

Guidelines  
for related parties transactions

Prysmian S.p.A.

## **Introduction**

These guidelines (the “**Guidelines**”) refer to the related parties transactions entered into by Prysmian S.p.A. (the “**Company**”), directly or through its subsidiaries, and aim at implementing the recommendations of the Italian self-governance code for listed companies (“*Codice di Autodisciplina*”) as well as the applicable laws and regulations, to ensure compliance with substantial and practical fairness criteria in judging and approving the aforesaid transactions.

### **1 – Related Parties**

For the purposes of these Guidelines reference should be made to the definition of Related Parties provided for under the international accounting standard concerning disclosure of related parties transactions in the financial statements, issued pursuant to the procedure provided for by article 6 of the EC Regulation no. 1606/2002, as well as the detailed identification of such Parties provided for under the “Procedure for the implementation of duties under art. 150, paragraph 1, of the legislative decree no. 58/1998” (“**UFA**”) (the “**Related Parties**”).

### **2 – Related Parties Transactions**

For the purposes of these Guidelines, Related Parties transaction shall mean any transaction entered into by the Company, directly or indirectly, with one or more Related Parties, including intra-group transactions (the “**Related Parties Transactions**”).

Ordinary Related Parties transactions are typical or usual transactions, or such transactions made on an arm's length condition (the “**Ordinary Related Parties Transactions**”).

Typical or usual transactions shall mean transactions which, by their subject or nature, arise in the ordinary course of business of the Company and transactions which raise no particular issues due to their features or the risks related to the nature of the counterparty, or the time of their execution. Arm's length transactions shall mean transactions that are made on terms and conditions equivalent to those that prevail in transactions made on same terms and conditions by the Company with any third parties.

For the purposes of these Guidelines, significant Related Parties transactions shall mean the Related Parties Transactions other than the Ordinary Related Parties Transactions (the “**Significant Related Parties Transactions**”).

### **3 – Guidelines for Significant Related Parties Transactions**

Significant Related Parties Transactions must be evaluated and approved in advance by the Board of Directors.

Before resolving on a Significant Related Parties Transactions, the Board of Directors must receive adequate information on the nature of the related party relationship, terms and conditions of the transaction, including economic terms and conditions, evaluation process applied, any underlying interests and reasons, and risks (if any) arising for the Company. For such a purpose, managers responsible for the execution of each relevant transaction shall timely send a report to the Managing Director containing the aforesaid information.

Where the related party relationship concerns a Director or any Related Parties through a Director, the relevant Director shall timely and fully disclose to the Board of Directors the existence of the related party relationship, specifying its nature, capacity and any other significant features, and shall leave the meeting of the Board of Directors when the relevant resolution must be voted. The Board of Directors, taking into account the relevant circumstances, has in any case the power to resolve otherwise and accordingly it may admit to the discussion and allow to vote the concerned Director.

To ensure substantial and practical fairness of the transaction, taking into consideration the nature and financial and strategic importance of the transaction, as well as the nature and extension of the existing relationships with counterparts, the Board of Directors may request a prior advice from the Internal Audit Committee and/or charge one or more independent Directors (in no event having relationship with the relevant Related Party) with the power to negotiate such transaction.

In addition to the above, to prevent a transaction from being made on terms and conditions other than those that would probably have been negotiated with unrelated parties, depending on the nature, value, or other features of the transaction, the Board of Directors may request for the assistance of one or more experts that will issue an opinion on the economic terms and/or legitimacy and/or technical features of the transaction, as the case may be.

In choosing such experts, the Board of Directors shall only appoint persons of acknowledged competence and expertise on the relevant matters and shall carefully verify their independence and absence of conflicts of interest.

Related Parties Transactions which, having regard to their object, consideration, and execution, may have a material adverse effect on the assets of the Company or the completeness and correctness of the information, including accounting information, pertaining to the Company, must be disclosed to the public in compliance with terms and conditions provided under article 71 *bis* of Consob's Regulation no. 11971/1999.

#### **4 – Guidelines for Ordinary Related Parties Transactions**

In the case of Ordinary Related Parties Transactions which, being typical or usual or made on an arm's length basis, are not subject to the previous approval of the Board of Directors, the managers responsible for the execution of the transactions shall gather and keep adequate information on the nature of the related party relationship, modalities of the execution of the transactions, including terms and conditions, evaluating process applied, underlying interests and reasons and risks (if any) arising for the Company. Also for such transactions one or more experts may be appointed as indicated above.