



## REPORT OF THE BOARD OF DIRECTORS ON THE FIFTH ITEM ON THE AGENDA

### **Determination of the remuneration of the regular members of the Board of Statutory Auditors.**

Dear Shareholders,

you have been convened to discuss and resolve upon the determination of the remuneration of the regular members of the Board of Statutory Auditors, which this Meeting is called to elect in a separate and preceding item on the agenda.

According to Article 2402 of the Italian Civil Code and to Article 25.1 of the Corporate Bylaws, the Shareholders' Meeting which elects the Board of Statutory Auditors also determines the annual remuneration of the regular Statutory Auditors for their entire term of office.

In this respect, we remind you that the remuneration of the expiring Board of Statutory Auditors set by the ordinary Shareholders' Meeting of May 16, 2019 was equal to Euro 85,000 gross per year for the Chair and Euro 75,000 gross per year for the other regular Statutory Auditors, in addition to the reimbursement for travel and living expenses incurred in performing the duties of the office (as duly documented).

It should be noted that Recommendation 30 of the Italian Corporate Governance Code published in January 2020 ("Corporate Governance Code") provides that the remuneration of the statutory auditors of listed companies be adequate "*to the competence, professionalism and commitment required by their role and the company's size, industry and current situation*". Moreover, in order to have people with adequate competence and professionalism, Recommendation 25 of the same Code expects for the remuneration of the members of the control body to be defined with due consideration of the remuneration practices that are common with regards to the company's reference sectors and similar size, with the possible support of an independent consultant.

In this regard, it should be noted that – as highlighted within the Report of the Board of Statutory Auditors to this Shareholders' Meeting, prepared pursuant to Article 153 of Legislative Decree no. 58 of February 24, 1998 – the same Board of Statutory Auditors asked the independent consultant appointed to support the preparation of the remuneration policy for 2022 to carry out a benchmark analysis aimed at ascertaining the adequacy of the remuneration treatment accorded to the members of the same control body. This analysis was conducted on the basis of the data contained in the documentation published on the occasion of the 2021 AGM season by issuers belonging to a peer group composed of Italian companies included in the FTSE-MIB index <sup>(1)</sup>.

This analysis showed, first of all, that despite Enel's significantly high positioning compared to the companies included in the panel in terms of capitalization, revenues and number of employees <sup>(2)</sup>, the remuneration of the outgoing Chair of the Board of Statutory Auditors and other regular Statutory Auditors (as determined by the aforementioned ordinary Shareholders' Meeting of May 16, 2019) is slightly below the median for the Chair and in line with the median market references for the other regular Statutory Auditors. A clear correlation also emerged between the competitiveness of the remuneration offered by the peer group companies to their respective boards of statutory auditors and the different work commitment required of them.

In relation to this latter matter, it was highlighted by the consultant that for a correct appreciation of the adequacy of the remuneration provided for the members of the Board of Statutory Auditors of Enel it would be appropriate to evaluate its amount in light of the overall commitment required by the office, therefore taking into account that the members of the Board of Statutory Auditors also participate in the meetings of the Board Committees (a practice that is functional to the performance of the supervisory duties regarding the modalities of concrete implementation within Enel of the recommendations of the Corporate Governance Code) and do not receive any additional remuneration for this activity.

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<sup>(1)</sup> This peer group includes the following 19 companies: A2A, Assicurazioni Generali, Atlantia, Banco BPM, BPER Banca, Eni, Hera, Leonardo, Mediobanca, Nexi, Pirelli, Poste Italiane, Prysmian, Saipem, Snam, Terna, TIM, Unicredit and Unipol.

<sup>(2)</sup> In particular, the benchmark analysis showed that, on the basis of data updated to December 31, 2020, Enel is positioned, compared to the peer group, above the maximum benchmarks as regards capitalization, above the ninth decile as regards revenues and below the ninth decile as regards the number of employees.

Lastly, the benchmark analysis showed that the positioning of the remuneration treatment accorded to the Chair and the regular members of the Board of Statutory Auditors of Enel is substantially in line with that currently provided for by the companies of the peer group having largest size among those with a significant direct and/or indirect shareholding by the Ministry of the Economy and Finance.

Given the above, the Board of Directors refrains from formulating specific proposals on this item on the agenda and therefore invites the Shareholders' Meeting to determine the remuneration due to the regular members of the Board of Statutory Auditors on the basis of proposals presented by Shareholders.

In line with good corporate governance practices, Shareholders are recommended to submit such proposals suitably in advance of the date of the Shareholders' Meeting.