



REPORT OF THE BOARD OF DIRECTORS ON THE SECOND ITEM ON THE AGENDA

Allocation of the annual net income.

Dear Shareholders,

the dividend policy contained in the 2019-2021 Strategic Plan (presented to the financial community in November 2018) provides, with specific regard to the 2019 results, for the payment to Shareholders of an overall dividend equal to the value of whichever is higher: either 0.32 Euro per share or 70% of the net ordinary income of Enel Group referred to the same financial year, to be paid in two instalments, through the payment of an interim dividend scheduled for January and the payment of the balance of the dividend scheduled for July.

In light of the above, on November 12, 2019 the Board of Directors has approved, pursuant to Article 2433-*bis* of the Italian Civil Code and Article 26.3 of the corporate bylaws, the distribution of an interim dividend for the financial year 2019 of Euro 0.16 per share, that has been paid, gross of any withholding tax, from January 22, 2020. The no. 1,549,152 treasury shares purchased by Enel S.p.A. with the purpose of serving the Long Term Incentive (LTI) Plan 2019 and held by the Company as of January 21, 2020 (*i.e.* at the record date) were not considered in determining the interim dividend. Therefore, the interim dividend for the financial year 2019 effectively paid to Shareholders amounted to Euro 1,626,420,927.04, while an amount of Euro 247,864.32 was earmarked for the reserve named "retained earnings" in consideration of the number of treasury shares held by Enel S.p.A. at the record date indicated above.

It should be noted that the Group ordinary net income for 2019 amounts to Euro 4,767 million (against the Group net income of Euro 2,174 million), and therefore the above-mentioned pay-out, equal to 70% of the net ordinary income of the Group, amounts to approximately Euro 3,337 million, *i.e.* to a dividend per share equal to Euro 0.328;

this amount therefore exceeds the minimum amount of Euro 0.32 per share granted, with regard to the 2019 results, by the said dividend policy.

Given the amount of the interim dividend already paid, the Board of Directors proposes a balance of the dividend amounting to Euro 0.168 per share (for an overall maximum amount approximately equal to Euro 1,708 million, as specified below), to be paid in July 2020.

Taking also into consideration that the Enel S.p.A. net income for 2019 amounts approximately to Euro 4,792 million, it is envisaged to earmark the remaining part, equal to approximately Euro 1,457 million, for the available reserve named “retained earnings” (currently amounting to a total of approximately Euro 4,889 million).

In light of the foregoing, and considering that the legal reserve is already equal to the maximum amount of one-fifth of the share capital (as provided for by Article 2430, paragraph 1, of the Italian Civil Code), we therefore submit for your approval the following

Agenda

The Shareholders’ Meeting of Enel S.p.A., having examined the explanatory report of the Board of Directors,

resolves

1. to earmark the net income of Enel S.p.A. for the year 2019, amounting to Euro 4,791,594,028.56, as follows:
 - for distribution to Shareholders:
 - Euro 0.16 for each of the 10,165,130,794 ordinary shares in circulation on the ex-dividend date (considering the 1,549,152 treasury shares held by the Company at the “record date” indicated under this specific bullet point), to cover the interim dividend payable from January 22, 2020, with the ex-dividend date of coupon no. 31 having fallen on January 20, 2020 and the “record date” (*i.e.* the date of the title to the payment of the dividend, pursuant to Article 83-*terdecies* of the Legislative Decree no. 58 of February 24, 1998 and to Article 2.6.6, paragraph 2, of the Rules of the Markets organized and managed by

Borsa Italiana S.p.A.) falling on January 21, 2020, for an overall amount of Euro 1,626,420,927.04;

- Euro 0.168 for each of the 10,166,679,946 ordinary shares in circulation on July 20, 2020 (*i.e.* on the ex-dividend date), net of the treasury shares that will be held by Enel S.p.A. at the “record date” indicated under point 2 of this resolution, as the balance of the dividend, for an overall maximum amount of Euro 1,708,002,230.93;
 - for the reserve named “retained earnings” the remaining part of the net income, for an overall minimum amount of Euro 1,457,170,870.59, which might increase consistently with the balance of the dividend not paid due to the number of treasury shares that will be held by Enel S.p.A. at the “record date” indicated under point 2 of this resolution;
2. to pay, before withholding tax, if any, the balance of the dividend of Euro 0.168 per ordinary share – net of the treasury shares that will be held by Enel S.p.A. at the “record date” indicated here below – as from July 22, 2020, with the ex-dividend date of coupon no. 32 falling on July 20, 2020 and the “record date” (*i.e.* the date of the title to the payment of the dividend, pursuant to Article 83-*terdecies* of the Legislative Decree no. 58 of February 24, 1998 and to Article 2.6.6, paragraph 2, of the Rules of the Markets organized and managed by Borsa Italiana S.p.A.) falling on July 21, 2020.