

# Shareholders' Meeting

## April 8<sup>th</sup> and 9<sup>th</sup>, 2009

*(Report on proposals on the items of the agenda)*

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**Prysmian S.p.A.**

**Sede Legale**

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

R.E.A. di Milano 1777895  
Capitale Sociale deliberato: € 18.310.000  
Capitale Sociale sottoscritto e versato: € 18.546.227

## Notice of Shareholders' Meeting

Shareholders are convened to an Ordinary Shareholders' Meeting to be held in Via Filodrammatici 3, Milan (at the premises of Mediobanca), at 14.30 on 8 April 2009 in first call and on 9 April 2009 in second call, at the same time and place, to resolve on the following

### Agenda

1. Financial statements at 31 December 2008; Directors' report and proposed allocation of net income for the year; report by the Board of Statutory Auditors; report by the Independent Auditors; related resolutions.
2. Re-establishment of composition of the Board of Statutory Auditors pursuant to art. 2401 of the Italian Civil Code and art. 21 of the prevailing By-laws; related resolutions.
3. Grant of authorization to the Board of Directors to buy back and sell treasury shares pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code; cancellation of the authorization to buy back and sell treasury shares under the shareholder resolution dated 15 April 2008; related resolutions.
4. Revocation of the current directors in order to renew the Board's mandate for another three years. Appointment of the Board of Directors pursuant to art. 2364, no. 2, of the Italian Civil Code and art. 14 of the By-laws, after determining the number of new directors. Determination of the term in office and annual compensation of directors. Related resolutions.

### Re-establishment of composition of the Board of Statutory Auditors

In accordance with art. 21 of the By-laws, the appointment of one Standing Statutory Auditor and two Alternate Statutory Auditors for the purposes of re-establishing the composition of the Board of Statutory Auditors shall take place by relative majority vote, subject to the rights of the minority under the same art. 21. Consequently, shareholders who, alone or together with others, own shares representing at least 2% of share capital with voting rights, as established by Consob Resolution no. 16779 dated 27 January 2009, may present names of proposed candidates to re-establish the composition of the Board of Statutory Auditors. These names must be filed at the Company's registered office at least 15 days prior to the date set for the Shareholders' Meeting in first call. The following documents must also be filed within the same deadline:

- (i) information relating to the identity of the shareholders who have presented the candidate names, indicating the total percentage of shares owned and a certification attesting this ownership;
- (ii) a statement by these shareholders that they do not have any connection with shareholders or groups of shareholders with a controlling or majority interest in the Company;
- (iii) a curriculum vitae containing each candidate's personal and professional details, as well as details of appointments held as a director or statutory auditor in other companies;
- (iv) a statement by each candidate confirming that there are no reasons why he/she is ineligible or incompatible for the position, that he/she meets the requirements for the office of statutory auditor, as set out in law and the Company's By-laws, and that he/she accepts his/her candidacy.

### Appointment of the Board of Directors

Pursuant to art. 14 of the By-laws, the appointment of the Board of Directors takes place on the basis of slates presented by shareholders. Consequently, shareholders who, alone or together with others, own shares representing at least 2% of share capital with voting rights, as established by Consob Resolution no. 16779 dated 27 January 2009, may present candidate slates.

The candidate slates must be filed at the Company's registered offices in Viale Sarca 222, Milan at least 15 (fifteen) calendar days before the date set for the Shareholders' Meeting in first call, and published, at

the care and expense of the shareholders who presented them, in at least one of the following daily newspapers: "Il Corriere della Sera", "Il Sole 24 Ore" or "Milano Finanza".

The following documents must be filed at the Company's registered offices along with each slate:

- (i). a statement by each candidate confirming that there are no reasons why he/she is ineligible or incompatible for the position, that he/she meets the requirements for the office of director, as set out in law and the Company's By-laws, and that he/she accepts his/her candidacy.
- (ii). a curriculum vitae containing each candidate's personal and professional details, also indicating whether they would qualify as an independent director;
- (iii). information relating to the identity of the shareholders who have presented the candidate slates, indicating the total percentage of shares owned and a certification attesting this ownership, as well as the name of the daily newspaper in which the candidate slate has been published;
- (iv). a statement by these shareholders that they do not have any connection with shareholders or groups of shareholders with a controlling or majority interest in the Company.

No shareholder or shareholders belonging to the same group or who are connected, even indirectly, can - even through an intermediary or trustee - present or contribute to the presentation of more than one slate. No candidate may appear on more than one slate, otherwise they will be disqualified. No candidate who is not in possession of the requirements set out in applicable laws may be included on the slate. The candidates must be listed with a sequential number and the first and second candidates on each slate must fulfil the independence requirements set out in law.

#### **Attendance at the meeting**

As provided by art. 11 of the By-laws, all holders of voting rights may attend or be represented at meetings provided they file at the Company's registered office at least two working days before the date of the meeting in first call, the certificate issued by authorised intermediaries required by art. 2370, par. 2 of the Italian Civil Code, which may not be withdrawn until after the meeting has taken place. In order to facilitate confirmation of their entitlement to vote, the holders of voting rights are requested to show a copy of the certificate sent by the respective intermediaries to the Company, which such intermediaries must make available to them, in compliance with applicable laws and regulations.

#### **Documentation**

The Board of Directors' proposals relating to the items on the agenda, including the Parent Company and Consolidated Financial Statements at 31 December 2008 and relevant reports, will be made available to the public in the legally required term 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).

**1) Statutory Financial Statements as of December 31<sup>st</sup>, 2008 and report of the Board of Directors; partial use of reserves for dividend distribution to the Shareholders; proposal for the allocation of the net income of the year.**

Shareholders,

We are submitting the financial statements for the year ended 31 December 2008 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 2008, which close with net income of Euro 129,963,770.40,

and unanimously

**RESOLVES**

a) to approve:

- the report on operations by the Board of Directors;
- the financial statements at 31 December 2008 - comprising the balance sheet, income statement and notes, as presented by the Board of Directors, as a whole and in their individual parts, along with the proposed provisions - which report net income of Euro 129,963,770.40;

b) to allocate net income for the year of Euro 129,963,770.40 as follows:

- Euro 10,925.00 to the Legal Reserve, thereby reaching one-fifth of share capital, as required by art. 2430 of the Italian Civil Code;
- approximately Euro 74 million to pay a gross dividend of Euro 0.417 to each voting share;
- the remainder of Euro 55.9 million to retained earnings.

The dividend will be payable from 23 April 2009, with the shares going ex-div on 20 April 2009, and will be paid to those shares outstanding on the ex-div date”.

## **2) Board of Statutory Auditors integration, pursuant to art. 2401 of the Civil Code and of art. 21 of the Company By-Laws, resolution related thereto.**

The Board of Directors reminds you that, following the resignation of Paolo Francesco Lazzati as a Standing Statutory Auditor, he was replaced with effect from 28 August 2008 by the Alternate Statutory Auditor Giovanni Rizzi, being the most senior Alternate Statutory Auditor in age. Giovanni Rizzi will remain in office until the Shareholders' Meeting to which the present Report refers. The above resignation was tendered in compliance with the requirements of art. 144-*terdecies* of the Issuer Regulations no.11971/1999, concerning the limit on the number of offices that can be held.

On 4 March 2009, the Alternate Statutory Auditor Alessandro Ceriani subsequently resigned from office, with effect from the date of the forthcoming Shareholders' Meeting. This resignation was tendered for professional reasons.

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting held on 28 February 2007, before the listing of Prymian S.p.A.'s ordinary shares on the Milan Stock Exchange. The Board of Statutory Auditors will end its term in office on the date of approving the financial statements for the year ended 31 December 2009.

It is therefore necessary to re-establish the composition of the Board of Statutory Auditors, by appointing one Standing Statutory Auditor and two Alternate Statutory Auditors, in compliance with the provisions of the Company's By-laws. In particular, in accordance with art. 21 of the By-laws, the Shareholders' Meeting shall re-establish the composition of the Board of Statutory Auditors by passing a resolution with a relative majority vote, subject to the rights of the minority under this article.

Consequently, shareholders who, alone or together with others, own shares representing at least 2% of share capital with voting rights, as established by Consob Resolution no. 16779 dated 27 January 2009, may present names of proposed candidates to re-establish the composition of the Board of Statutory Auditors.

These names must be filed at the Company's registered office at least 15 days prior to the date set for the Shareholders' Meeting in first call. The following documents must also be filed within the same deadline:

- information relating to the identity of the shareholders who have presented the candidate names, indicating the total percentage of shares owned and a certification attesting this ownership;
- a statement by these shareholders that they do not have any connection with shareholders or groups of shareholders with a controlling or majority interest in the Company;
- a *curriculum vitae* containing each candidate's personal and professional details;
- a statement by each candidate confirming that there are no reasons why he/she is ineligible or incompatible for the position, that he/she meets the requirements for the office of statutory auditor, as set out in law and the Company's By-laws, and that they accept his/her candidacy.

In the event of a tie between two or more candidates, the most senior candidates by age shall be elected, until all the positions have been filled.

If a single list of candidates is presented, or if no candidates at all are presented, the Shareholders' Meeting shall pass a resolution with the majorities required by law.

You are therefore invited to vote on the appointment of one Standing Statutory Auditor and two Alternate

Statutory Auditors, choosing between the candidates presented in accordance with the above procedures, whose term in office will end at the same time as the Board of Statutory Auditors currently in office, ie. on the date of approving the financial statements for the year ended 31 December 2009. The proposed compensation for the new Standing Statutory Auditor is the same as that received by members of the Board of Statutory Auditors currently in office, established as a fixed amount of Euro 12,920.00.

**3) Grant to the Board of Directors of the authorization for the purchase and disposal of treasury shares according to articles 2357 and 2357-ter of the Italian Civil Code; revoke of the previous resolution on the matter.**

Shareholders,

in submitting for your approval the proposal for authorisation to buy back and sell treasury shares as per articles 2357 and 2357-ter of the Italian Civil Code and article 132 of Italian Legislative Decree no. 58 of 24 February 1998, in order to provide the Company with an option that may be exercised with a view to the efficient management of the Company's capital and with a treasury share portfolio that can also be used in any extraordinary transactions and for any stock incentive plan reserved for Prysmian Group employees, and in any case for all the reasons allowed by laws in force, we propose that you adopt the following:

**RESOLUTION**

"The Shareholders' Meeting

- taking into account articles 2357 and 2357-ter of the Italian Civil Code and article 132 of Italian Legislative Decree no. 58 of 24 February 1998;
- acknowledging the Board of Directors' report on the proposal to authorise the buy back and sale of treasury shares and the proposal contained therein;
- in view of the most recent financial statements approved;

**PASSES A RESOLUTION**

1. to revoke the current authorisation for the purchase and disposal of treasury shares, granted to Board on 15 April 2008.
2. as per article 2357 of the Italian Civil Code, to authorise the Board of Directors for a period of 18 months starting from the date on which this resolution is adopted to buy back in one or more transactions of up to the 10% of the Company's ordinary shares, currently equal to 18.054.622, with a par value of €0.10 each, considering the treasury shares currently owned. The treasury share buy-back may take place at a minimum buy price of not less than 10% of the reference price that the share will have recorded at the stock market session on the day before the execution of every single buy transaction and at a maximum buy price of not more than 10% of the reference price that the share will have recorded at the stock market session on the day before the execution of every single buy transaction. Within the limits of net income that can be paid out and available reserves as recognised in any regularly approved annual financial statements, the buy-backs may be executed on regulated markets organised and managed by Borsa Italiana according to the operating procedures established in the market organisation and operating procedures, which do not allow for the direct combination of buy orders with pre-determined sell orders;
3. pursuant to and by the effects of article 2357-ter of the Italian Civil Code, to authorise the Board of Directors to execute disposal transactions for all or part of the Company's treasury shares both already owned by the Company and made available through the buy-backs based on this resolution, on one or several occasions with no time limits and even before having terminated all of the buy-backs. The sale of treasury shares may take place at a minimum buy price of not less than 10% of

the reference price that the share will have recorded at the stock market session on the day before the execution of every single sale transaction and at a maximum price of not more than 10% of the reference price that the share will have recorded at the stock market session on the day before the execution of every single sale transaction. The Board of Directors may decide not to apply such price limits if it uses the shares as payment for the acquisition of equity investments in other companies or if the sale of shares occurs in support of any stock incentive plan reserved for Prysmian Group employees;

4. to grant to the Board of Directors the power to:
  - identify reserves to be used for the buy-back of treasury shares and for setting up a restricted reserve as per article 2357-ter, paragraph 3, of the Italian Civil Code;
  - establish procedures, timetables, and execution and accessory terms for the buying and selling of treasury shares, provided that they are within the limits and conditions provided for in this resolution;
  - in relation to each treasury share buy-back transaction, as per article 2357-ter, paragraph 3, of the Italian Civil Code, set up a restricted reserve for an amount equal to the amount of treasury shares recognised in the balance sheet;
  - sign any deed or document or complete any formality, even with third parties, that, on its sole discretion, it deems necessary or in any case appropriate for the execution of this resolution."



**4) Revocation of the current directors in order to renew the Board's mandate for another three years. Appointment of the Board of Directors pursuant to art. 2364, no. 2, of the Italian Civil Code and art. 14 of the By-laws, after determining the number of new directors. Determination of the term in office and annual compensation of directors. Related resolutions.**

Shareholders,

The Board of Directors reminds you that, further to the request presented on 11 March 2009 by the shareholder Prysmian (Lux) II S.à r.l., as permitted by art. 126-bis of Legislative Decree 58 dated 24 February, the agenda of the Company's Ordinary Shareholders' Meeting has been updated with the addition of the above item.

The addition to the agenda of the previously convened Shareholders' Meeting as requested by this shareholder was published in the newspaper *Il Sole 24 Ore* on 13 March 2009.

The communication in which the shareholder Prysmian (Lux) II S.à r.l. requested the addition to the agenda of the Company's Shareholders' Meeting, which summarises the reasons why - in the shareholder's opinion - it might be appropriate to reappoint the existing Board of Directors for another three-year term, has been made available to shareholders at the Company's registered offices. Prysmian (Lux) II S.à r.l. states in its letter that, in its opinion, given the challenges facing the Company in the current economic climate, it is in the best interests of Prysmian and its shareholders that the Board of Directors currently in office is reappointed at the forthcoming Shareholders' Meeting for another full three-year term without waiting for its current mandate to expire in the spring of 2010. For the purpose of reappointing and extending the mandate of the current directors, Prysmian (Lux) II S.à r.l. intends to propose that Prysmian's shareholders revoke the current Board of Directors and reappoint it at the same time.

Art. 14 of the By-laws requires the Board of Directors to be appointed on the basis of slates presented by shareholders. The following procedure must be observed for the election of the Board of Directors: (a) five-sixths of the directors to be elected shall be chosen from the slate that obtains the majority of the votes cast by the shareholders, in the order in which they are listed on the slate; if five-sixths represents 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 these slates shall successively be divided by one, two, three, four and so on according to the number of directors to be elected. The quotients thus obtained shall be allocated to the candidates on each slate in the order specified thereon. The quotients allocated to the candidates on the various slates are then organised in a single decreasing ranking. Those with the highest quotients are elected. If several candidates have obtained the same quotient, the candidate on the slate that has not yet elected any directors or that has elected the smallest number of directors, shall be elected.

You will therefore be required to evaluate and possibly approve the revocation of the current Directors and to appoint a new Board of Directors, after determining its size, by voting for one of the slates presented in accordance with applicable legislation and the Company's By-laws. You will also be required to determine the term in office (which by law and the By-laws cannot exceed three financial years) and the annual compensation of the Directors in accordance with art. 2389 of the Italian Civil Code. You are

reminded that the Shareholders' Meeting of 28 February 2007 set the term of the current directors' mandate at three financial years and the annual compensation for the entire Board of Directors at Euro 300,000, granting the Board itself the authority to determine how such compensation should be allocated between all or just some of the directors in view of the specific positions held by each.

Milan, 16th March 2009

f. the Board of Directors  
The Managing Director  
*Valerio Battista*