



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

### **Determination of the remuneration of the members of the Board of Directors.**

Dear Shareholders,

Article 23.1 of the Corporate Bylaws provides that the members of the Board of Directors are entitled to a remuneration determined by the Shareholders' Meeting and that, once adopted, the related resolution applies during the subsequent financial years until the Shareholders' Meeting determines otherwise.

Article 23.2 of the Corporate Bylaws, instead, entrusts the Board of Directors with the responsibility of establishing – upon the prior opinion of the Board of Statutory Auditors – the remuneration of Directors with specific tasks, in accordance with the same Corporate Bylaws.

In this regard, it should be noted that the remuneration policy for Directors of the Company, approved by the Board of Directors on April 2, 2020 and described in the first section of the Report on the remuneration policy for 2020 and compensations paid in 2019 (which is submitted to the approval of this Shareholders' Meeting under the tenth item on the agenda), provides for the members of the Board of Directors a remuneration of Euro 80,000 gross per year, thus equal to the amount granted during the 2017-2019 mandate.

Such amount of the remuneration has been identified based on a benchmark analysis carried out by the independent consultancy company Willis Towers Watson, appointed by of the Nomination and Compensation Committee, within the preliminary activity aimed at defining the remuneration policy for 2020 submitted to this Shareholders' Meeting for approval. In particular, the above-mentioned remuneration of Euro 80,000 gross per year is positioned between the median and

third quartile of the Italian Peer Group <sup>(1)</sup> and on the median of the European Peer Group of Utilities <sup>(2)</sup> used for the purposes of the benchmark analysis.

However, notwithstanding such analysis gave reasons for increasing the amount of such remuneration – considering the high standing of Enel in terms of size, international leanings and capitalization with respect to companies included in the above-mentioned Peer Groups <sup>(3)</sup> – the Board of Directors refrained from doing so, as evidence of its sensitivity to the socio-economic consequences of the COVID-19 epidemic currently ongoing.

In light of above, we thus 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;
- taking into account the provisions set forth by Article 23.1 of the Corporate Bylaws on the remuneration of the members of the Board of Directors;

### **resolves**

to confirm in Euro 80,000 gross per year the remuneration for each member of the Board of Directors, in addition to the reimbursement of the expenses incurred in relation to their office, upon presentation of the related supporting documentation.

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<sup>(1)</sup> The Italian Peer Group is composed of: Assicurazioni Generali, Atlantia, Eni, Intesa Sanpaolo, Leonardo, Pirelli, Poste Italiane, Prysmian, Saipem, SNAM, Terna, TIM, Unicredit.

<sup>(2)</sup> The European Peer Group of Utilities is composed of: Centrica, EdF, EdP, Engie, EOn, Fortum, Iberdrola, Innogy, National Grid, Naturgy, Orsted, RWE, Uniper.

<sup>(3)</sup> In particular, based on the benchmark analysis carried out by Willis Towers Watson, and considering the results of the 2018 consolidated financial statements, Enel – which operates in more than 30 countries on 5 continents – significantly outperforms in terms of size (both for revenues and number of employees) and international leanings of its activities almost all companies included both in the Italian Peer Group and in the European Utilities Peer Group. Furthermore, at the end of October 2019 (*i.e.* at the time said benchmark analysis was carried out), Enel's capitalization was significantly higher than that of the companies belonging to both these Peer Groups.