



## REMUNERATION REPORT

2018

(approved by the Board of Directors of Enel S.p.A. on April 18, 2018)

(Drawn up pursuant to Articles 123-*ter* of the Consolidated Financial Act and  
84-*quater* of CONSOB Issuers' Regulation)

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# Remuneration Report

## Letter from the Chairman of the Nomination and Compensation Committee

In my capacity as Chairman of the Nomination and Compensation Committee, I am pleased to present Enel's annual Remuneration Report.

The Nomination and Compensation Committee, comprised – following the renewal of the Board of Directors approved by the Shareholders' Meeting held on May 4, 2017 – of Directors Cesare Calari, Paola Girdinio and Alberto Pera, in addition to the Chairman, has prepared and submitted to the Board of Directors the remuneration policy for 2018 aimed at strengthening the interests of the top management be aligned with the main target of creating value for shareholders over the medium/long-term, as well as at attracting, retaining and motivating resources having professional skills required in order to manage successfully the Company in line with the provisions set forth for listed companies by the Italian Corporate Governance Code.

In defining the 2018 remuneration policy set out in the first section of this Report, the Committee has taken into account the best national and international practices, the indications resulting from the favorable outcome of the vote of the Shareholders' Meeting held on May 4, 2017 on the remuneration policy for financial year 2017 as well as on the new economic and legal treatment of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager for the mandate 2017/2019.

In this last respect, it should be noted that, following the said renewal of the Board of Directors, the Committee has drafted a proposal on the new economic and legal treatment of the Chairman and the Chief Executive Officer/General Manager. This proposal has been formulated after having examined a benchmark analysis carried out by the independent advisor Mercer and the opinions released by the latter, which highlighted the need to make the remunerative treatment of the Chairman of the Board of Directors and of the Chief Executive Officer/General Manager of Enel more competitive as compared to the relevant market. Indeed, the opinions have been released by Mercer taking into account the analysis of a peer group composed of selected European companies operating in the utilities market, identified not only for the same business, but also on the basis of dimensional criteria, in relation to which Enel is positioned in the high level (or at the maximum level) with reference to the several economic-financial indicators which have been taken into account.

Since the specific legal or regulatory limits which were implemented by the Shareholders' Meeting held on May 22, 2014 and which led the procedure for the identification of the legal and economic treatment of the Chairman and the Chief Executive Officer/General Manager for the mandate 2014-2016 are not applicable anymore, the Committee deemed it appropriate to establish an increase of the total remuneration for the mandate 2017-2019 both for the Chairman of the Board of Directors and for the Chief Executive Officer/General Manager, as well as an alignment of pay mix of the latter with what is provided by the reference market with regard to an increase of the weight of the long-term variable component.

With regard to the Chairman of the Board of Directors, having taken into account the confirmation of its non-executive role, the new remuneration policy still set forth that the compensation is to be represented exclusively by a fixed component.

Based on the approval of the shareholders received by the remuneration policy for the financial year 2017, and taken into account the said benchmark analysis carried out by Mercer, it has also been deemed appropriate to maintain the same short-term variable compensation of the Chief Executive Officer/General Manager with regard both to the nature and the weight of the various performance objectives and to the incentive scale.

After the appropriate in-depth analyses, instead, the Committee deemed to introduce a new objective of performance for the long-term variable compensation of the top management. Indeed, the 2018 LTI Plan sets forth the following performance objectives measured during the 2018-2020 frame time: (i) the trend of Enel's average Total Shareholders' Return (TSR) as compared with the average TSR of Index EUROSTOXX Utilities – EMU, with a total weight equal to 50%; (ii) the Return on Average Capital Employed ("ROACE"), with a total weight equal to 40%; (iii) CO<sub>2</sub> emissions per equivalent KWh produced by the Enel's Group, with total weight equal to 10%.

In particular, as compared to the 2017 LTI Plan, which set out only the first two performance objectives only (that weighted respectively 60% and 40%), in the 2018 LTI Plan it was deemed appropriate to insert a third objective, linked to Environmental, Social and Governance (ESG) issues. In the last years, indeed, it has been recorded an increasingly marked attention of the institutional investors to the issues linked to the several aspects of sustainability, with a particular emphasis on the combat against climate change. At the same time, the

inclusion of the objective concerning CO<sub>2</sub> emissions in the 2018 LTI Plan is in line with the 2018/2020 Strategic Plan, which provides for a business model's orientation to a lower carbon footprint, also related to a significant reduction on the said emissions by 2020.

Lastly, the Committee considers that the remuneration policy for the financial year 2018, although maintaining unchanged some essential features of the previous policy, provides from one side to take into account the need to redefine the economic treatment of the Chairman and the Chief Executive Officer/General Manager to the extent and in accordance with the modalities more suitable for the reference market and, simultaneously, implements in the structure of the long term incentive plan for the top management the increased sensitivity of the market for ESG issues.

Rome, April 18, 2018

Alberto Bianchi

Chairman of the Nomination and Compensation  
Committee

## Introduction

This Report, approved by the Board of Directors on April 18, 2018, upon proposal submitted by the Nomination and Compensation Committee, is divided into two sections:

- (i) the first section describes the policy adopted by Enel S.p.A. (“**Enel**” or the “**Company**”) on the remuneration of the members of the Board of Directors, of the General Manager and of the Executives with strategic responsibilities, with reference to the financial year 2018; in accordance with the provisions set forth by Article 123-*ter* of Legislative Decree of February 24, 1998 No. 58 (the “**Consolidated Financial Act**”), such section is submitted to the consultative vote of the ordinary Shareholders’ Meeting called to approve the financial statements as of December 31, 2017;
- (ii) the second section provides for a detailed disclosure on the remuneration paid to the above mentioned individuals and to the regular Statutory Auditors in the financial year 2017 on the basis of the remuneration policy adopted for such financial year and in execution of previous individual agreements.

The report also provides for information on the shareholdings held in Enel and in its subsidiaries by members of the Board of Directors and of the Board of Statutory Auditors, by the General Manager and by the Executives with strategic responsibilities, as well as their spouses who are not legally separated and their underage children, whether such shareholdings are held directly or indirectly through subsidiaries, trusts or agents.

This Remuneration Report is made available to the public at Enel’s registered office (located in Rome, at Viale Regina Margherita No. 137), on the Company’s website ([www.enel.com](http://www.enel.com)) and on the authorized storage mechanism called “eMarket Storage” ([www.emarketstorage.com](http://www.emarketstorage.com)).

## Summary of the main features of Enel's remuneration policy

Enel's remuneration policy, described in detail in the first section of this Report, has been approved on April 18, 2018 by the Board of Directors, upon proposal of the Nomination and Compensation Committee. This Policy is aimed at (i) attracting, motivating and retaining those resources that possess the most suitable professional skills to successfully manage the company, (ii) stimulating the achievement of the strategic targets and the company's sustainable growth; as well as (iii) aligning the interests of the management with the main goal of creation of sustainable value for shareholders in the long term and (iv) promoting the corporate values and mission.

In drafting the remuneration policy for 2018, the Nomination and Compensation Committee has taken into account the recommendations set forth under the Italian Corporate Governance Code, national and international best practices, as well as the indications resulting out of the favorable outcome of the vote of the Shareholders' Meeting held on May 4, 2017 on the remuneration report.

On this regard, we remind that the Shareholders' Meeting held on May 4, 2017 appointed the new

Board of Directors and confirmed its Chairman; the meeting of the Board of Directors held on May 5, 2017, confirmed the Company's Chief Executive Officer/General Manager.

Then the Board of Directors approved the legal and economic treatment of the Chairman and of the Chief Executive Officer/General Manager for the mandate 2017/2019, upon proposal from the Remuneration and Compensation Committee and the prior opinion of the Related Parties Committee (as provided for by the Procedure for transactions with related parties adopted by Enel) as well as the opinion of the Board of Statutory Auditors (pursuant to Article 2389, paragraph 3, of the Italian Civil Code).

Therefore, the 2018 remuneration policy takes into consideration the new legal and economic treatment granted to the Chairman and the Chief Executive Officer/General Manager. Notwithstanding the above, the main characteristics of the said policy are described below.

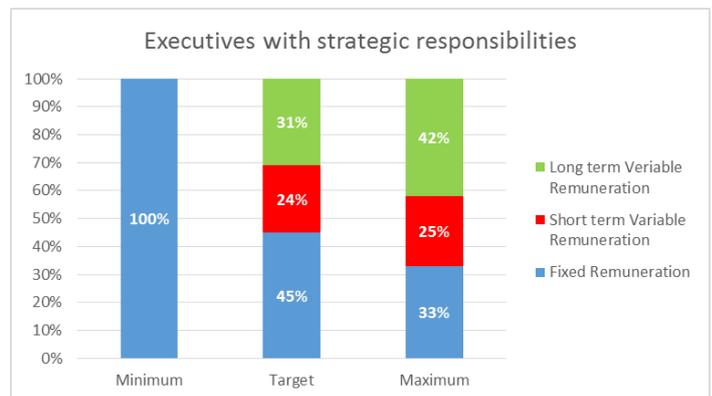
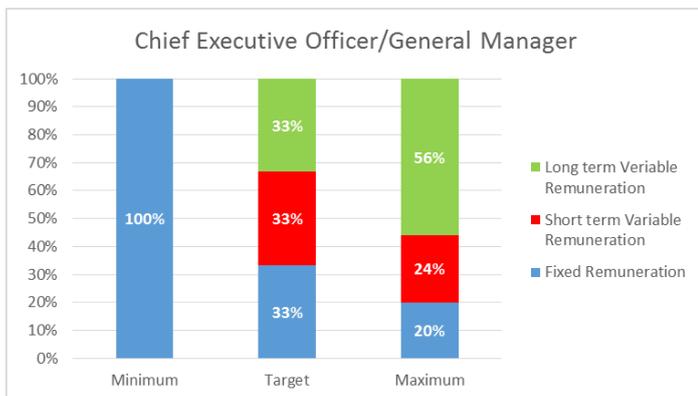
| Component                                     | Applicable conditions and payment timeline  | Proportional weight <sup>1</sup>          |
|---|---|---|
| <b>Fixed remuneration</b>                     | <ul style="list-style-type: none"> <li>Not subject to any conditions</li> <li>Paid on a quarterly basis to the CEO and to the Chairman and on a monthly basis to the GM and to the ESR</li> </ul>   | Chairman: 100%<br>CEO/GM: 20%<br>ESR: 33% |
| <b>Short-term variable remuneration (MBO)</b> | <ul style="list-style-type: none"> <li><b>Targets for the CEO/GM:</b> <ul style="list-style-type: none"> <li>Ordinary consolidated net income (40%)</li> <li>Funds from operations/Consolidated net financial debt (30%)</li> <li>Consolidated cash cost (20%)</li> <li>Safety in the workplace (10%)</li> </ul> </li> <li><b>Targets for the ESR:</b> <ul style="list-style-type: none"> <li>Individual targets connected to the business and differentiated for each ESR, based on the roles and the responsibilities assigned</li> </ul> </li> <li>Paid in the financial year in which the level of achievement of annual targets is verified</li> <li>Clawback right of the Company concerning the amounts paid on the basis of data which are subsequently proved to be manifestly misstated ("clawback")</li> </ul> | CEO/GM: 24%<br>ESR: 25%                   |
| <b>Long-term variable remuneration (LTI)</b>  | <ul style="list-style-type: none"> <li>Performance targets:               <ul style="list-style-type: none"> <li>average TSR (Total shareholders return) of Enel <i>vs.</i> average TSR of EUROSTOXX Utilities Index – EMU (50%)</li> <li>ROACE (Return on average capital employed) (40%)</li> <li>CO<sub>2</sub> emissions of Enel Group (10%)</li> </ul> </li> <li>Correction mechanism of the incentive (if any), for the TSR target, through the application of a regressive scale in case of absolute negative TSR of Enel share</li> </ul>   | CEO/GM: 56%<br>ESR: 42%                   |

|                           |   |  |
|---------------------------|---|--|
|                           | <ul style="list-style-type: none"> <li>• 30% is paid in the financial year following the relevant three-year period of the incentive plan, if at the end of the latter the achievement of the performance targets has been ascertained; in this latter case, the remaining 70% is paid in the second financial year after the relevant three-years period (“deferred payment”)</li> <li>• Clawback right of the Company concerning the amounts paid (or right to withhold deferred sums) on the basis of data which are subsequently proved to be manifestly misstated (“clawback” and “<i>malus</i>”)</li> </ul>   |  |
| <b>Other compensation</b> | <ul style="list-style-type: none"> <li>• <b>CEO/GM:</b> <ul style="list-style-type: none"> <li>- Severance indemnities equal to 2 years fixed compensation; such indemnity replaces and derogates the treatments due pursuant to the laws and the national collective bargaining agreement (“CCNL”)</li> <li>- The Board of Directors is not entitled to grant discretionary bonuses</li> </ul> </li> <li>• <b>ESR:</b> <ul style="list-style-type: none"> <li>- Usually the conditions provided under the relevant collective contracts, when applicable, without prejudice to previous individual agreements, if any, still in force as of the date of this report</li> </ul> </li> </ul> |  |

<sup>1</sup> Percentages calculated based on the highest MBO and LTI values.

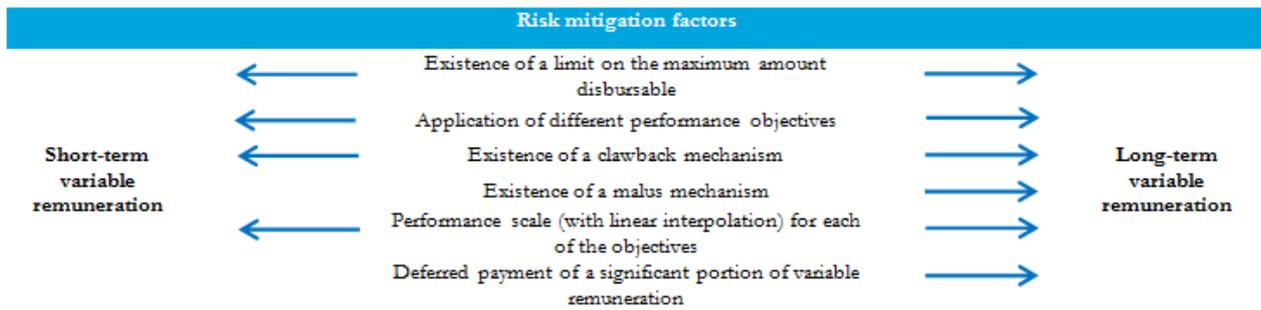
CEO/GM: Chief Executive Officer/ General Manager  
ESR: Executives with strategic responsibilities

[Change in the remuneration of the Chief Executive Officer/General Manager and of the Executives with strategic responsibilities on the basis of the achievement of the performance objectives](#)



Risk mitigation factors

Set forth below are the safeguards implemented by the Company in order to mitigate risks assumed by the management and to encourage the creation of sustainable value for shareholders over the medium/long-term.



**SECTION I: REMUNERATION POLICY FOR THE MEMBERS OF THE BOARD OF DIRECTORS, THE GENERAL MANAGER AND THE EXECUTIVES WITH STRATEGIC RESPONSIBILITIES. PROCEDURES FOR THE ADOPTION AND IMPLEMENTATION OF THE POLICY.**

**1.1 Procedures for the adoption and implementation of the policy**

*1.1.1 Bodies or persons involved in the preparation, approval and implementation of the policy.*

Enel's remuneration policy has been approved by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee.

In accordance with the recommendations set forth under article 6.C.5 of the Italian Corporate Governance Code, the adequacy, overall consistency and effective application of the remuneration policy are periodically reviewed by the Nomination and Compensation Committee.

The Chief Executive Officer is in charge of managing the remuneration policy for Executives with strategic responsibilities and, with the support of the Company's Human Resources and Organization Function, of monitoring on a continuous basis the adequacy, overall consistency and effective application of the policy, periodically reporting to the Nomination and Compensation Committee.

*1.1.2 Role, composition and functioning of the Nomination and Compensation Committee*

As of the date hereof, the Nomination and Compensation Committee is entirely composed of the following independent Directors: Alberto Bianchi (chairman), Cesare Calari, Paola Girdinio and Alberto Pera. The composition, the tasks and the functioning rules of such Committee are governed by a specific organizational regulation approved by the Board of Directors and made available to the public on the Company's website ([www.enel.com](http://www.enel.com)).

In particular, such Committee is in charge of the following consultative and proposing tasks concerning compensation:

- a) formulating to the Board of Directors proposals on the remuneration policy of Directors and Executives with strategic responsibilities;
- b) periodically assessing the adequacy, overall consistency and effective application of the policy adopted for the remuneration of

Directors and Executives with strategic responsibilities;

- c) submitting proposals to or expressing opinions in favor of the Board of Directors on the remuneration of executive Directors and other Directors holding particular offices, as well as for the identification of performance targets related to the variable component of such remuneration; monitoring the application of decisions adopted by the Board itself and verifying, in particular, the actual achievement of performance targets;
- d) reviewing in advance the annual remuneration report, to be made available to the public prior to the annual Shareholders' Meeting called to approve the financial statements.

The Committee also drafts and submits to the Board of Directors, for its approval, incentive schemes for the management, including stock-based remuneration plans, monitoring the application of the same.

The Committee may also provide support to the Chief Executive Officer and to the competent corporate functions in connection with the optimization of managerial resources, talent scouting and promotion of initiatives with universities in such regard.

The Nomination and Compensation Committee meets as often as appropriate to ensure the proper performance of its functions. The Chairman of the Board of Statutory Auditors attends the Committee meetings, and may also designate another regular Statutory Auditor to attend the meeting in his place; the other regular Statutory Auditors may also participate. The Head of the Human Resources and Organization Function generally attends the meeting as well. The Chairman may, from time to time, invite to the Committee meetings other members of the Board of Directors or other representatives of corporate functions or third parties whose attendance could be deemed helpful for purposes of optimizing the functioning of the Committee. No Director takes part in the Committee meetings in which proposals are presented to the Board of Directors with regard to his own remuneration, unless such proposals concern all the members of Committees established within the Board of Directors. In order for Committee's meetings to be valid, the attendance of a majority of the members in office is required.

The Committee's resolutions are adopted with the absolute majority vote of those in attendance; in the event of parity, the vote of the chairman prevails. The Chairman of the Committee reports to the first

available meeting of the Board of Directors with regard to the meeting held by the Nomination and Compensation Committee.

In this respect, it is here below illustrated the main activities carried out by the Committee in view of the drafting of this report.

**July 2017**

- Definition of the compensation proposal for the members of the Committees
- Identification of the advisors who will be entrusted with the assignment of assisting the Committee for the purposes of the definition of the economic and legal treatment to be granted to the Chairman and the CEO/GM for the 2017/2019 mandate

**September 2017**

- In-depth analysis for the definition of the economic and legal treatment to be granted to the Chairman and the CEO/GM for the 2017/2019 mandate

**October 2017– March 2018**

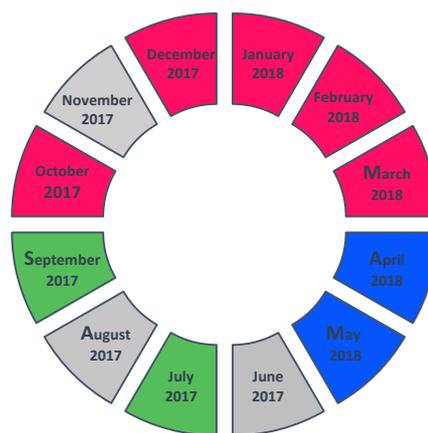
- Examination of the results of the votes of the Shareholders’ Meeting held on May 4, 2017 concerning the 2017 LTI Plan and the 2017 Remuneration Report and benchmark analysis on the main matters underlined by the institutional investors and proxy advisors
- Share of the proposals on the economic and legal treatment to be granted to the top management for the 2017/2019 mandate
- Evaluation of the adequacy, consistency and implementation of the 2017 remuneration Policy
- Definition of the 2018 MBO Plan for the CEO/GM
- Definition of the 2018 LTI Plan
- Assessment of the 2017 MBO Plan for the CEO/GM
- Assessment of the 2015 LTI Plan
- Definition and drafting of the remuneration Policy and remuneration Report and of the Information Document on the 2018 LTI Plan

**April 2018**

- Approval by the BoD of the remuneration Policy and remuneration Report and of the Information Document on the 2018 LTI Plan

**May 2018**

- Presentation of the remuneration Policy and remuneration Report and of the Information Document on the 2018 LTI Plan



■ Preliminary activity  
 ■ Definition of the remuneration structure  
 ■ Approval of the Policy and of the Report

### 1.1.3 Independent experts who took part in the preparation of the policy

In drafting the remuneration policy for the financial year 2018, the Company availed itself of the consultancy of the independent expert Mercer, that supported the Nomination and Compensation Committee in drafting the proposals on the economic and legal treatment of the Chairman and the Chief Executive Officer/General Manager for the mandate 2017/2019, submitted to the Board of Directors. The Committee entrusted the relevant assignment to Mercer, following an assessment on the absence of circumstances that may hinder its independence of judgment, in compliance with the recommendation laid down in Article 6 of the Italian Corporate Governance Code.

In particular, Mercer brought to the attention of the Committee (i) benchmark analyses on the economic and legal treatment of the Chairman and the Chief Executive Officer/General Manager concerning the previous 2014/2016 mandate, on the basis of both a peer group composed of selected European companies operating in the utilities market, identified not only for the business similar to Enel's, but also on the basis of dimensional criteria ("European Industry Peer Group"), and a peer group composed of issuers that, as Enel, belong to the FTSE MIB index and are identified for dimension, internationalization and for the direct or indirect participation of the Ministry of Economy and Finance; (ii) opinions, including observations and recommendations, supporting the drafting of the legal and economic treatment to be granted to the Chairman and the Chief Executive Officer/General Manager for the 2017/2019 mandate.

The Company also conducted a benchmark analysis on the remuneration of executives with strategic responsibilities based on the study "2017 Mercer Executive Remuneration Guides – Western Europe", which analyzed 981 European companies (22,073 individual roles).

The results of the abovementioned benchmark analysis are specifically mentioned in Paragraph 2.1.

## 1.2 Remuneration policy concerning the members of the Board of Directors, the General Manager and Executives with strategic responsibilities

### 1.2.1 Purposes of the remuneration policy, its underlying principles and changes compared with the financial year 2017

According with the recommendations set forth in Articles 6.P.2, 6.C.1 and 6.C.3 of the Italian Corporate Governance Code, the remuneration (i) of Enel's executive Director, *i.e.* the Chief Executive Officer (who also holds the role of General Manager; with a provision that such role will automatically cease in the event of termination of the office of Chief Executive Officer), and (ii) of Executives with strategic responsibilities of the Enel Group ("**Group**"), *i.e.* those persons reporting directly to Enel's Chief Executive Officer who (based upon the composition, the frequency of the meetings and the matters addressed by the executive committees involving the "top management") share with the Chief Executive Officer the main decisions concerning the Group, is defined so as to align their interests with the main target of creating value for shareholders over the medium/long-term, ensuring that the remuneration is based upon results effectively achieved by the persons in question and by the Group as a whole.

In particular, in order to strengthen the link between the remuneration and the Company's long-term interests, the policy on the remuneration of the above-mentioned individuals provides as follows:

- (i) there must be an adequate balance between the fixed component and the variable component and, within this latter component, between the short-term and the long-term components, being in any case upper limits for variable components established;
- (ii) the fixed component is sufficient to remunerate the work done by the person involved in the event that the variable component is not disbursed due to the failure to achieve the performance objectives;
- (iii) a significant portion of the remuneration of such persons shall come from three-year incentive plans;
- (iv) such plans must be paid subject to the achievement of three-year performance targets;
- (v) such targets are pre-determined, measurable and indicative of the operating efficiency of the Company, as well as of its capacity to remunerate invested capital and generate cash for the shareholders over the long term;
- (vi) the payment of a significant portion (equal to 70%) of the long-term variable remuneration is deferred to the second financial year

following the relevant three years period of the LTI Plan 2018 (“deferred payment”);

- (vii) the Company is entitled to request the restitution, in whole or in part, of variable components of the remuneration (or to withhold deferred sums), if they have been disbursed or calculated on the basis of data that later turned out to be manifestly erroneous (clawback and *malus*).

The remuneration policy applicable to such individuals is therefore aimed at enhancing sustainable performance and achieving strategic priorities.

Such policy is also aimed at attracting, motivating and retaining resources who are most qualified to successfully manage the company, and promoting the company’s mission and core values (including safety in the workplaces).

The remuneration of non-executive Directors, in accordance with the recommendations set forth in Article 6.P.2 of the Italian Corporate Governance Code, is related to the efforts requested for each of them, also taking into account their respective participation in one or more of the committees established within the Board of Directors.

#### [New economic and legal treatment of the top management for the 2017/2019 mandate](#)

Following their renewal resolved by the Shareholders’ meeting held on May 4, 2017, the Board of Directors defined the economic and legal treatment of the Chairman and of the Chief Executive Officer/General Manager for the 2017/2019 mandate, upon proposal of the Remuneration and Compensation Committee and the prior opinion of the Related Parties Committee (as provided by the Procedure for the transactions with related parties adopted by Enel) as well as the opinion of Board of Statutory Auditors (pursuant to Article 2389, paragraph 3, of the Italian Civil Code). In particular, in defining such a treatment – illustrated above in paragraphs 1.2.2 and 1.2.3 – the Board of Directors considered, among others, the following circumstances.

With regard to the Chairman of the Board of Directors, the economic treatment for the previous 2014/2016 mandate was not deemed to be competitive compared to the European Industry Peer Group (that Mercer considered the most representative peer group for the definition of the new treatment), by positioning below the first market quartile.

Thus, the new economic and legal treatment has been defined on the basis of both the benchmark analysis results and the following additional elements:

- the current Chairman, in line with the assigned delegated powers, is a non-executive Chairman and, *de facto*, the Group’s corporate governance guarantor;
- the Group’s corporate governance analysis showed a highly elaborate organizational structure, consisting of 13 listed companies, controlled by Enel and operating in 7 countries across 3 continents, characterized by minorities’ diversity and numerous supervisory authorities. In such context, the Chairman’s role of Group’s corporate governance guarantor has a particular relevance.

With regard to the Chief Executive Officer/General Manager, the benchmark analysis revealed that Enel’s positioning, in terms of dimension and profitability, as compared with the European Industry Peer Group - again considered the most representative peer group - is not reflected in the economic treatment granted for the previous 2014/2016 mandate; the latter, indeed, was found to be considerably lower compared to the one granted to the CEOs of the aforementioned Peer Group.

The analysis also pointed out that the pay mix granted to Enel’s Chief Executive Officer/General Manager for the previous 2014/2016 mandate is characterized by a prevalence of the short-term variable component over the long-term one, bucking the trend of the European Industry Peer Group and the recommendations of the main proxy advisor’s policies.

In light of the above, the new economic and legal treatment of the Chairman and the Chief Executive Officer/General Manager provides for an increase of their total remuneration along with a different balancing of the pay mix of the latter.

#### [Amendments to the remuneration policy for the financial year 2018 compared with financial year 2017](#)

During the first months of 2018, the Nomination and Compensation Committee has considered the changes to be made to the policy for the remuneration, in light of the indications resulting from the favorable vote expressed at the Shareholders’ Meeting held on May 4, 2017 on the remuneration report, the national and international best practices, as well as the top management’s new economic and legal treatment for the 2017/2019 mandate.

In particular, as compared to the 2017 remuneration policy, in addition to the increase of the total remuneration of the Chairman and of the Chief Executive Officer/General Manager and to the change to the pay mix of the latter, the following main changes have been made.

|   | 2017 Remuneration Policy  | 2018 Remuneration Policy   |
|---|---|--|
| <b>Fixed remuneration for the Chairman</b>        | The emoluments paid to the Chairman comprehend, <i>inter alia</i> , the payments due (if any) for the participation in the boards of directors of Enel's subsidiaries and/or affiliates, which therefore must be waived or repaid to Enel itself. | The emoluments paid to the Chairman comprehend, <i>inter alia</i> , the payments due (if any) for the participation in the boards of directors of <b>non-listed</b> Enel's subsidiaries and/or affiliates, which therefore must be waived or repaid to Enel. |
| <b>Long-term variable remuneration for CEO/GM</b> | Incentive scale of 40%, 80% and 144% of the fixed remuneration (respectively for minimum incentive, target and over-performance).   | Incentive scale of <b>50%, 100% and 280%</b> of the fixed remuneration (respectively for minimum incentive, target and over-performance).  |

|  |  |   |
|--|--|---|
| <b>LTI plan for Chief CEO/GM and ESR</b> | <p><u>Performance objectives:</u></p> <p>(a) Enel's average TSR as compared to the average TSR of the EUROSTO XX Utilities – EMU Index (weight 60%)</p> <p>(b) Return on Average Capital Employed – ROACE (weight 40%)</p> | <p><u>Performance objectives:</u></p> <p>(a) Target unchanged (<b>weight 50%</b>)</p> <p>(b) Target and weight unchanged</p> <p>(c) <b>CO<sub>2</sub> grams emissions per equivalent KWh produced by the Group in 2020 (weight 10%)</b></p> |
|  | <p>Performance scale of the LTI Plan for CEO/GM and for ESR: 180%, 150%, 100%, 50%, 0%</p>   | <p>LTI plan's performance scale:</p> <p>a) CEO/GM: <b>280%</b>, 150%, 100%, 50%, 0%</p> <p>b) ESR: unchanged</p>  |

### 1.2.2 Chairman of the Board of Directors

#### Remuneration structure and pay mix

The remuneration granted to the Chairman includes: (i) the base remuneration granted to her, on the basis of the resolution approved by the ordinary Shareholders' Meeting (pursuant to Article 2389, paragraph 1, of the Italian Civil Code), as member of Enel's Board of Directors; (ii) the remuneration due and the attendance fees due for the participation in the Committees established within the same Board of Directors; (iii) the compensation due as member of the board of directors of Enel's non-listed

subsidiaries and/or affiliates and/or non-listed companies or entities of interest for the Group, which therefore are waived or repaid to Enel itself. Therefore, the remuneration paid to the Chairman does not comprehend and, thus, may be combined with, the compensation due to the same as member of the boards of directors of listed subsidiaries (at the moment, Endesa S.A.), taking also into consideration the complexity of the required commitment and the responsibilities deriving from such office.

The Chairman remuneration consists only of a fixed component.

#### Fixed Remuneration

The fixed remuneration granted to the Chairman in charge as of the date hereof is equal to Euro 450,000 gross per year.

#### Other compensation

The policy on non-monetary benefits provides for the undertaking of Enel to: (i) enter into a specific insurance policy to cover risks such as death or permanent disability; and (ii) adopt protective measures in the event of judicial or administrative proceedings related to the office of Chairman, as well as to other offices (if any) held in subsidiaries or affiliated companies or in third companies or legal entities (when the office has been held on behalf of or for the interest of the Group), except in cases of willful misconduct or gross negligence established by final judgment or acts clearly committed to the detriment of the Company.

It should be noted that no disbursement of discretionary bonuses is envisaged in favor of the Chairman.

### *1.2.3 Chief Executive Officer / General Manager*

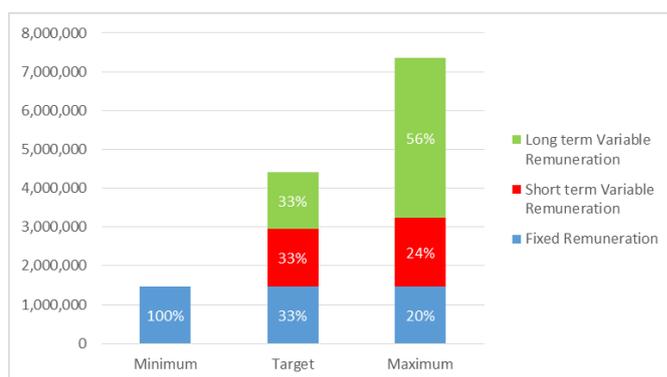
#### Remuneration structure and pay mix

Based on the current organizational structure of the Company, the office of Chief Executive Officer and of General Manager is held by the same person and the economic and legal treatment applied to him concerns, therefore, both the directorship and executive relationship. To the aforementioned executive relationship – which shall remain in force for the entire duration of the directorship relationship and will expire upon its termination – both the national collective employment contract of executives of companies which produce goods and services, and the supplementary contracts applicable to Enel’s executives, apply.

The remuneration granted to the Chief Executive Officer includes the base remuneration granted to him on the basis of the resolution approved by the

ordinary Shareholders’ Meeting (pursuant to Article 2389, paragraph 1, of the Italian Civil Code), as member of Enel’s Board of Directors, and the compensation due as member of the board of directors of Enel’s subsidiaries and/or affiliates, which therefore are repaid to or forfeited in favor of Enel itself.

The remuneration of the Chief Executive Officer/General Manager consists of (i) a fixed component, (ii) a short-term variable component and (iii) a long-term variable component, as subdivided below:



#### Fixed Remuneration

The fixed remuneration of the Chief Executive Officer/General Manager currently in charge is divided into (i) Euro 690,000 gross per year as compensation for the office of Chief Executive Officer and (ii) Euro 780,000 gross per year as compensation for the office of General Manager, for a total of Euro 1,470,000 gross per year.

#### Short-term variable remuneration

The short-term variable remuneration may range from 0 up to a maximum of Euro 1,764,000 euro gross per year (equal to 120% of the fixed annual remuneration related both to the directorship and to the executive relationship), depending upon whether or not the annual performance targets have been met.

The performance objectives to which achievement is subject the payment of the short-term variable remuneration for the financial year 2018, and the related weight, are indicated below:

| Performance objective            | Weight |
|----------------------------------|--------|
| Ordinary consolidated net income | 40%    |

|  |     |
|--|-----|
| Funds from operations/Consolidated net financial debt <sup>(1)</sup>   | 30% |
| Consolidated cash cost <sup>(2)</sup>  | 20% |
| Reduction of the work-related accident frequency index and simultaneous reduction of fatal accidents in 2018 <i>vs</i> the lower value between (i) the average of the results of the previous three-year period and (ii) the target of the previous year for each of the aforesaid criteria <sup>(3)</sup> | 10% |

Each objective will be measured individually on the basis of the performance scale set forth below.

| Objective <sup>(4)</sup>                               | Access threshold  | Target   | Over   |
|--|---|--|--|
| Ordinary consolidated net income                       | Euro 3.9 billion  | Euro 4.1 billion   | Euro 4.2 billion   |
| Funds from operations/ Consolidated net financial debt | 26%   | 27%  | 28%  |
| Consolidated cash cost <sup>(5)</sup>                  | Euro 11.5 billion   | Euro 11.4 billion  | Euro 11.3 billion  |
| Safety in the workplace                                | Work-related Accident Frequency Index (FI) <sup>(6)</sup> 2018 = 1.17 and number of fatal accidents during 2018 <= the Group's average of fatal accidents | FI 2018= 1.15 and number of fatal accidents during 2018 <= the Group's average of fatal accidents in 2015-2017 period (equivalent to a reduction | FI 2018= 1.11 and number of fatal accidents during 2018 <= the Group's average of fatal accidents in 2015-2017 period (equivalent to a reduction |

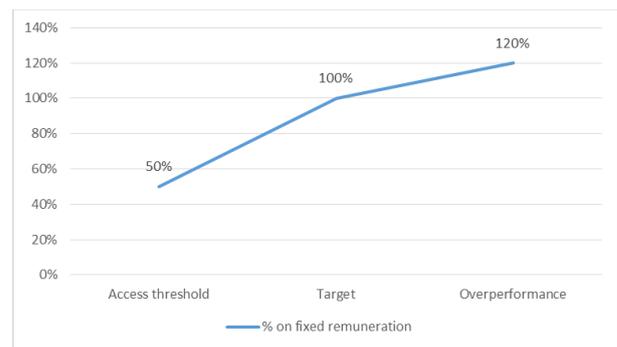
<sup>(1)</sup> The *Funds from operations* will be calculated as the sum of the cash flows prior to the dividends and extraordinary transactions + *gross capex*, while the consolidated net financial debt, net of the quota of activities classified as "held for sale" and "discontinued operations", will be determined by the "Long-term loans" and by the "Short-term loans and current quotas of long-term loans", net of "Cash and cash equivalents" and by current and non-current financial assets (financial receivables and titles not deriving from shareholdings) included in the "Other current assets" and "Other non-current assets".

<sup>(2)</sup> The consolidated cash cost will include the *gross capex* for maintenance and all fixed costs, net of capitalization.

<sup>(3)</sup> The work-related accident frequency index will be calculated as the ratio between the number of accidents and the total of hours worked (Enel + contractors), expressed in millions; for this purpose, only injuries that entail at least 1 day of sick leave will be considered as accidents. Road events are not included in the count of fatal accidents.

|  |   |   |   |
|--|---|---|---|
|  | in 2015-2017 period (equivalent to a reduction of the Group's fatal accidents as compared to 2017 target >= 2) <sup>(7)</sup> | of the Group's fatal accidents as compared to 2017 target >= 2) | of the Group's fatal accidents as compared to 2017 target >= 2) |
|--|---|---|---|

Upon the achievement of the access threshold, the disbursement of a sum equal to 50% of the base bonus is envisaged, while upon the achievement of the target and over performance, disbursement of a sum equal to, respectively, 100% and 120% of the base bonus is envisaged with regard to each objective (with linear interpolation), as set forth below. For performances under the access threshold, no bonus will be granted.



Therefore, if, for example:

- all the objectives were to reach the target level, the remuneration disburseable would amount to 100% of the fixed remuneration;
- the only objective achieved were the consolidated cash cost at a level equal to the

<sup>(4)</sup> During the final assessments, impacts arising from the differences due to the evolution of the exchange rate compared to the budget, the amendments of the scope of consolidation compared to budget hypothesis, impacts of funds (if any) and of extraordinary releases of funds as well as the impact of extraordinary transactions, always compared to budget hypothesis, will be neutralized. The objectives include the impact of the new international accounting standards.

<sup>(5)</sup> It includes the impacts of acquisitions and disposals occurred after the approval of the Strategic Plan 2018-2020 announced to the financial market on November 2017, and that were not included in the same Plan.

<sup>(6)</sup> The work-related accident frequency index will be calculated as the ratio between the number of accidents occurred and the total amount of worked hours (Enel + contractors) expressed in millions; to this end, only injuries that entail at least 1 day of sick leave will be considered as accidents.

<sup>(7)</sup> Road events are not included in the count of fatal accidents.

access threshold, the remuneration disburseable would amount to 10% of the fixed remuneration.

In the last year of the mandate, in the event of non-renewal, the variable short-term remuneration is set in an amount equal to the average remuneration received by the person involved for such component in the last two years, *pro rata temporis* (in other words, from January 1 until the date on which he terminates his office).

### Long-term variable remuneration

Long-term variable remuneration is linked to the participation in specific multiannual incentive plans reserved to Enel's top management and may range from 0 up to a maximum of Euro 4,116,000 gross per year (equal to 280% of the annual fixed remuneration for both the directorship relationship and the executive relationship). Set forth below are the three-year performance objectives characterizing the Long Term Incentive Plan 2018 ("LTI Plan 2018"), as well as their relevant weight:

| Performance objective   | Weight |
|---|--------|
| Average TSR <sup>(8)</sup> Enel <i>vs</i> average TSR of EUROSTOXX Utilities Index –EMU <sup>(9)</sup> in the 3-year period 2018-2020 | 50%    |
| ROACE ( <i>Return on average capital employed</i> ) cumulative for the 3-year period 2018-2020 <sup>(10)</sup>                        | 40%    |
| CO <sub>2</sub> grams emissions per equivalent KWh produced by the Group in 2020 <sup>(11)</sup>                                      | 10%    |

The target linked to the TSR will be measured on the basis of the performance scale set forth below (with linear interpolation). For performances under the pre-established minimum level, no bonus will be granted.

<sup>(8)</sup> The average of the *Total Shareholders Return* (TSR) of Enel and of the EUROSTOXX Utilities Index – EMU is calculated in the month preceding the beginning and the end of the *performance period* (January 1, 2018 – December 31, 2020), in order to sterilize any volatility on the market.

<sup>(9)</sup> Index managed by STOXX Ltd., which includes the most relevant utilities companies listed in Euro Area countries (EMU). As of the date of this Report, this index comprises, A2A, E.On, EDF, EDP, Enagas, Endesa, Enel, Engie, Fortum, Gas Natural, Iberdrola, Innogy, Italgas, Red Electrica, Rubis, Rwe, Snam Rete Gas, Suez Environnement, Terna, Uniper and Veolia Environnement.

<sup>(10)</sup> *Ratio* between Ordinary EBIT (Ordinary Operating Results) and average NIC (Net Invested Capital), the latter being determined as the average between the figures at the beginning and at the end of the relevant year. The Ordinary EBIT does not include the items which cannot be referred to the ordinary business, including the asset write-downs due to impairment considered as extraordinary for the purpose of determining the Group ordinary net income. For the final assessment, the

| Enel's TSR exceeding 115% of TSR Index | Enel's TSR from 110% to 115% of TSR Index | Enel's TSR from 100% to 110% of TSR Index | Enel's TSR from 90% to 100% of TSR Index | Enel's TSR under 90% of TSR Index |
|--|---|---|--|-----------------------------------|
| 280% <sup>(12)</sup>                   | 150%                                      | 100%                                      | 50%                                      | 0%                                |

In order to ensure a greater alignment of the variable remuneration with the main target of creating value for shareholders over the medium/long-term, a correction mechanism of the incentive (if any) connected with the TSR has been provided for. In particular, in case the absolute TSR of Enel share in the relevant three-year period is negative, the incentive due to the management (if any) is reduced – on the basis of a regressive scale – of the same negative percentage of the absolute TSR of Enel share, multiplied for a constant value equal to 1.5.

Please find here below a chart which provides for certain simulations concerning the application of the regressive scale.

| Achieved targets               | Incentive in case of Enel absolute TSR > 0% | Regressive scale multiplier | Incentive in case of Enel absolute TSR < 0% |      |      |      |
|--------------------------------|---|-----------------------------|---|------|------|------|
|                                |   |                             | -5%   | -10% | -15% | -20% |
| Enel TSR > 115% Index TSR      | 280%  | 1.5                         | 259%  | 238% | 217% | 196% |
| Enel TSR between 110% and 115% | 150%  | 1.5                         | 139%  | 128% | 116% | 105% |
| Enel TSR between 100% and 110% | 100%  | 1.5                         | 93%   | 85%  | 78%  | 70%  |
| Enel TSR between 90% and 100%  | 50%   | 1.5                         | 46%   | 43%  | 39%  | 35%  |
| Enel TSR < 90% Index           | 0%  | 1.5                         | 0%  | 0%   | 0%   | 0%   |

The objective linked to ROACE will be measured on the basis of the performance scale set forth below (with a linear interpolation). If the performance does not reach the access threshold, no bonus will be awarded.

(positive and negative) impacts arising from the exchange rate differential compared to the assumptions of the Strategic Plan will be sterilized. Moreover, the final assessment shall be made by taking into account the new international accounting standards, in force since January 1, 2018.

The NIC does not include the Discontinued Operations and the effect of the asset write-downs due to impairment, that has been sterilized for determining the Ordinary EBIT's value as specified above. Moreover, the final assessment shall be made by taking into account the new international accounting standards, in force since January 1, 2018. For the final assessment, the Nomination and Compensation Committee shall be provided with information on the extraordinary transactions that, based on the management's judgement, could have affected the value of the relevant KPI, in order to assess their possible sterilization.

<sup>(11)</sup> Emissions from the Group's plants' production.

<sup>(12)</sup> For the 2018 LTI Plan's beneficiaries other than the Chief Executive Officer/General Manager, it is provided for the disbursement of 180% of the assigned base bonus, once the second over-performance threshold is reached.

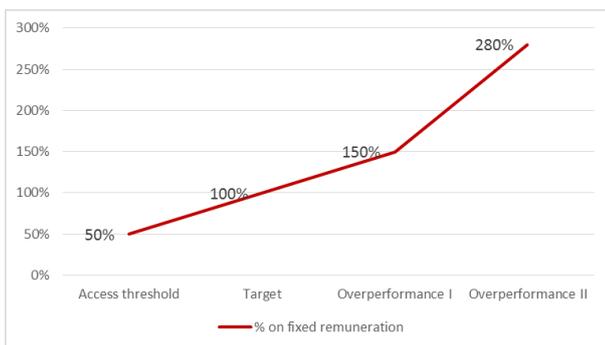
| Objective  | Access threshold | Target | Over I | Over II |
|--|------------------|--------|--------|---------|
| Cumulative ROACE for the three-year period 2018-2020 | 36.4%            | 37.5%  | 38.0%  | 38.6%   |

The introduction of the objective concerning CO<sub>2</sub> emissions (grams per equivalent KWh produced by the Group in 2020) in the LTI Plan 2018 is aimed at strengthening the link between the long-term variable remuneration and the 2018/2020 Strategic Plan, that promotes the implementation of a business model sustainable in the long period.

Such objective will be measured on the basis of the following scale (with a linear interpolation). If the performance does not reach the access threshold, no bonus will be awarded.

| Objective   | Access threshold | Target | Over I | Over II |
|---|------------------|--------|--------|---------|
| CO <sub>2</sub> Emissions (gCO <sub>2</sub> /KWh <sub>eq</sub> ) as at 2020 | <=380            | <=350  | <=340  | <=330   |

Upon the achievement of the access threshold or the target, it is envisaged, respectively, that a sum equal to 50% or 100% of the base amount would be disbursed, whereas upon the achievement of an over-performance, a sum equal to (i) 150% (Over I) or to (ii) 280%<sup>(13)</sup> (Over II) of the base amount would be disbursed with regard to each objective, as indicated here below.



Therefore, if, for example:

- all the objectives (TSR, ROACE and CO<sub>2</sub> emissions) were to reach the target level, the

<sup>(13)</sup> For the 2018 LTI Plan's beneficiaries other than the Chief Executive Officer/General Manager, it is provided for the

disbursable remuneration would amount to 100% of the fixed remuneration;

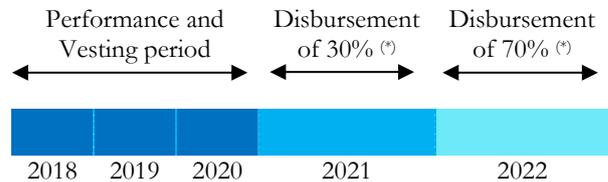
- the only objective achieved were the TSR, at a level equal to the access threshold, the remuneration disbursable would be equal to 25% of the fixed remuneration.

In the event of expiration of directorship relationship without simultaneous renewal of the same – and, therefore, in the event of automatic termination also of the executive relationship – before the performance period's conclusion, it is provided that the disbursement of the LTI Plan 2018 would take place at the natural expiry of the related vesting period, based upon the level of achievement of the performance objectives provided under such Plan; in this case, however, the disbursement will be made *pro rata temporis* until the date of termination of the directorship and executive relationship.

#### Payment deferral

The disbursement of a significant portion of the long-term variable remuneration (equal to 70% of the total) is deferred to the second financial year after the relevant three-year period of the LTI Plan 2018 (“deferred payment”).

#### **Chronology of the LTI Plan 2018**



(\*) In the event of achievement of the performance objectives.

#### Clawback and malus

The Company is entitled to claim back the variable remuneration (both short-term and long-term) paid (or may withhold variable remuneration that is deferred), if such remuneration has been paid or calculated on the basis of data which subsequently proved to be manifestly misstated.

#### Other compensation

With the termination of the directorship and, consequently, of the executive relationship (since the termination as Chief Executive Officer triggers the termination of the office of General Manager), the Chief Executive Officer/General Manager is entitled to the payment of an indemnity equal to two years of the fixed component for each of the two relationships, for an overall amount of Euro

disbursement of 180% of the assigned base bonus, once the second over-performance threshold is reached.

2,940,000, in line with the provisions of European Commission's Recommendation No. 385 of April 30, 2009; such indemnity replaces and derogates the treatments due pursuant to the law and the national collective employment contract for executives of companies which produce goods and services. It is provided that such indemnity shall be paid only in the event of (i) revocation or non-renewal of the directorship relationship and/or dismissal without just cause pursuant to Article 2119 of the Italian Civil Code ("Just Cause"); or (ii) resignation of the person in question from the directorship and/or executive relationship due to a Just Cause. The indemnity will not be due if, after the termination of the directorship relationship (and the consequent termination of the executive relationship), the involved person will be hired or appointed in a similar or higher position in a state-owned company. No termination indemnity is provided in favor of the Chief Executive Officer/General Manager for the case of changes in Enel's ownership structure (so-called "change of control").

The Chief Executive Officer/General Manager has also irrevocably granted the Company, pursuant to Article 1331 of the Italian Civil Code and for a consideration equal to a gross amount of Euro 485,100 (to be paid in three annual installments of equal amount), with the right to activate a non-competition agreement. Should the Company exercise such option right, the person involved undertakes to refrain from engaging in, for a period of 1 year following the termination of the directorship and executive relationships, regardless of the reason, either personally or indirectly through a third party, individual or entity, any activity, even on an occasional or gratuitous basis, in competition with, or in favor of, entities that operate in competition with the Enel Group throughout the entire territory of Italy, France, Spain, Germany, Chile and Brazil. If the Company exercises such option right, it will pay to the person in question, within the 15 days following the end of the term of such obligations (in other words, upon the expiry of 1 year from the termination of the directorship and executive relationships), a consideration equal to a gross amount of Euro 2,748,900. According to this policy, the breach of the non-competition agreement results in the non-payment of the above mentioned amount or its reimbursement, whether Enel has learnt of such breach after the payment. Such breach, furthermore, triggers the duty to indemnify the damage, which amount has been agreed between the parties as equal to the double of the value of the non-competition agreement (without prejudice to the

Company's right to take action to obtain the exact performance of the agreement).

It should be noted that the overall amount granted to the Chief Executive Officer/General Manager, in case of occurrence of the circumstances illustrated in this paragraph, for i) severance indemnity, ii) option right and iii) non-competition agreement is lower than the two years amount of fixed and variable short-term remuneration <sup>(14)</sup>.

The policy on non-monetary benefits provides that Enel undertakes to: (i) enter into a specific insurance policy to cover risks such as death or permanent disability; and (ii) adopt protective measures in the event of judicial or administrative proceedings related to the office of Chief Executive Officer/General Manager, as well as to the other offices (if any) held in subsidiaries or affiliated companies or in third companies or legal entities (when the office has been held on behalf of or for the interest of the Group), except in cases of willful misconduct or gross negligence established by final judgment or acts clearly committed to the detriment of the Company. The Company has also entered into an insurance policy aimed at ensuring to the person in question social security and pension benefits that are similar to what he would have received, with reference to both the fixed portion and the variable portion of the directorship relationship, had such relationship been considered equivalent to an executive relationship.

It should be noted that no disbursement of discretionary bonuses is envisaged in favor of the Chief Executive Officer/General Manager.

#### *1.2.4 Non-executive directors*

With regard to non-executive Directors, the policy – as indicated in paragraph 1.2.1 above – provides that their remuneration consists solely of a fixed remuneration (approved by the ordinary Shareholders' Meeting pursuant to Article 2389, paragraph 1, of the Italian Civil Code), and, for Directors who are also members of one or more committees established within the Board of Directors, of an additional amount determined by the latter, upon proposal of the Nomination and Compensation Committee and subject to the opinion of the Board of Statutory Auditors.

Such directors' remuneration is, therefore, composed only of the fixed component approved by the ordinary Shareholders' Meeting upon the director's appointment, and as of the date hereof is equal to

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<sup>(14)</sup> Considering the amount paid in case of over-performance for the quota relating to the short-term variable remuneration.

Euro 80,000 gross per year, not being provided any variable component.

Furthermore, for all Directors who are members of one or more committees established within the Board of Directors, the grant of an additional compensation has been determined by the Board itself, at the meeting held on July 13, 2017, upon proposal of the Nomination and Compensation Committee and the opinion of the Board of Statutory Auditors, in line with the recommendations set forth in Article 6.P.2 of the Italian Corporate Governance Code. The above-mentioned remuneration, for participation in each of the committees established within the Board of Directors (*i.e.*, currently, the Control and Risk Committee, the Nomination and Compensation Committee, the Related Parties Committee and the Corporate Governance and Sustainability Committee), have been established as follows:

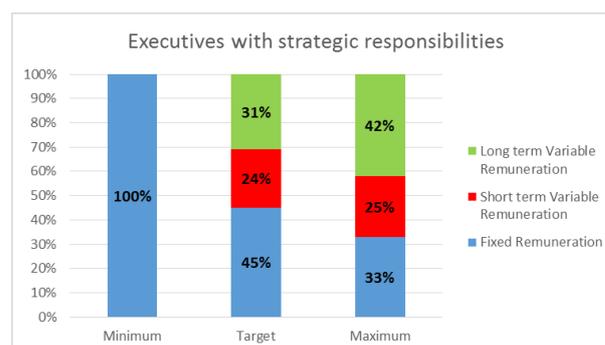
- gross annual compensation for the Chairman of the Committee: Euro 30,000
- gross annual compensation for the other members of the Committee: Euro 20,000
- amount due for each attendance (for all members): Euro 1,000 per meeting

In setting the above-mentioned remuneration, the Board of Directors also set a maximum limit to the total amount that may be paid to each Director for his/her participation in the above-mentioned Committees, providing that such amount may not, under any circumstances, exceed the limit of Euro 70,000 gross per year.

### 1.2.5 Executives with strategic responsibilities

#### Remuneration structure and pay mix

With regard to the Executives with strategic responsibilities, the remuneration policy provides that the compensation structure for such individuals consists of (i) a fixed component, (ii) a short-term variable component and (iii) a long-term variable component, as subdivided below:



#### Fixed remuneration

The fixed remuneration (RAL) of the Executives with strategic responsibilities is aimed at adequately remunerating the skills and expertise that are distinctive and necessary for purposes of performing the office assigned, the scope of responsibilities, and the overall contribution provided in order to achieve business results.

#### Short-term variable remuneration

The short-term variable remuneration of the Executives with strategic responsibilities is aimed at remunerating the performance from a merit and sustainability standpoint. This remuneration is paid to the Executives with strategic responsibilities, based on role and responsibilities for each of them and it represents, in the average, the 53% of the fixed remuneration based on the target value. In particular, the short-term variable component is granted subject to the achievement of objective and specific annual targets, based upon the strategic plan and jointly identified by the “Administration, Finance and Control” Function and the “Human Resources and Organization” Function. Such targets include (i) economic-financial targets, in line with the strategic targets of the Group as a whole and among the individual Functions/Business Lines/Regions/Countries (*e.g.*: ordinary consolidated net income and the reduction of operating expenses, as well as the assignment of specific targets for the individual Functions /Business Lines/ Regions/ Countries); and (ii) technical and/or project-based targets.

It should also be noted that the measurement of the short-term variable remuneration (MBO) may concretely vary, according to the level of achievement of performance targets, from a minimum level (below which the bonus is set to zero) up to a maximum level (predetermined in the event of over-performance connected to the targets), which is different depending on the specific national contexts and on the business where the Group is operating.

### Long-term variable remuneration

The long-term variable remuneration consists of the participation in the LTI Plan 2018, which is described in detail in paragraph 1.2.3 of this report, to which reference is made, which may range from 0 up to a maximum of 126% of the fixed remuneration of Executives with strategic responsibilities, based upon the level of achievement of three-year performance targets characterizing such Plan.

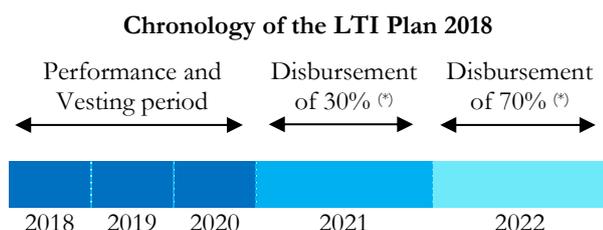
Therefore, if, for example:

- the objectives (TSR, ROACE and CO<sub>2</sub> emissions) were to reach the target level, the disburseable remuneration would amount to 70% of fixed remuneration;
- the only objective achieved were the TSR, at a level equal to the access threshold, the disburseable remuneration would amount to 17.5% of the fixed remuneration.

Please note that the performance objectives of some managers (and, therefore, also of the Executive with strategic responsibilities) are different from Enel's performance targets, in order to ensure the compliance with the applicable laws and to take in account the relevant activities carried out.

### Payment deferral

The payment of a significant portion of the long-term variable remuneration (equal to 70% of the total) is deferred to the second financial year after the relevant three-years period of the 2018 LTI Plan (“*deferred payment*”).



(\*) In the event of achievement of the performance objectives.

### Clawback and *malus* clause

The Company is entitled to claim back the variable remuneration (both short-term and long-term) paid (or to withhold any deferred variable remuneration), if it has been paid or calculated on the basis of data which are subsequently proved to be clearly erroneous.

### Other compensation

Usually, in the event of termination of the employment relationship, no additional indemnities

or payments are due other than those resulting from the application of the provisions of the national collective contract, when applicable, without prejudice to previous individual agreements, if any, still in force as of the date of this report.

During the employment relationship it is envisaged (i) the assignment of an automobile for business and personal use; (ii) the entering into insurance policies to cover the risk of accidents that may occur outside the professional environment; (iii) the payment by Enel of contributions for the supplementary pension fund, based on the relevant employment agreement, for the Group's executives; (iv) the payment by Enel of contributions for the supplementary healthcare coverage in accordance with the contractual provisions. Such benefits are also granted to the Chief Executive Officer/General Manager, in consideration of its executive relationship.

## SECTION II: REPRESENTATION OF ITEMS WHICH COMPRISE THE REMUNERATION AND FEES PAID DURING THE RELEVANT FINANCIAL YEAR

### 2.1 Compensation paid in 2017

Please find here below detailed information on the compensation paid to the members of the Board of Directors and of the Board of Statutory Auditors, to the General Manager and to the Executives with strategic responsibilities, on an accrual basis.

These compensations have been paid in compliance with the principles set forth in the remuneration policy submitted to the consultative vote of the ordinary Shareholders' Meeting held on May 4, 2017.

However, it should be noted that the compensation due to the Chairman of the Board of Directors and the Chief Executive Officer/General Manager were disbursed in compliance with the economic and legal treatment for the mandate 2017/2019, resolved by the Board of Directors, upon proposal of the Nomination and Compensation Committee, the opinions of the Related Parties Committee (as provided for in the Procedure for the transactions with related parties adopted by) as well as of the Board of Statutory Auditors (pursuant to art. 2389, paragraph 3, of the Italian Civil Code).

In this regard, the new economic treatment for the Chairman of the Board of Directors includes the remuneration and the attendance fees for participation in the committees established within the Board of Directors of the Company, as well as the remuneration, if any, to be granted for participation in the boards of directors of Enel's non-listed subsidiaries and/or affiliated companies and/or non-listed companies or entities of interest for the Group, that thus shall be waived or repaid to Enel. Thus, the remuneration due of the Chairman does not comprehend and, therefore, may be combined with, the compensation due to the same as member of the board of directors of listed subsidiaries (at the moment, Endesa S.A.), in consideration of the complexity of the required commitment and the responsibilities deriving from such office.

Lastly, the new economic and legal treatment for the Chief Executive Officer/General Manager includes the compensations (if any) due to him for participation in the boards of directors of Enel's subsidiaries and/or affiliated companies, that thus shall be waived or repaid to Enel itself.

- Fixed Remuneration

The fixed remuneration of the Chairman and of the Chief Executive Officer/General Manager has been approved (pursuant to Article 2389, paragraph 3, of the Italian Civil Code), by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, subject to the opinion of the Related Parties Committee and of the Board of Statutory Auditors. Such remuneration absorbs the base compensation assigned to the persons involved, on the basis of the ordinary Shareholders' Meeting resolution (pursuant to Article 2389, paragraph 1, of the Italian Civil Code), in their capacity as members of the Board of Directors.

The compensation of non-executive directors has been approved by the ordinary Shareholders' Meeting (pursuant to Article 2389, paragraph 1, of the Italian Civil Code) as well as, for the Directors who are also members of one or more Committees established within the Board of Directors, by the latter corporate body upon proposal of the Nomination and Compensation Committee and heard the Board of Statutory Auditors.

- Short-term variable compensation

The Board of Directors, upon proposal of the Nomination and Compensation Committee, has verified the achievement by the Chief Executive Officer/General Manager of a score equal to 100 points on the *performance* scale used, that is equivalent to the maximum amount of the short-term variable remuneration (equal to 120% of the fixed remuneration). The chart below specifies the level of achievement of each target.

| Performance targets assigned to the Chief Executive Officer/General Manager                                      | Maximum score | Points assigned |
|--|---------------|-----------------|
| Ordinary consolidated net income   | 40            | 40              |
| Funds from operations/Consolidated net financial debt  | 30            | 30              |
| Consolidated cash cost   | 20            | 20              |
| Reduction of the 2017 work-related accident frequency index (FI) <i>vs</i> 2016 and concomitant reduction of the | 10            | 10              |

|  |   |  |
|--|---|--|
| number of fatal accidents in the relevant period |   |  |
| <b>Total assessment</b>                          | Maximum of the short-term variable remuneration (equal to 120% of the fixed remuneration) |  |

With regard to the Chairman, no short-term variable remuneration is envisaged.

The short-term variable component of the remuneration payable to the Executives with strategic responsibilities has been paid on the basis of the performance of each of them in relation to the different targets assigned.

- **Long-term variable compensation**

The Board of Directors, upon proposal of the Nomination and Compensation Committee, has verified the achievement, in the maximum, of the performance targets provided for by the 2015 LTI Plan in which both the Chief Executive Officer/General Manager and the Executives with strategic responsibilities were involved and has therefore determined the payment to them of the 180% of the base amount granted to them under the same Plan.

| Performance targets assigned to the Chief Executive Officer/General Manager and to the Executives with strategic responsibilities | Performance scale                                       |     |      |      |      |
|---|---|-----|------|------|------|
|   | 0   | 50% | 100% | 150% | 180% |
| Average Enel TSR vs average TSR peers   |   |     |      |      | ✓    |
| Return on average capital employed (ROACE)  |   |     |      |      | ✓    |
| Overall assessment  | 180% of the base amount granted under the LTI Plan 2015 |     |      |      |      |

With reference to the Chief Executive Officer/General Manager, the latter has accrued the bonus resulting from the 2014 LTI Plan, approved and calculated by the subsidiary Enel Green Power S.p.A. of which he was chief executive officer/general manager until May 22, 2014; such Plan has therefore been granted to him *pro rata temporis* based on the effective term of the office of Enel Green Power S.p.A.'s chief executive officer and general manager during 2014. Detailed information concerning such Plan and its final assessment are available in the Remuneration Report presented at the 2014 Shareholder's Meeting of Enel Green Power S.p.A. as well as in the Information Document on the 2015

remuneration published on the Enel Green Power's website ([www.enelgreenpower.com](http://www.enelgreenpower.com)).

With reference to the Chairman, no long-term variable remuneration is provided.

- **Competitive positioning on the relevant market**

Set forth below is the positioning of the new economic treatment (referred to the 2017/2019 mandate) for the Chairman of the Board of Directors and the Chief Executive Officer/General Manager, as well as of the economic treatment for the Executives with strategic responsibilities, with respect to the relevant market.

#### Chairman

The Chairman's remuneration for the office held within the Company is in line with the average remuneration of non-executive chairmen of the European Industry Peer Group (composed of selected European companies operating in the utilities market, identified both for the business similar to Enel's and also on the basis of dimensional criteria).

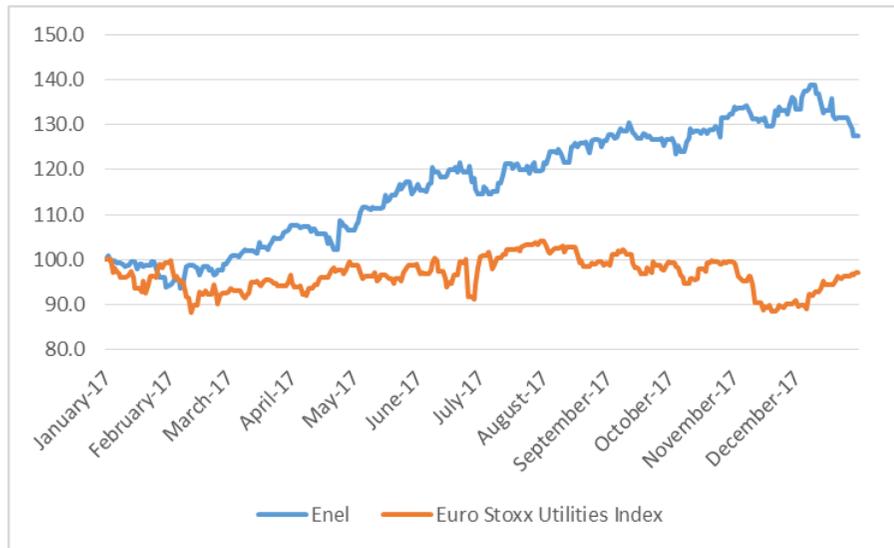
#### Chief Executive Officer/General Manager

The Total Direct Compensation Target (constituted by fixed remuneration and long and short term variable target remuneration) for the Chief Executive Officer/General Manager is between the third quartile and the ninth decile of the same European Industry Peer Group; this shows a greater consistency, as compared to the economic treatment for the previous 2014/2016 mandate, with Enel's positioning in terms of size and profitability within the European Industry Peer Group.

#### Executives with strategic responsibilities

With reference to the Executives with strategic responsibilities, the total remuneration results to be, compared to the relevant benchmark, between the first quartile and the market median ("*2017 Mercer Executive Remuneration Guides – Western Europe*", which analyzed the remuneration of executives in 981 European companies).

2.2 Overall shareholders' return (for every 100 Euro invested on January 1, 2017)



*Table 1: Compensation paid to the members of the Board of Directors, the Board of Statutory Auditors, to the General Manager and to Executives with strategic responsibilities*

The following chart sets forth compensation paid in 2017, on an accrual basis, to the Directors, to the Regular Statutory Auditors, to the General Manager and

to the Executives with strategic responsibilities, in compliance with Annex 3A, Table 7-bis, of Consob Issuers' Regulation. This chart includes all the persons holding the aforementioned offices even only for a fraction of the year.

| (A)<br>First name and last name   | (B)<br>Office                               | (C)<br>Period during which office was held | (D)<br>Expiration date of the office  | (1)<br>Fixed compensation | (2)<br>Compensation for participation in committees | (3)<br>Non-equity variable compensation |                | (4)<br>Non-monetary benefits | (5)<br>Other compensation | (6)<br>Total | (7)<br>Fair value of equity compensation | (8)<br>Indemnity for severance / termination of employment relationship |
|---|---|--|---------------------------------------|---------------------------|---|---|----------------|------------------------------|---------------------------|--------------|--|---|
|   |   |  |                                       |                           |   | Bonuses and other incentives            | Profit sharing |                              |                           |              |  |   |
| <b>(I) Compensation of the company that drafts the financial statements</b> |   |  |                                       |                           |   |   |                |                              |                           |              |  |   |
| Maria Patrizia Grieco <sup>(1)</sup>  | Chairman                                    | 01/2017-12/2017                            | Approval of 2019 financial statements | 377,978 <sup>(a)</sup>    | -   | -                                       | -              | 9,031 <sup>(b)</sup>         | -                         | 387,009      | -  | -   |
| Francesco Starace <sup>(2)</sup>  | CEO/GM                                      | 01/2017-12/2017                            | Approval of 2019 financial statements | 1,366,689 <sup>(a)</sup>  | -   | 2,855,712 <sup>(b)</sup>                | -              | 68,207 <sup>(c)</sup>        | 161,700 <sup>(d)</sup>    | 4,452,308    | -  | -   |
| Alfredo Antoniozzi <sup>(3)</sup>   | Director                                    | 01/2017-12/2017                            | Approval of 2019 financial statements | 80,000 <sup>(a)</sup>     | 47,398 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 127,398      | -  | -   |
| Alberto Bianchi <sup>(4)</sup>  | Director                                    | 01/2017-12/2017                            | Approval of 2019 financial statements | 80,000 <sup>(a)</sup>     | 55,247 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 135,247      | -  | -   |
| Cesare Calari <sup>(5)</sup>  | Director                                    | 05/2017-12/2017                            | Approval of 2019 financial statements | 52,822 <sup>(a)</sup>     | 29,808 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 82,630       | -  | -   |
| Paola Girdinio <sup>(6)</sup>   | Director                                    | 01/2017-12/2017                            | Approval of 2019 financial statements | 80,000 <sup>(a)</sup>     | 58,398 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 138,398      | -  | -   |
| Alberto Pera <sup>(7)</sup>   | Director                                    | 01/2017-12/2017                            | Approval of 2019 financial statements | 80,000 <sup>(a)</sup>     | 57,398 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 137,398      | -  | -   |
| Anna Chiara Svelto <sup>(8)</sup>   | Director                                    | 01/2017-12/2017                            | Approval of 2019 financial statements | 80,000 <sup>(a)</sup>     | 63,850 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 143,850      | -  | -   |
| Angelo Taraborrelli <sup>(9)</sup>  | Director                                    | 01/2017-12/2017                            | Approval of 2019 financial statements | 80,000 <sup>(a)</sup>     | 63,247 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 143,247      | -  | -   |
| Alessandro Banchi <sup>(10)</sup>   | Ceased Director                             | 01/2017-05/2017                            | Approval of 2016 financial statements | 27,178 <sup>(a)</sup>     | 20,987 <sup>(b)</sup>                               | -                                       | -              | -                            | -                         | 48,165       | -  | -   |
| Sergio Duca <sup>(11)</sup>   | Chairman of the Board of Statutory Auditors | 01/2017-12/2017                            | Approval of 2018 financial statements | 85,000 <sup>(a)</sup>     | -   | -                                       | -              | -                            | -                         | 85,000       | -  | -   |

|   |                           |                 |                                       |                        |                |                  |   |               |                |                  |   |   |
|---|---------------------------|-----------------|---------------------------------------|------------------------|----------------|------------------|---|---------------|----------------|------------------|---|---|
| Romina Guglielmetti <sup>(12)</sup>                                 | Regular Statutory Auditor | 01/2017-12/2017 | Approval of 2018 financial statements | 75,000 <sup>(a)</sup>  | -              | -                | - | -             | -              | 75,000           | - | - |
| Roberto Mazzei <sup>(13)</sup>                                      | Regular Statutory Auditor | 01/2017-12/2017 | Approval of 2018 financial statements | 75,000 <sup>(a)</sup>  | -              | -                | - | -             | -              | 75,000           | - | - |
| (I) Sub-total   |                           |                 |                                       | <b>2,539,667</b>       | <b>396,333</b> | <b>2,855,712</b> | - | <b>77,238</b> | <b>161,700</b> | <b>6,030,650</b> | - | - |
| <b>(II) Compensation from subsidiaries and affiliated companies</b> |                           |                 |                                       |                        |                |                  |   |               |                |                  |   |   |
| Maria Patrizia Grieco <sup>(14)</sup>                               | Director Endesa S.A.      | 04/2017-12/2017 | Approval of 2017 financial statements | 141,271 <sup>(a)</sup> | -              | -                | - | -             | -              | 141,271          | - | - |
| (II) Sub-total  |                           |                 |                                       | <b>141,271</b>         | -              | -                | - | -             | -              | <b>141,271</b>   | - | - |
| <b>(III) Total</b>  |                           |                 |                                       | <b>2,680,938</b>       | <b>396,333</b> | <b>2,855,712</b> | - | <b>77,238</b> | <b>161,700</b> | <b>6,171,921</b> | - | - |

**Notes:**

**(1) Maria Patrizia Grieco – Chairman of the Board of directors**

- (a) Fixed remuneration approved, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, after having received the Related Parties Committee's opinion and having heard the Board of Statutory Auditors. The measure of such remuneration is the one determined by the Board of Directors for the mandate 2014/2016, with reference to the office held from January 1, 2017 and May 3, 2017, and the one determined for the mandate 2017/2019, with reference to the role held from May 4, 2017 and December 31, 2017. Such remuneration includes the compensation approved for the members of the Board of Directors by the ordinary Shareholders' Meeting, as well as the compensation and attendance fees due for participation in the Committees established within the Board of Directors of Enel S.p.A. Such compensation also includes for the participation in the boards of directors of non-listed Enel's subsidiaries and/or affiliates, which are waived or repaid to Enel.
- (b) Benefits related to: (i) insurance policies covering the risk of non-work-related accidents and life insurance policies; (ii) social contribution payments to be made by Enel with respect to Asem - *Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (Supplementary Healthcare Association for Executives in the Energy and Multi-services Sector).

**(2) Francesco Starace – Chief Executive Officer/General Manager**

- (a) Fixed emolument approved, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, after having received the Related Parties Committee's opinion and having heard the Board of Statutory Auditors, of which Euro 640,740 pertains to the office of Chief Executive Officer and Euro 725,949 pertains to the office of General Manager. The measure of such remuneration is the one determined by the Board of Directors for the mandate 2014/2016, with reference to the role held from January 1, 2017 and May 4, 2017, and the one determined for the mandate 2017/2019, with reference to the role held from May 5, 2017 and December 31, 2017. Such remuneration includes the compensation approved for the members of the Board of Directors by the ordinary Shareholders' Meeting, as well as the compensation for the offices held at Enel's affiliates and/or subsidiaries, which are waived or repaid to Enel.
- (b) Variable remuneration: (i) short-term component for the office of Chief Executive Officer equal to Euro 828,000 (highlighted in the chart) and for the office of General Manager equal to Euro 936,000 (highlighted in the chart), established by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, following the verification performed, at the meeting held on March 22, 2018, on the level of achievement of 2017 annual, objective and specific targets, that had been assigned to the person involved by the Board itself; (ii) long-term component relating to: (a) the 2015 LTI Plan of Enel S.p.A. equal to Euro 1,663,200, of which 30% equal to Euro 498,960 (highlighted in the chart) payable in 2018, and the remaining 70% equal to Euro 1,164,240 (which will be highlighted in the chart of the remuneration report describing the compensation paid in 2018) deferred to 2019; (b) with reference to the 2014 LTI Plan to be paid *pro rata temporis* based on the effective term of the directorship and executive relationship with Enel S.p.A. during the financial year 2014 equal to Euro 846,789 of which 30% equal to Euro 254,037 (already highlighted in the analogous chart of the remuneration report describing the compensation paid in 2016) has been paid in 2017 and the remaining 70%, equal to Euro 592,752 (highlighted in the chart), payable in 2018. It should be noted that for the office of Chief Executive Officer/General Manager held until May 22, 2014 in the controlled company Enel Green Power S.p.A., he accrued with reference to the 2014 LTI Plan approved by the abovementioned Company, a long-term variable component to be paid *pro rata temporis* based on the effective term of the directorship and executive relationship with Enel Green Power S.p.A. during 2014, equal to Euro 299,016, of which 30% equal to Euro 89,704 paid in 2017 and the remaining 70% equal to Euro 209,312 payable in 2018. Such amounts are not highlighted in this chart, but in the one below referred to the Executives with strategic responsibilities, as they result from the role held by Francesco Starace in Enel Green Power S.p.A. before his election as Chief Executive Officer and General Manager of Enel S.p.A.
- (c) Benefits related to: (i) the company car awarded for mixed use (personal and business) for the directorship relationship (on the basis of the value subject to pension contributions and taxes, as provided under the ACI tables); (ii) the insurance policies covering the risk of accidents that are not work-related; (iii) the contributions borne by Enel for the supplementary Pension Fund for the Group's executives; (iv) the contributions borne by Enel S.p.A. for Asem - *Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (Supplementary Healthcare Association for Executives in the Energy and Multi-services Sector).
- (d) Amount paid, for year 2017, in exchange for the right (option) granted to Enel for the activation of a non-competition agreement.

**(3) Alfredo Antoniozzi – Independent director**

- (a) Fixed remuneration approved in the same measure by the ordinary Shareholders' Meeting held on May 22, 2014, with reference to the office held from January 1, 2017 and May 3, 2017, and by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the role held from May 4, 2017 and December 31, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Corporate Governance and Sustainability Committee (for an amount of Euro 25,699) and for participation in the Related Parties Committee (for an amount of Euro 21,699).

**(4) Alberto Bianchi – Independent director**

- (a) Fixed remuneration approved in the same measure by the ordinary Shareholders' Meeting held on May 22, 2014, with reference to the office held from January 1, 2017 and May 3, 2017, and by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the role held from May 4, 2017 and December 31, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Related Parties Committee, (for an amount of Euro 25,096 as chairman until May 4, 2017 and as member of the same Committee starting from June 15, 2017), for participation in the Corporate Governance and Sustainability Committee (for an amount of Euro 9,795 until May 4, 2017) and for participation in the Nomination and Compensation Committee (for an amount of Euro 20,356 as chairman starting from June 15, 2017).
- (5) **Cesare Calari – Independent director**
  - (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 4, 2017, paid *pro rata temporis* as of the date of the acceptance of the office.
  - (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 14,904), and in the Related Parties Committee (for an amount of Euro 14,904).
- (6) **Paola Girdinio – Independent director**
  - (a) Fixed remuneration approved in the same measure by the ordinary Shareholders' Meeting held on May 22, 2014, with reference to the office held from January 1, 2017 and May 3, 2017, and by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the role held from May 4, 2017 and December 31, 2017.
  - (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 25,699) and in the Control and Risk Committee (for an amount of Euro 32,699).
- (7) **Alberto Pera – Independent director**
  - (a) Fixed remuneration approved in the same measure by the ordinary Shareholders' Meeting held on May 22, 2014, with reference to the office held from January 1, 2017 and May 3, 2017, and by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the role held from May 4, 2017 and December 31, 2017.
  - (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 24,699) and in the Control and Risk Committee (for an amount of Euro 32,699).
- (8) **Anna Chiara Svelto – Independent director**
  - (a) Fixed remuneration approved in the same measure by the ordinary Shareholders' Meeting held on May 22, 2014, with reference to the office held from January 1, 2017 and May 3, 2017, and by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the role held from May 4, 2017 and December 31, 2017.
  - (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 10,795 until May 4, 2017) and in the Control and Risk Committee (for an amount of Euro 32,699) and for participation in the Related Parties Committee (for an amount of Euro 20,356 as chairman starting from until June 15, 2017).
- (9) **Angelo Taraborrelli – Independent director**
  - (a) Fixed remuneration approved in the same measure by the ordinary Shareholders' Meeting held on May 22, 2014, with reference to the office held from January 1, 2017 and May 3, 2017, and by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the role held from May 4, 2017 and December 31, 2017.
  - (b) Compensations, including the related attendance fees, for participation in the Control and Risk Committee (for an amount of Euro 41,548 as chairman until May 4, 2017 and starting from June 15, 2017 as member of the same Committee), in the Related Parties Committee (for an amount of Euro 6,795 until May 4, 2017) and in Corporate Governance and Sustainability Committee (for an amount of Euro 14,904 starting from until June 15, 2017).
- (10) **Alessandro Banchi – Ceased Independent director**
  - (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 22, 2014, paid *pro rata temporis* until the date of termination of the office.
  - (b) Compensations, including the related attendance fees, for participation until the date of termination of the office in the Nomination and Compensation Committee as chairman (for an amount of Euro 14,192) and for participation in the Related Parties Committee (for an amount of Euro 6,795).
- (11) **Sergio Duca – Chairman of the Board of Statutory Auditors**
  - (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 26, 2016.
- (12) **Romina Guglielmetti – Regular Statutory Auditor**
  - (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 26, 2016.
- (13) **Roberto Mazzei – Regular Statutory Auditor**
  - (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 26, 2016.
- (14) **Maria Patrizia Grieco – Director of Endesa S.A.**
  - (a) Fixed remuneration paid *pro rata temporis* as of the date of appointment on April 26, 2017 and including the attendance fees for the participation in the meetings.

| (A)   | (B)   | (C)                                 | (D)                           | (1)                | (2)  | (3)                              |                | (4)                           | (5)                | (6)               | (7)                               | (8)   |
|---|---|-------------------------------------|-------------------------------|--------------------|--|----------------------------------|----------------|-------------------------------|--------------------|-------------------|-----------------------------------|---|
| First name and last name  | Office  | Period during which office was held | Expiration date of the office | Fixed compensation | Compensation for participation in committees | Non-equity variable compensation |                | Non-monetary benefits         | Other compensation | Total             | Fair value of equity compensation | Indemnity for severance/ termination of employment relationship |
|   |   |                                     |                               |                    |  | Bonus and other incentives       | Profit sharing |                               |                    |                   |                                   |   |
| <b>(I) Compensation of the company that drafts the financial statements</b> |   |                                     |                               |                    |  |                                  |                |                               |                    |                   |                                   |   |
| -   | Executives with strategic responsibilities <sup>(1)</sup> | -                                   | -                             | 4,011,930          | -  | 6,471,282                        | -              | 373,442 <sup>(2)</sup>        | 326,331            | <b>11,182,985</b> | -                                 | -   |
| <b>(II) Compensation from subsidiaries and affiliates</b>                   |   |                                     |                               |                    |  |                                  |                |                               |                    |                   |                                   |   |
| -   | Executives with strategic responsibilities <sup>(1)</sup> | -                                   | -                             | 1,880,357          | -  | 3,234,840 <sup>(3)</sup>         | -              | 499,455 <sup>(2)</sup>        | -                  | <b>5,614,652</b>  | -                                 | -   |
| <b>(III) Total</b>  |   |                                     |                               | <b>5,892,287</b>   | -  | <b>9,706,122</b>                 | -              | <b>872,897 <sup>(2)</sup></b> | <b>326,331</b>     | <b>16,797,637</b> | -                                 | -   |

**Notes:**

- (1) The data set forth in the chart include all persons who, during the financial year 2017, held the role of Executive with Strategic Responsibilities (for an overall number of 12 positions).
- (2) Benefits related to (i) the company car awarded for mixed use (personal and business, on the basis of the value subject to pension contributions and taxes, as provided under the ACI tables); (ii) the insurance policies executed in favor of Executive with strategic responsibilities covering the risk of accidents that are not work-related; (iii) the contributions borne by Enel for the supplementary Pension Fund for the group's executives; and (iv) the contributions borne by Enel for Supplementary Healthcare Assistance (*Assistenza Sanitaria integrativa*).
- (3) Amount including due sums related to the LTI Plan 2014 of the subsidiary company Enel Green Power S.p.A. for the office of Chief Executive Officer/General Manager held until May 22, 2014 in the same company by the current Chief Executive Officer/General Manager of Enel S.p.A.; such due sums, calculated *pro rata temporis* based on the effective term of the directorship and executive relationship with Enel Green Power S.p.A. during 2014, are equal to Euro 299,016, of which 30% equal to Euro 89,704 (already highlighted in the analogous chart of the remuneration report describing the compensation paid to the Executives with strategic responsibilities in 2016) paid in 2017 and the remaining 70% equal to Euro 209,312 (highlighted in the chart) payable in 2018.

Table 2: Monetary incentive plan for the members of the Board of Directors, for the General Manager and for the Executives with strategic responsibilities

The following chart sets forth compensations arising from the monetary incentive plans, on an accrual basis, for the members of the Board of Directors,

for the General Manager and for the Executives with strategic responsibilities, in compliance with Annex 3A, Table 7-*bis*, of Consob Issuers' Regulation.

| A<br>Last name and first name  | B<br>Office                                | (1)<br>Plan             | (2)<br>Bonus for the year  |          |                 | (3)<br>Bonus for past years |                              |                          | (4)<br>Other bonuses |
|--|--|-------------------------|----------------------------|----------|-----------------|-----------------------------|------------------------------|--------------------------|----------------------|
|  |  |                         | (A)                        | (B)      | (C)             | (A)                         | (B)                          | (C)                      |                      |
|  |  |                         | Disburseable/Disbursed     | Deferred | Deferral period | No longer disburseable      | Disburseable/disbursed       | Still deferred           |                      |
| Francesco Starace  | Chief Executive Officer / General Manager  | MBO 2017                | 1,764,000                  | -        | -               | -                           | -                            | -                        | -                    |
|  |  | LTI 2014 <sup>(1)</sup> | -                          | -        | -               | -                           | 592,752 <sup>(2)</sup>       | -                        | -                    |
|  |  | LTI 2015                | -                          | -        | -               | -                           | 498,960                      | 1,164,240 <sup>(3)</sup> | -                    |
| A<br>Last name and first name  | B<br>Office                                | (1)<br>Plan             | (2)<br>Bonus for the years |          |                 | (3)<br>Bonus for past years |                              |                          | (4)<br>Other bonuses |
| --   | Executives with strategic responsibilities | Plan                    | (A)                        | (B)      | (C)             | (A)                         | (B)                          | (C)                      | Other bonuses        |
|  |  |                         | Disburseable/Disbursed     | Deferred | Deferral period | No longer disburseable      | Disburseable/disbursed       | Still deferred           |                      |
| (I) Compensation in the company that drafts the financial statements |  | MBO 2017                | 3,014,436                  | -        | -               | -                           | -                            | -                        | -                    |
|  |  | LTI 2014                | -                          | -        | -               | -                           | 2,196,000 <sup>(4)</sup>     | -                        | -                    |
|  |  | LTI 2015                | -                          | -        | -               | -                           | 1,260,846                    | 2,941,974 <sup>(5)</sup> | -                    |
| (I) Sub-total  |  |                         | <b>3,014,436</b>           | -        | -               | -                           | <b>3,456,846</b>             | <b>2,941,974</b>         | -                    |
| (II) Compensation from subsidiaries and affiliates                   |  | MBO 2017                | 1,441,568                  | -        | -               | -                           | -                            | -                        | -                    |
|  |  | LTI 2014                | -                          | -        | -               | -                           | 1,211,710 <sup>(4) (5)</sup> | -                        | -                    |
|  |  | LTI 2015                | -                          | -        | -               | -                           | 581,562                      | 1,356,978 <sup>(3)</sup> | -                    |
| (II) Sub-total   |  |                         | <b>1,441,568</b>           | -        | -               | -                           | <b>1,793,272</b>             | <b>1,356,978</b>         | -                    |
| <b>(III) Total</b>   |  |                         | <b>4,456,004</b>           | -        | -               | -                           | <b>5,250,118</b>             | <b>4,298,952</b>         | -                    |

**Notes:**

- (1) The 2014 LTI Plan was awarded *pro rata temporis* based on to the effective term of the management and executive relationship with Enel S.p.A. during the financial year 2014.  
(2) Quota of the 2014 LTI Plan that will be paid in 2018 (for an amount equal to 70% of the final bonus, as provided by the 2014 LTI Plan Regulation). As a result of the adjustment of the level of achievement of one of the performance objectives (Return on Average Capital Employed – ROACE) from 180% to 150% determined by the Board of Directors on its meeting of July 13, 2017, the final assessment of 2014 LTI Plan is resulted to be equal to 150% of assigned bonus base as

compared to 158% previously approved by the same Board of Directors. The bonus effectively assigned to the Chief Executive Officer/General Manager, therefore, is equal to Euro 846,749 of which 30% (equal to Euro 254,037) paid in 2017 and the remaining 70% (equal to Euro 592,752) payable in 2018.

- (3) Quota of the 2015 LTI Plan that will be paid in 2019 (for an amount equal to 70% of the final bonus, as provided by the 2015 LTI Plan Regulation).
- (4) Quota of the 2014 LTI Plan that will be paid in 2018 (for an amount equal to 70% of the final bonus, as provided by the 2014 LTI Plan Regulation). As a result of the adjustment of the level of achievement of one of the performance objectives (Return on Average Capital Employed – ROACE) from 180% to 150% determined by the Board of Directors on its meeting of July 13, 2017, the final assessment of 2014 LTI Plan is resulted to be equal to 150% of assigned bonus base as compared to 158% previously approved by the same Board of Directors.
- (5) Amount including due sums related to the LTI Plan 2014 of the subsidiary company Enel Green Power S.p.A. for the office of Chief Executive Officer/General Manager held until May 22, 2014 in the same company by the current Chief Executive Officer/General Manager of Enel S.p.A.; such due sums, calculated *pro rata temporis* based on the effective term of the directorship and executive relationship with Enel Green Power S.p.A. during 2014, are equal to Euro 299,016, of which 30% equal to Euro 89,704 (already highlighted in the analogous chart of the remuneration report describing the compensation paid to the Executives with strategic responsibilities in 2016) paid in 2017 and the remaining 70% equal to Euro 209,312 (highlighted in the chart) payable in 2018.

### 2.3. Shareholdings held by members of the Board of Directors, of the Board of Statutory Auditors, of the General Manager and of Executives with strategic responsibilities

The following chart sets forth the shares in Enel and its subsidiaries held by the members of the Board of Directors and of the Board of Statutory Auditors, by the General Manager and by Executives with strategic responsibilities, as well as by their spouses who are not legally separated and minor children, either directly or through subsidiaries, trusts or agents, as set

forth in the shareholders' ledger, based on the communications received and on the information gathered from the persons involved. The data related to the Executives with strategic responsibilities are provided on an aggregate basis, in compliance with Annex 3A, Table 7-ter, of Consob Issuers' Regulation.

The chart is filled out only with reference to the persons who held, during the 2017, shares in Enel or companies controlled by it, including those who were in office for a fraction of the year.

| Last Name and First Name                          | Office                                      | Company in which shares are held | Number of shares held at the end of 2016 | Number of shares purchased in 2017 | Number of shares sold in 2017 | Number of shares held at the end of 2017 | Title of possession |
|---|---|----------------------------------|--|------------------------------------|-------------------------------|--|---------------------|
| <b>Members of the Board of Directors</b>          |   |                                  |  |                                    |                               |  |                     |
| Starace Francesco                                 | Chief Executive Officer/<br>General Manager | Enel S.p.A.                      | 119,620 <sup>(1)</sup>                   | 194,003                            | -                             | 313,623 <sup>(2)</sup>                   | Ownership           |
|   |   | Endesa S.A.                      | 10                                       | -                                  | -                             | 10                                       | Ownership           |
| Calari Cesare                                     | Director                                    | Enel S.p.A.                      | 4,104                                    | -                                  | -                             | 4,104                                    | Ownership           |
| Girdinio Paola                                    | Director                                    | Enel S.p.A.                      | 784 <sup>(3)</sup>                       | -                                  | -                             | 784 <sup>(3)</sup>                       | Ownership           |
| <b>Members of the Board of Statutory Auditors</b> |   |                                  |  |                                    |                               |  |                     |
| Tono Alfonso                                      | Alternate Auditor                           | Enel S.p.A.                      | 507                                      | -                                  | -                             | 507                                      | Ownership           |
| Tutino Franco                                     | Alternate Auditor                           | Enel S.p.A.                      | 262 <sup>(4)</sup>                       | -                                  | -                             | 262 <sup>(4)</sup>                       | Ownership           |
| <b>Executives with strategic responsibilities</b> |   |                                  |  |                                    |                               |  |                     |
| No.12 positions                                   | Executives with strategic responsibilities  | Enel S.p.A.                      | 297, 665 <sup>(5) (*)</sup>              | -                                  | 124,804                       | 172,861                                  | Ownership           |
|   |   | Endesa S.A.                      | 7,384 <sup>(*)</sup>                     | -                                  | 2,500                         | 4,884                                    | Ownership           |

<sup>(1)</sup> Shareholding entirely held by his spouse.

<sup>(2)</sup> Of which 194,003 personally and 119,620 by his spouse.

<sup>(3)</sup> Of which 392 personally and 392 by his spouse.

<sup>(4)</sup> Shareholding entirely held by his spouse.

<sup>(5)</sup> Of which 293,333 personally and 4,332 by the spouse.

<sup>(\*)</sup> It should be noted that the number of the shares is referred to the participations held at the end of 2016 by those who during 2017 have been Executives with strategic responsibilities.