resolves:*

1. to amend art. 23 of the By-laws as follows:

<b>Article 23 – Annual financial statements and profits</b>
The Company's fiscal year shall end on December 31 of each year.
At the end of each fiscal year, the management body shall draft the annual Financial Statement (Balance Sheet, Profit and Loss Account and Notes to the Accounts) and shall present the statements to the Shareholders' Meeting for the relevant resolutions, together with the other documents required by applicable law.
The net profits shown on the Balance Sheet duly approved by the Shareholders' Meeting shall be allocated as follows:
(i) 5% (five per cent) to the legal reserve until this reaches an amount equal to one-fifth of the share capital;
(ii) the remainder shall be available for distribution by the Shareholders' Meeting as it deems appropriate.
The Board of Directors may, during the course of the fiscal year and within legal limits, distribute interim dividends to the shareholders.
All dividends not collected within five years from the day on which they become due and payable shall revert to the Company.
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.

2. to grant the Company's current legal representatives severally, the widest powers to comply with all formalities needed to file the resolutions adopted with the Company Registrar and to make any amendments, changes or additions to the present resolution that might be necessary or nonetheless requested by the competent authorities."

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Milan, 10 March 2011

on behalf of the Board of Directors

The CEO

Valerio Battista