



## REPORT OF THE BOARD OF DIRECTORS ON THE EIGHTH ITEM OF THE ORDINARY MEETING AGENDA

**Limits set under Article 84-ter of Law Decree No. 69 of June 21, 2013, as amended with modifications into Law No. 98 of August 9, 2013, on the compensation of the directors with delegated powers of the Company and of its subsidiaries.**

Dear Shareholders,

The Board of Directors has acknowledged the provisions of Article 84-ter of Law Decree No. 69 of June 21, 2013, as converted with modifications into Law No. 98 of August 9, 2013, co-called "*Decreto del Fare*" ("Law 98/2013"), that provides for the implementation of certain limits on the compensation of the directors with delegated powers of the companies having shares listed on regulated markets and that are directly or indirectly controlled by public administrations, as well as of the directors with delegated powers of their subsidiaries.

In particular, under Article 84-ter of Law 98/2013 in companies directly or indirectly controlled by public administrations, that issue shares listed on regulated markets (like Enel S.p.A.), during the election of the boards of directors a proposal shall be submitted to the Shareholders' Meeting for approval concerning the remuneration of directors with delegated powers of such companies and their subsidiaries. Under such proposal the amount of the compensation of the directors with delegated powers referred to under Article 2389, paragraph 3, of the Italian Civil Code cannot be determined and assigned by the Board of Directors in excess of the 75% of the total compensation paid in the previous term of office, inclusive of emoluments of any nature and also of any possible compensation due under work relationships

with the company. At the Shareholders' Meeting, the public controlling shareholder shall vote in favor of this proposal.

This law– which applies only to the first renewal of the boards of directors following the date of August 21, 2003, date of entering into force of Law 98/2013 – concerns the directors with delegated powers of both Enel and its subsidiaries, except for those companies listed on regulated markets and their subsidiaries, to which such provisions apply directly.

Therefore, if this Shareholders' Meeting approves the proposal, the Board of Directors of Enel S.p.A. will procure that the competent bodies of Enel's Italian subsidiaries, except for the controlled listed companies and their subsidiaries, comply with the Shareholders' Meeting resolution.

The Board of Directors informs that the Company, having gathered the consent from those concerned, has reduced the variable compensation of top executives and of the top management for the year 2013.

In particular: (i) the amount of the variable remuneration payable to the Chairman, as resulting from the level of achievement of the performance targets, was reduced by 30%; (ii) the amount of the short-term variable remuneration payable to the Chief Executive Officer/General Manager, as resulting from the level of achievement of the performance targets, is set to zero, with reference to the directorship relationship, and is it is reduced by 30%, with reference to the executive relationship, (iii) the amount of the short-term variable remuneration payable to the Executives with strategic responsibilities, as a result of the level of achievement of the performance targets, is reduced by 30%.

In light of the above, in implementing the obligation set under the aforementioned Article 84-*ter* of Law 98/2013, the Board of Directors is required to submit to your approval the following

### **Agenda**

The Shareholders' Meeting of Enel S.p.A., in implementing the provisions of Article 84-*ter* of Law Decree No. 69 of June 21, 2013, as converted with modifications into Law No. 98 of August 9, 2013, by passing the mentioned proposal,

### **resolves**

1. that the compensation of Enel S.p.A.'s directors with delegated powers pursuant to Article 2389, paragraph 3, of the Italian Civil Code cannot be determined and assigned by the Board of Directors elected by this Meeting in excess of the 75% of the total compensation paid in the previous term of office, inclusive of emoluments of any nature and also of any possible compensation due under work relationships with the company; specifying that total compensation shall mean the maximum total compensation payable on the basis of the resolutions and/or applicable contractual provisions. This measure shall apply only to the renewal of Enel S.p.A.'s Board of Directors approved by this Meeting;
  
2. that Enel S.p.A.'s Board of Directors shall procure that the competent bodies apply the restrictions under item (1) above to the compensation – determined pursuant to Article 2389, third paragraph, of the Italian Civil Code – of the directors with delegated powers of Enel S.p.A.'s Italian subsidiaries, except for those issuing shares listed on regulated markets (which will autonomously comply with the law provisions) and for their subsidiaries; specifying that this measure shall apply only to the first renewal of the board of directors of such companies occurring from the date hereof or – where such renewal has already been resolved upon – to the compensation that as of today is still to be determined or to be finally determined.