



## **REPORT OF THE BOARD OF DIRECTORS ON THE THIRD ITEM OF THE AGENDA**

### **Election of the members of the Board of Statutory Auditors.**

Dear Shareholders,

You have been convened in the Meeting to discuss and resolve upon the election of the Board of Statutory Auditors, whose term expires in concurrence with the approval of the financial statements for 2012.

In this regard, we remind you that, according to the provisions of Article 25 of the Corporate Bylaws, as well as of current law and the regulations (regarding the relative implementation) prescribed by Consob:

- the Board of Statutory Auditors shall consist of three regular Statutory Auditors; the Shareholder's Meeting, during the election, is also called to elect three alternate Statutory Auditors. The so-elected Auditors have a three-year term (expiring on the date of the Shareholders' Meeting convened to approve the financial statements for the third accounting period of their term) and may be re-elected at the expiration of their term;
- both the regular Statutory Auditors and the alternate Statutory Auditors shall be elected by a Shareholders' Meeting on the basis of slates presented by Shareholders;
- the slates of candidates may be presented only by the shareholders who, alone or together with other shareholders, result to own at least 0.5% of the share capital of Enel S.p.A.; the ownership of the minimum equity interest to the share capital of the Company required for the purpose of submitting the slates is determined according to the shares that are registered in the name of the shareholder on the date on which the slates are filed with the Company;
- the slates are to be divided into two sections: one for the candidates for the office of regular Statutory Auditor and the other one for candidates for the office of alternate Statutory Auditor; the candidates must be numbered progressively

and their number in each section may not exceed the number of members of the body to be elected;

- the first candidate on each slate must be a registered auditor and have practiced the profession of legal auditor for a period of no less than three years;
- in compliance with the provisions of the applicable law on balance between genders, those slates which, taking into account both sections, contain a number of candidates equal to or above three shall include both in the first two places of the section of the slate relating to the regular statutory auditors, and in the first two places of the section of the slate relating to the alternate statutory auditors, candidates belonging to different genders;
- each Shareholder may neither present nor vote, even indirectly through a third person or trust companies, more than a slate. Shareholders which are part of the same group and those who are part of a shareholders' agreement relating to the shares of the Company may not present or vote, even indirectly through a third person or trust companies, more than a slate. Each candidate may be presented on only one slate, under penalty of ineligibility;
- two regular Statutory Auditors and two alternate Statutory Auditors are to be drawn – in the numerical order in which they are listed in the respective sections – from the slate that obtains the most votes; the remaining regular Auditor and the remaining alternate Auditor are to be drawn from the other slates, in accordance with current regulations and the mechanism described in Article 14.3, letter b) of the Corporate Bylaws, which has to be applied separately to each of the sections in which the other slates are divided;
- the Chairman of the Board of Statutory Auditors will be the effective Statutory Auditor elected according to the procedures provided for by Article 14.3, letter b) of the Bylaws (*i.e.*, the regular Auditor drawn from minority slates, as prescribed by Article 148, paragraph 2-*bis* of the Consolidated Financial Act). In the event of substitution of the Chairman, such office must be filled by the alternate Statutory Auditor elected according to the procedures provided for by Article 14.3, letter b) of the Bylaws
- In the event of the substitution of one of the regular Auditors drawn from the slate that has obtained the most votes, his or her place must be taken by the first of the alternate Auditors drawn from the same slate. If, as a consequence of such substitution, the Board's composition results non compliant with the

applicable law on balance between genders, the second alternate Auditor shall be drawn from the same slate. In the event of the substitution of the other regular Auditor drawn from the slate that has obtained the most votes, in any case his or her place must be taken by the other alternate Auditor drawn from the same slate.

We also remind you that the candidates for the office of Statutory Auditor shall possess the requirements of honorableness and professionalism provided for statutory auditors of listed companies in the Ministry of Justice Decree No. 162 of March 30<sup>th</sup>, 2000, as integrated by the provisions of Article 25.1 of the Corporate Bylaws (with regard only to the requirements of professionalism).

As far as situations of ineligibility and the limit to the number of offices that members of the Board of Statutory Auditors may hold on management and supervisory bodies are concerned, the provisions of Article 148, paragraph 3, of the Consolidated Financial Act (approved with Legislative Decree No. 58 of February 24<sup>th</sup>, 1998), and the provisions of Article 148-*bis* of the Consolidated Financial Act and of Articles 144-*duodecies* and subsequent articles of the Issuers' Regulation (approved with Consob's Resolution No. 11971 of May 14<sup>th</sup>, 1999), shall apply.

The slates shall be filed with the Company's registered office by hand delivery of the relevant documentation to the office of Legal and Corporate Affairs of ENEL S.p.A. (Viale Regina Margherita No. 137 – 00198, Rome, from Monday to Friday, from 9:00 am to 5:00 pm), or through the specific section of the Company's website dedicated to the Meeting, or by fax to No. +39 06/83055028, no later than twenty-five days before the Meeting (i.e., within April 5<sup>th</sup>, 2013); together with the filing of the slates, information allowing for the identification of the persons submitting the slates shall also be provided:

- a details of the identity of the Shareholders filing the slates and of their overall percentage in the Company's share capital. The communication certifying the ownership of the aforementioned shareholding may also be provided to the Company after the filing of the slates but, in any case, no later than twenty-one days before the date of the Meeting (i.e. no later than April 9<sup>th</sup>, 2013);

- a declaration of the Shareholders other than those who, also jointly, hold a controlling or relative majority shareholding in the Company, certifying the lack of relationship of affiliation with such Shareholders (pursuant to Article 144-*quinquies* of the Issuers' Regulation). To this regard, it should be noted that, on the basis of the communications provided by Article 120 of the Consolidated Financial Act, the Company is subject to the *de facto* control of the Ministry of the Economy and Finance, that, possessing the 31.24% of the share capital, has sufficient votes to exercise a dominant influence at ordinary Shareholders' Meetings of Enel S.p.A. (whilst not in any way involved in managing and coordinating the Company, in accordance with the provisions of Article 19, paragraph 6, of Law Decree No. 78/2009, converted with Law No. 102/2009, which clarified that the regulations contained in the Italian Civil Code regarding the management and coordination of companies do not apply to the Italian government). We remind you that, the recommendations made by Consob in Communication No. DEM/9017893 of February 26<sup>th</sup>, 2009 have to be considered for the abovementioned declaration;
- an detailed information regarding the personal traits and professional qualifications of the candidates, together with a declaration certifying their possession of the requisites provided by the law and their acceptance of the nomination.

Given that, pursuant to Article 2400, last paragraph of the Italian Civil Code, when the Statutory Auditors have been elected and before they accept their office, the Shareholders' Meeting must be informed of the offices held by them on boards of directors and boards of statutory auditors of other companies, candidates are requested to provide a specific declaration regarding this matter as part of the information on their personal and professional skills and are requested to keep it up to date until the day of the Meeting.

The slates, together with the abovementioned documentation, will be made available to the public by the Company, no later than twenty-one days before the Meeting (*i.e.* within April 9<sup>th</sup>, 2013), at the Company's registered office and in the section of the Company's website dedicated to the 2013 Meeting.

It should be noted that, pursuant to Article 144-*sexies*, paragraph 5, of the Issuers' Regulation, if, on the deadline for filing of the slates, only one slate was filed - or if

only slates by Shareholders with relationship of affiliation (pursuant to Article 144-*quinquies* of the Issuers' Regulation) – slates may be presented up to the third day following the filing term abovementioned (*i.e.* within April 8<sup>th</sup>, 2013). In such case, only Shareholders that, individually or jointly, result owners of at least 0.25% of the share capital are allowed to file slates.

You are thus requested to vote for one of the slates that will be submitted and made public in accordance with the aforesaid provisions of laws and of the Bylaws.