

**Procedure for the management and disclosure of privileged information**

**Prysmian S.p.A.**

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## 1. SCOPE OF APPLICATION

This procedure (hereinafter, the “**Procedure**”) has been adopted by Prysmian S.p.A. (hereinafter the “**Company**”) in compliance with the provisions of section 1(C)(1)(j) of the Code of Conduct drawn up by the Corporate Governance Committee of the listed companies.

The Procedure contains the provisions relating to the management of confidential information pursuant to section 181 of the Law of 24 February 1998, no. 58, as amended, (hereinafter the “**Consolidated Financial Intermediation Act**”) relating to the Company and the companies controlled by it. It is to be noted in this regard that should particular circumstances determine or require it the Procedure may not be applied in respect of certain companies of the Group.

The rules and the principles set out in the Procedure are aimed at ensuring compliance with the legal and regulatory provisions on the matter and ensuring the utmost privacy and confidentiality of Privileged Information or in any case likely to become privileged information. The purpose is to prevent the communication of the documents and information relating to the Company and the Group from occurring selectively, in other words being issued in advance to certain persons, such as for example shareholders, journalist or analysts, or being released in an untimely, incomplete or inadequate manner.

The Procedure is a standard reference for the subsidiaries which are required to circulate it sufficiently within the individual companies for the purpose of ensuring, within their area of responsibility, compliance with the Procedure and the legal and regulatory provisions on the matter currently in force.

## 2. DEFINITIONS

In addition to the terms defined in other provisions of this Procedure the following terms shall have the meaning hereinafter ascribed to each of them, it being understood that the terms and conditions defined in the singular shall be understood as defined in the plural and vice-versa.

- “**CEO**” means the Chief Executive Officer of the Prysmian Group as per the organisational chart of the Group
- “**CFO**” means Chief Financial Officer of the Prysmian Group i.e. the head of Finance, Administration, Control and IT, as per the organisational chart of the Group.
- “**Group**” (**Prysmian**) means Prysmian S.p.A. and the companies controlled by it.
- “**Privileged Information**” means information which:

- (a) has a precise character (i.e. makes reference to a series of existing circumstances which can reasonably be deemed to be produced or to an event which has occurred or which can reasonably be expected to occur if such information is sufficiently specific to make it possible to draw conclusions as to the possible effect of such set of circumstances or of such event on the prices of the Financial Instruments or the related derived financial instrument, the spot contracts on connected goods or products forming the subject matter of auction on the basis of the emission allowances);
- (b) has not been made public;
- (c) relates, directly or indirectly, to the Company or one or more Financial Instruments;
- (d) if made public could have a significant effect on the prices of such Financial Instruments or on the prices of connected derived Financial Instruments or on the prices of derived Financial Instruments (so-called *Price Sensitive*).

Also an intermediate stage in a lengthier process may be considered Privileged Information. In this regard, in the case of a prolonged process which is intended to give rise to, or which determines, a particular circumstances or a particular event, such future circumstance or future event as well as the intermediate stages in this process which are linked to the occurrence or determination of the circumstances or the future event may be considered Privileged Information.

- The following, each individually, are considered a “**Person Responsible for Information**”:

the first reports of the CEO responsible for the following functions or business areas, as possibly renamed, merged or separated as per the organisational chart of the Group in force from time to time:

- (a) Finance, administration, control and IT,
- (b) Human Resources & Organisation,
- (c) Corporate Strategy and Development,
- (d) Corporate Affairs,
- (e) Business Energy Projects,
- (f) Business Energy Products,
- (g) Business Telecom,
- (h) Oil&Gas,
- (i) Chief Operating Officer,

within whose remit the Privileged Information has been formed or is in the process of being formed.

- “**Financial Instruments**” refers exclusively to those issued by the Company.

### 3. RECIPIENTS

The following are required to comply with the provisions of this Procedure:

- (a) the members of the management, direction and control bodies of the Company and the Group, and
- (b) all the persons who in any case on account of their work or professional duties, have access on a regular or occasional basis to the Privileged Information relating to the Company or the Group (the persons referred to in paragraph 3, jointly, the “**Recipients**”).

### 4. BEHAVIOUR OBLIGATIONS OF THE RECIPIENTS

The Recipients are required to:

- (a) treat with utmost confidentiality the information acquired during their work or professional duties, function or office, in particular Privileged Information or information likely to become privileged information and not to disseminate it or disclose it to anyone;
- (b) use the Privileged Information or information likely to become privileged information solely in relation to their work or professional duties, function or office and accordingly not to use it for any reason or cause for personal purposes;
- (c) ensure the utmost confidentiality of the Privileged Information or information likely to become privileged information until it is communicated to the market in accordance with the procedures provided for by the Procedure;
- (d) inform in good time the appropriate Person Responsible for the Information - in relation to the information within their respective remits pertaining to any act, fact or omission which may constitute a breach of this Procedure.

Purely by way of example and without limitation, we set out below the general rules of behaviour:

- (a) particular attention must be paid to the delivery to the Board of Directors and Board of Auditors of the documentation preparatory to the meetings of the boards and or various committees. In this regard, delivery by fax or use of other instruments and methods not suitable for ensuring the utmost confidentiality must be avoided;
- (b) similar caution must be employed within extraordinary transactions and within the exchange of information and/or documentation with persons who act as consultants or advisors in the transaction;
- (c) in order to access Privileged Information or information in any case confidential the persons external to the Group must beforehand sign a confidentiality agreement; in this circumstance the persons must also be entered in the registers of the persons who have access to Privileged Information;
- (d) the paper and electronic documentation containing Privileged Information or in any

case confidential must be kept and stored with the utmost diligence so as to prevent non-authorised persons from having access to it and at the same time to ensure the traceability of the activities.

Further, the Recipients are banned from:

- (a) purchasing, selling or carrying out any other transactions, directly or indirectly, on their own account or on account of third parties, in relation to Financial Instruments entailing the use of Privileged Information;
- (b) recommending or inducing others, on the basis of Privileged Information, to carry out any of the transactions indicated in the point above.

## 5. COMMUNICATION TO THE PUBLIC OF PRIVILEGED INFORMATION

### 5.1 *Assessment of the privileged character of the information*

When a Person Responsible for the Information has grounds to take the view the event may have the characteristics of Privileged Information or a prolonged process may conclude with an event or encounter an intermediate stage which could have the characteristics of Privileged Information he/she provides notice of the circumstances to the CFO and Investor Relations which support the Person Responsible for Information who involved them, in the assessment of the privileged character, in the immediacy or in the future, of the information (the “**Assessment**”).

Once the aforementioned Person Responsible for the Information has conducted the Assessment confirming that the information is privileged:

- he/she informs as soon as possible Communication for the purpose of activating the process of drawing up the draft statement in accordance with paragraph 5.2;
- takes one of the following decisions, to be implemented when the event has occurred:
  - (a) proceed with communication to the public of Privileged Information; or
  - (b) not communicate Privileged Information externally and activate the process to delay the publication of the communication. In this case the Person Responsible for the Information who decided for the delay of the, records into the register of persons who have access to privileged information, about which at point 6 of the Procedure, of a specific section dedicated to such information, granting it with an appropriate code name.

The aforementioned Person Responsible for the Information informs in good time the CEO.

The Person Responsible for the Information whose area of responsibility gave rise to the Privileged Information already been communicated to the public or if its communication has been delayed, monitors any updates and possibly activates the communication methods as per point

5.2 should it be deemed necessary to make an update to the information, if it has already been communicated, or disclose it in case of a decision to delay as per point 5.4.

For the purpose of ensuring a proper and complete flow of information towards the Persons Responsible for the Information, taking account of their respective areas of responsibilities, so that they can fully complete the Assessment set out in this paragraph, the CEO Regions and the CEO Countries, as per the organisational chart of the Group as well as other persons in executive positions identified from time to time, are required to report to the Person Responsible for the Information with responsibility for the subject matter the information which may be considered of a privileged nature that they became aware of during their work.

If the Assessment, carried out by a Persons Responsible for the Information on the basis of the information provided by either a CEO Regions, a CEO Countries, or by other top manager, has confirmed that the information is privileged, the same Persons Responsible for the Information informs about the output of the Assessment the CEO Regions, CEO Countries, or top manager providing the information, who is in charge to communicate to the Persons Responsible for the Information the name of own collaborators which, from time to time, become aware of relevant the Privileged Information, together with the data required for their enrolment into the register of persons who have access to Privileged Information, about which at point 6 of the Procedure.

### ***5.2 Preparation of the statement***

The Person Responsible for the Information who conducted the Assessment activates the process for preparing the draft press statement and provide Investor Relations and Communication with all the necessary information for the drafting of the statement so as to ensure the timeliness required.

Communication prepares a draft notice on the basis of the applicable rules and shares it with Investor Relations.

Investor Relations checks that the statement contains all the elements suitable for allowing a complete and proper assessment of the events and the circumstances represented and connections and compares it with the content of any previous statements.

Communication, after preparing the draft statement, sends it to the Person Responsible for Information who conducted the Assessment for any amendments and/or additions.

Communication, after any changes and/or additions made by the Person Responsible for the Information, sends the draft statement to the CEO.

On the basis of the subject matter of Privileged Information, Investor Relations, in cooperation with Communication, considers whether to inform or consult in advance Borsa Italiana S.p.A. and/or CONSOB.

### ***5.3 Characteristics of the communication to the public***

The communication to the public of Privileged Information subject to obligations of disclosure must occur through an appropriate press statement to be disseminated by way of the methods provided for by the regulations in effect in compliance with the principles of clarity, information, symmetry coherence and timeliness.

### ***5.4 Delay in communication to the public***

The Company can, at its own responsibility, delay the communication to the public of Privileged Information, provided that all the following conditions are met:

- (a). the immediate communication could prejudice the legitimate interests of the Company, and
- (b). the delay would not have a misleading character for the public of the investors on essential facts and circumstances, and
- (c). the Company is able to ensure the confidentiality of the Privileged Information.

Please refer to Annex 1, which contains guidelines, provided by European Securities and Markets Authority (“ESMA”), aiming to provide guidance by giving examples of possible situations under points (a) and (b), to assist the issuers in their decision to delay public disclosure of Privileged Information.

The assessment and the decision to delay the communication must be made by the Person Responsible for the Information in whose area of responsibility the Privileged Information arose, with the support of the company functions that he/she deems appropriate to involve.

In assessing the possible delay in the communication to the public of Privileged Information consideration must be given to access to the information for the purpose of ensuring its confidentiality through the adoption of effective measures (hereinafter the “**Conditions for Delay**”) which allow:

- (a) the prevention of access to such information to persons other than those who need it in order to exercise their functions at the Company;
- (b) to ensure that the persons who have access to such information recognise and respect the legal and regulatory provisions which derive therefrom and are aware of the possible sanctions in case of abuse or non-authorized disclosure of Privileged Information;

- (c) the immediate communication to the public of Privileged Information where the persons have not been able to ensure confidentiality.

The Person Responsible for the Information who took the decision informs in good time the CEO.

The decision to delay the communication of Privileged Information must be documented by a record of the decision making process, possibly also through the completion of the Form (see Annex 2) by the Person Responsible for the Information who took the decision. The Person Responsible for the Information deals with:

- the storage and preservation of the documentation useful for the traceability of the decision making process, including the possible aforementioned Form,
- the enrollment into the register of persons who have access to privileged information, about which at point 6 of the Procedure, of a specific section dedicated to such information, granting it with an appropriate code name, and
- the communication to others Person Responsible who are aware of such information, of the code name granted to it in the aforesaid register.

When the Person Responsible for the Information who decided to delay communication to the public takes the view that the prerequisites for the termination of the delay have been met, verifies with the cooperation of Communication whether the draft statement, previously drawn up, requires changes and/or additions. Once these verifications have been conducted, the Person Responsible for the Information activates the stage relating to the publication of the statement in accordance with the procedures under paragraph 5.5.

In case of decision to delay the communication of Privileged Information, Person Responsible for the Information informs Corporate Affairs and provides at the same time all the information, including that relating to the fact that the Conditions for the Delay have been met together with the possible Form, useful and/or necessary for Corporate Affairs to communicate the decision to make the delay and the fulfilment of the Conditions for Delay to CONSOB, in accordance with the applicable Law provisions.

### **5.5 Publication of the statement**

#### **Disclosure and Storage of Privileged Information**

Corporate Affairs, after receiving from Communication the final version of the text of the statements in the format requested in two languages (Italian and English), disseminates and stores the statement through the use of the electronic system supplied by a provider authorised by CONSOB.

### Publication of the information on the website

Investor Relations will in coordination with the Person Responsible for the Information from whose area of responsibility the Privileged Information arose and following instructions from Corporate Affairs, publish on the company website, with the utmost timeliness and/or within the timeframe possibly laid down in the appropriate section dedicated to investors, the press statements and the main documentation of a corporate and accounting nature as well as documentation in any case useful to the shareholders in relation to the exercise of their rights.

The publication on the website must be based on the following criteria:

- (a) report the data and news of the web pages in accordance with adequate editorial criteria and avoid the pursuance of promotional purposes;
- (b) indicate clearly on each webpage the date and time of the update of the data;
- (c) ensure that the content is the same in the two versions highlighting in the opposite case any differences;
- (d) publish within as short a timeframe as possible a correction – in case of errors contained in the information published on the site – with an indication of the corrections made;
- (e) always quote the source of the information upon publication of data and news processed by third parties;
- (f) provide notice in the press statements of any publication on the websites of documents pertaining to the events reported in the statements;
- (g) make the documents available to the public through internet, preferably in the full version, in other words ensure that any summary reflects the information of the original document;
- (h) indicate in relation to the documents published on the site if it was the full version or an extract or a summary, setting out in any case the methods for obtaining the documents in the original format;
- (i) make references to other sites on the basis of principles of propriety and neutrality and thus allow the user to understand easily on which other site it is located;
- (j) indicate the source as well as the actual hour of the recording of the data on the prices and exchanged volumes of the Financial Instruments which may be reported;
- (k) allow free consultation of the site and avoid, including in the case which the management of the pages is conducted by third parties, impacting access to previous communications of data and news by investors;
- (l) observe the utmost prudence in the comments on international financial sites or in the discussion forums in order not to alter information parity between investors.

### **5.6 Communication of Privileged Information to third parties**

Privileged Information may be communicated by the Company to third parties solely on account of their normal work or the performance of their professional duties and on condition that these third parties are bound by legal, regulatory, statutory or contractual obligation of confidentiality.

In the communication to third parties of Privileged Information, the Person Responsible for the Information from whose area of responsibility the Privileged Information arose will in any case be required to make a selection on the basis of utmost caution.

Where, in derogation from the foregoing, Privileged Information is communicated to third parties not bound by confidentiality obligations and in any case of news leaks, meaning a loss of confidentiality as regards Privileged Information for reasons other than the communication to the market in compliance with the applicable regulatory provisions, the Person Responsible for Information from whose area of responsibility the Privileged Information arose will take steps to give full notice thereof to the public without delay in accordance with the procedures set forth in the Procedure.

## **6. ESTABLISHMENT OF THE REGISTER OF PERSONS WHO HAVE ACCESS TO PRIVILEGED INFORMATION**

Persons who have access on a regular or occasional basis to Privileged Information are entered in an appropriate register established and set up by the Company in accordance with law. For the purpose of ensuring the proper keeping of the register and information contained therein, the Company has created a specific and separate organisational procedure (see Procedure for the keeping of the register of persons who have access to Privileged Information).

## **7. ENTRY INTO FORCE**

The Procedure enters into force with effect from 20 October 2016. From that date the following documents must be considered null and void:

- *“Internal Regulation for the management of confidential information and the management and external communication of privileged information”*.
- Operational rules of the Group 02/2007 *“Disclosure obligations towards CONSOB and Borsa Italiana”*.

## **8. CHANGES AND AMENDMENTS TO THE PROCEDURE**

The CEO is authorised to make to this Procedure the formal changes and additions as well as those which become necessary following legal or regulatory measures.

## ANNEX 1 (Events - Delay)

Here below are the guidelines provided by ESMA (13 July 2016 - ESMA/2016/1130) aimed at providing guidance to assist issuer in their decision to delay the public disclosure of Privileged Information, giving some examples of possible situations where (a) the immediate communication of Privileged Information could prejudice the legitimate interests of the Company and (b) the delay would not misleading character for the investing public to essential facts and circumstances.

The following list indicates therefore a series of events that the Persons Responsible for Information will assess for the purpose of exercising the option of delaying the communication.

- The cases where **immediate disclosure of the inside information is likely to prejudice the issuers' legitimate interests** could include but are not limited to the following circumstances:
- (a) the issuer is conducting negotiations, where the outcome of such negotiations would likely be jeopardised by immediate public disclosure. Examples of such negotiations may be those related to mergers, acquisitions, splits and spin-offs, purchases or disposals of major assets or branches of corporate activity, restructurings and reorganisations;
  - (b) the financial viability of the issuer is in grave and imminent danger, although not within the scope of the applicable insolvency law, and immediate public disclosure of the inside information would seriously prejudice the interests of existing and potential shareholders by jeopardising the conclusion of the negotiations designed to ensure the financial recovery of the issuer;
  - (c) the inside information relates to decisions taken or contracts entered into by the management body of an issuer which need, pursuant to national law or the issuer's bylaws, the approval of another body of the issuer, other than the shareholders' general assembly, in order to become effective, provided that:
    - (i) immediate public disclosure of that information before such a definitive decision would jeopardise the correct assessment of the information by the public; and
    - (ii) the issuer arranged for the definitive decision to be taken as soon as possible.
  - (d) the issuer has developed a product or an invention and the immediate public disclosure of that information is likely to jeopardise the intellectual property rights of the issuer;
  - (e) the issuer is planning to buy or sell a major holding in another entity and the disclosure of such an information would likely jeopardise the implementation of such plan;
  - (f) a transaction previously announced is subject to a public authority's approval, and such approval is conditional upon additional requirements, where the immediate disclosure of those requirements will likely affect the ability for the issuer to meet them

and therefore prevent the final success of the deal or transaction.

- the situations in **which delay of disclosure of inside information is likely to mislead the public** includes at least the following circumstances:
- (a) the inside information whose disclosure the issuer intends to delay is materially different from the previous public announcement of the issuer on the matter to which the inside information refers to; or
  - (b) the inside information whose disclosure the issuer intends to delay regards the fact that the issuer's financial objectives are not likely to be met, where such objectives were previously publicly announced; or
  - (c) the inside information whose disclosure the issuer intends to delay is in contrast with the market's expectations, where such expectations are based on signals that the issuer has previously sent to the market, such as interviews, roadshows or any other type of communication organized by the issuer or with its approval.

**ANNEX 2 (Form - Delay)**

**Form to verify the existence of the conditions necessary to activate the process of delaying the communication of Privileged Information to the public**

I the undersigned \_\_\_\_\_, in my capacity as \_\_\_\_\_ and accordingly Person Responsible for the Information pursuant to the “*Procedure for the management and disclosure of privileged information*” adopted by the Prysmian Group with reference to the following Privileged Information:

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declares that the conditions exist for a delay the communication to the public of Privileged Information, in particular:

**1. the immediate communication could prejudice the legitimate interests of the Company for the following reasons:**

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**2. the delay would not be misleading for investors in respect of facts and essential circumstances for the following reasons:**

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**3. the confidentiality of Privileged Information is guaranteed for the following reasons:**

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At the same time I undertake to store and preserve this Form and any other information and/or document necessary or simply useful for the purpose of ensuring the traceability of the decision making process which led to the delay in the communication of Privileged Information.

Place and date: \_\_\_\_\_

Signature: \_\_\_\_\_