



## **INFORMATION DOCUMENT**

Pursuant to article 84-*bis*, paragraph 1, of the Regulation adopted by CONSOB with Resolution No. 11971 dated May 14, 1999, as subsequently amended and supplemented,

related to the

## **LONG-TERM INCENTIVE PLAN 2016**

**OF**

**ENEL S.P.A.**

April 13, 2016

## Table of Contents

GLOSSARY .....	4
INTRODUCTION .....	5
1. BENEFICIARIES .....	5
1.1 Indication by name of the Beneficiaries of the LTI Plan who are members of the Board of Directors of Enel	5
1.2 Indication of the categories of employees or collaborators of Enel and of the Group which are Beneficiaries of the LTI Plan.....	5
1.3 Indication by name of the Beneficiaries of the LTI Plan who are general managers or executives with strategic responsibilities (in case they have received during the financial year a total compensation exceeding the highest compensation granted to the members of the Board of Directors) .....	5
1.4 Description and numerical indication of the Beneficiaries of the LTI Plan who are executives with strategic responsibilities and any other possible categories of employees or collaborators for whom diverse characteristics of the plan apply .....	6
2. REASONS SUPPORTING THE ADOPTION OF THE PLAN.....	6
2.1 Objectives to be achieved through the Plan.....	6
2.2 Key variables and performance indicators considered for purposes of awarding incentives under the Plan ..	6
2.3 Criteria for determining the amount to be awarded.....	7
2.4 Reasons underlying the possible decision to award compensation plans based upon financial instruments not issued by Enel.....	7
2.5 Material tax and accounting implications.....	7
2.6 Support, if any, for the Plan from the Special Fund aimed at incentivizing workers' shareholdings in companies (" <i>Fondo speciale per l'incentivazione della partecipazione dei lavoratori nelle imprese</i> "), pursuant to Article 4, paragraph 112, of Law No. 350 dated December 24, 2003 .....	7
3. APPROVAL PROCESS AND TIMEFRAME FOR THE AWARD OF THE LTI PLAN.....	7
3.1 Powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the implementation of the LTI Plan.....	7
3.2 Subjects in charge for managing the Plan.....	8
3.3 Existing Procedures for reviewing the Plan.....	8
3.4 Procedures for determining the availability and award of financial instruments .....	8
3.5 Role played by each Director in determining the Plan's characteristics.....	8
3.6 Date of the decision made by the competent body to propose the Plan to the Shareholders' Meeting approval and to the proposal, if any, by the Nomination and Compensation Committee .....	8
3.7 Date of the decision made by the competent body on the award of financial instruments and of the proposal, if any, submitted by the Nomination and Compensation Committee .....	8
3.8 Market price registered on the above-mentioned dates, for the financial instruments on which the Plan is based .....	8
3.9 Safeguards adopted by the Company with regard to the possibility that the date of the award of the financial instruments or the date of possible decisions in such regard by the Nomination and Compensation Committee may coincide with the date of dissemination of material information within the meaning set forth under Article 114, paragraph 1, of the TUF. ....	9
4. CHARACTERISTICS OF THE LTI PLAN .....	9
4.1 Structure of the Plan .....	9
4.2 Period of implementation of the Plan .....	9
4.3 Expiry of the Plan .....	9
4.4 Maximum number of financial instruments awarded in each financial year to the persons identified by name or to the categories indicated .....	9
4.5 Methods of implementing the Plan and related provisions.....	9
4.6 Availability restrictions imposed upon the financial instruments awarded .....	11
4.7 Conditions subsequent, if any, in connection with the Plan in the event that the Beneficiaries were to conclude hedging transactions that allow for the neutralization of any selling restrictions applicable to the financial instruments .....	11
4.8 Effects caused by the termination of the employment relationship.....	11
4.9 Indications of any other causes for the cancellation of the Plan.....	11
4.10 Reasons underlying the possible redemption of financial instruments granted under the Plan.....	11

4.11 Loans or other assistance, if any, for the purchase of the financial instruments ..... 11  
4.12 Estimated expected cost for Enel as of the date of the award..... 11  
4.14 - 4.23 ..... 11

## GLOSSARY

Where used in this Information Document, the following terms shall have the meanings set forth below.

<b>Nomination and Compensation Committee</b>	The Committee of Enel, currently comprised exclusively of Independent Directors, having, <i>inter alia</i> , consultative and proposing functions in connection with the remuneration of Directors and Executives with Strategic Responsibilities.
<b>Beneficiaries</b>	The managers of Enel and/or of companies controlled by Enel pursuant to Article 2359 of the Italian Civil Code who are beneficiaries of the Plan.
<b>Executives with Strategic Responsibilities</b>	The executives that report directly to the Chief Executive Officer of Enel who (depending upon the composition, frequency of meetings and matters discussed within the management committees involving the top management) effectively make, together with the Chief Executive Officer, the decisions that are considered key for the Group.
<b>Information Document</b>	This document drawn pursuant to and for purposes of Article 84- <i>bis</i> , paragraph 1, of the Issuers' Regulation.
<b>Enel or the Company</b>	Enel S.p.A.
<b>Group</b>	Enel and its controlled companies pursuant to Article 2359 of the Italian Civil Code.
<b>EUROSTOXX Utilities Index – Euro Area (Economic and Monetary Union – EMU)</b>	The Index managed by STOXX Ltd. and including the most relevant utilities companies listed in Euro Area countries (EMU). As of the date of the present document, such index includes E.On, EDF, EDP, Enagas, Endesa, Enel, Engie, Fortum, Gas Natural, Iberdrola, Red Electrica, Rubis, Rwe, Snam Rete Gas, Suez Environnement, Terna and Veolia Environnement.
<b>LTI Plan</b>	The Long-Term Incentive Plan adopted by the Company for year 2016.
<b>Issuers' Regulation</b>	The Regulation adopted by Consob with Resolution No. 11971 dated May 14, 1999, as subsequently amended and supplemented.
<b>Return on Average Capital Employed (ROACE)</b>	Ratio between Ordinary EBIT (Ordinary Operating Results) and average net invested capital.
<b>Total Shareholders Return (TSR)</b>	Index that measures the total return on a share, by taking the sum of the following components: <ul style="list-style-type: none"><li>(i) capital gain: ratio between the change in the market price of the share (difference between the price determined at the end and at the beginning of the relevant period) and the market price determined at the beginning of the period itself;</li><li>(ii) dividends reinvested: ratio between dividends per share distributed over the period in question and the market price of the share at the beginning of the period.</li></ul>
<b>Consolidated Financial Act (TUF)</b>	Legislative Decree No. 58 of February 24, 1998.

## INTRODUCTION

The Information Document, drawn in accordance with Article 84-*bis* of the Issuers' Regulation, is published in order to provide the Company's shareholders and the market with an extensive and detailed information on the proposal to adopt the LTI Plan 2016.

The 2016 LTI Plan, while not providing for the award of financial instruments in favor of the Beneficiaries, does envisage the possible disbursement to them of a monetary incentive that varies, *inter alia*, on the basis of the level of achievement of the Total Shareholders' Return, measured with reference to the trend in the Enel share over the reference three years (2016-2018) as compared with that of the EUROSTOXX Utilities Index – EMU.

Due to these characteristics, the 2016 LTI Plan may be qualified as a “*compensation plan based upon financial instruments*” pursuant to Article 114-*bis*, paragraph 1, of the TUF and, as such, it is subject to the approval of the ordinary Shareholders' Meeting to be held on May 26, 2016 on a single call.

The Information Document is available to the public at Enel's registered office in Rome, Viale Regina Margherita No. 137, as well as on the Company's website ([www.enel.com](http://www.enel.com)) and on the mechanism for the central storage “NIS-Storage” ([www.emarketstorage.com](http://www.emarketstorage.com)).

### 1. BENEFICIARIES

#### 1.1 Indication by name of the Beneficiaries of the LTI Plan who are members of the Board of Directors of Enel

The LTI Plan includes among its Beneficiaries the Chief Executive Officer/General Manager, Francesco Starace.

#### 1.2 Indication of the categories of employees or collaborators of Enel and of the Group which are Beneficiaries of the LTI Plan

Approximately 250 managers of the Company and/or companies controlled by Enel pursuant to Article 2359 of the Italian Civil Code, including the General Manager (who is also the Chief Executive Officer) of Enel, who hold positions that are most directly responsible for the company's results or who are of strategic interest, are the Beneficiaries of the Plan. Among such managers are also included those belonging to the Business Line “Global Infrastructure and Networks” as well as to the “Iberia” and “Latin America” Regions in favor of which are established specific objectives linked to the relevant activities of the abovementioned Business Lines and Regions, taking into consideration the requirement to carry on the business on an autonomous basis and the compliance with the unbundling laws in force.

It should be noted that some of the managers who are Beneficiaries of the LTI Plan are currently members of the boards of directors of companies controlled by Enel pursuant to Article 2359 of the Italian Civil Code. Such executives are not indicated by name as described in paragraph 1.1 above since the award under the Plan does not depend on the offices held by them in the above-mentioned companies, since such award is determined solely on the basis of their managerial role within the Group.

#### 1.3 Indication by name of the Beneficiaries of the LTI Plan who are general managers or executives with strategic responsibilities (in case they have received during the financial year a total compensation exceeding the highest compensation granted to the members of the Board of Directors)

The LTI Plan includes among its Beneficiaries the General Manager (who is also Chief Executive Officer) of Enel, Francesco Starace.

## **1.4 Description and numerical indication of the Beneficiaries of the LTI Plan who are executives with strategic responsibilities and any other possible categories of employees or collaborators for whom diverse characteristics of the plan apply**

In addition to the paragraph 1.2 above, the LTI Plan includes among its Beneficiaries the managers who are currently “executives with strategic responsibilities” as defined under article 3, paragraph 1, letter f), of the Issuers’ Regulation. Reference is made to the heads of:

- the “Administration, Finance and Control” and “Human Resources and Organization” Holding Functions and of the “Global Procurement” Function;
  - the Global Business Lines “Global Generation”, “Global Infrastructure and Networks”, “Global Trading” and “Renewable Energies”;
  - the Regions “Italy”, “Iberia”, “Latin America” and “Eastern Europe”,
- for a total of 11 executive positions.

It should be noted that the incentive scheme envisaged under the LTI Plan is the same for all Beneficiaries, and only differentiates on the basis of the percentage of the incentive granted; such incentive percentage rises on the basis of the role held and the responsibilities assigned.

## **2. REASONS SUPPORTING THE ADOPTION OF THE PLAN**

### **2.1 Objectives to be achieved through the Plan**

The Plan is aimed at:

- aligning the interests of the Beneficiaries of the Plan with the pursuit of the priority goal consisting in the creation of value for shareholders over the medium/long-term;
- encouraging the management’s commitment to achieving common objectives at the Group level, while in the meantime promoting the coordination and integration of the activities of the various companies belonging to the Group;
- promoting the loyalty of the Beneficiaries of the Plan, and in particular promoting the retention of those who hold “key” positions within the Group;
- safeguarding the Company’s competitiveness on the labor market.

### **2.2 Key variables and performance indicators considered for purposes of awarding incentives under the Plan**

The Plan envisages the disbursement of a monetary incentive, the base amount of which may vary depending upon the level of achievement of three-year performance objectives, from 0 (and therefore if none of the objectives is achieved, no incentive is awarded) up to a maximum of 180% of the base amount. The following table indicates the performance objectives upon which the disbursement of incentives under the 2016 LTI Plan are conditioned, as well as the related incidence:

<i>Performance objective</i>	<i>Incidence</i>
Average TSR of Enel vs average TSR of the EUROSTOXX Utilities Index – EMU 2016-2018	60%
Cumulative ROACE over the three years 2016-2018	40%

The choice to condition the LTI Plan upon the prior achievement of specific performance objectives aims at fully aligning the Beneficiaries’ interests with those of the shareholders. In addition, such objectives, which apply in an identical manner to all Beneficiaries of the Plan, have a three-year timeline in order to encourage the consolidation of results and the enhancement of the intended long-term characteristics of the LTI Plan.

For further information on the performance objectives upon which the exercise of the incentive right under the LTI Plan is conditioned, see paragraph 4.5 below.

### **2.3 Criteria for determining the amount to be awarded**

The amount to be awarded to each Beneficiary of the Plan will be determined by taking as a reference a percentage of the fixed remuneration envisaged for such Beneficiary's category. For this purpose, the Beneficiaries of the Plan are divided into 4 categories, which provide for the disbursement of a base monetary incentive ranging between 30% and 80% of fixed remuneration (in the event of achievement of the target level referred to in paragraph 4.5 below), in line with the principles of the remuneration policy of Enel which provide that:

- there must be an adequate balance between the fixed component and the variable component and, within the latter, between the short-term and the long-term variable components;
- the fixed component must be sufficient to remunerate the work done by the person involved (taking into account the responsibilities assigned to the latter) in the event that the variable component were not disbursed due to the failure to achieve the performance objectives;
- the incentive percentage must rise on the basis of the role held and the responsibilities assigned.

In particular, it should be noted that the monetary incentive disburseable to the Chief Executive Officer/General Manager may amount to 80% of the fixed remuneration in the event that the target level is achieved, or 144% of such remuneration in the event that the maximum level of overperformance is achieved.

If the performance objectives are not achieved, no monetary incentive under the LTI Plan will be disbursed.

### **2.4 Reasons underlying the possible decision to award compensation plans based upon financial instruments not issued by Enel**

Not applicable.

### **2.5 Material tax and accounting implications**

The sums paid in connection with the Plan are taken into account to a normal extent in determining the taxable income of recipients and are subject to the ordinary social security regime applicable to compensation paid in cash.

### **2.6 Support, if any, for the Plan from the Special Fund aimed at incentivizing workers' shareholdings in companies ("*Fondo speciale per l'incentivazione della partecipazione dei lavoratori nelle imprese*"), pursuant to Article 4, paragraph 112, of Law No. 350 dated December 24, 2003**

Not applicable.

## **3. APPROVAL PROCESS AND TIMEFRAME FOR THE AWARD OF THE LTI PLAN**

### **3.1 Powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the implementation of the LTI Plan**

During the ordinary Shareholders' Meeting of Enel called to resolve upon the LTI Plan, it will be proposed to grant to the Board of Directors and, on its behalf, to the Chairman or the Chief Executive Officer, on a several basis, the broadest powers necessary to effectively implement the Plan, to be exercised in accordance with the principles established by the same Shareholders'

Meeting, as provided under the explanatory report drawn by the Board of Directors in accordance with article 125-ter of Legislative Decree No. 58/1998, made available at the Company's registered office, on the Company's website at [www.enel.com](http://www.enel.com) and on the authorized storage mechanism called "NIS-Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)).

### **3.2 Subjects in charge for managing the Plan**

The corporate body responsible for decisions related to the LTI Plan – without prejudice to the prerogatives of the Shareholders' Meeting – is the Company's Board of Directors, which oversees the day-to-day management of the Plan, in accordance with the provisions of the relevant implementation rules.

From a strictly operating standpoint, the Plan is managed by the Human Resources and Organization Department.

### **3.3 Existing Procedures for reviewing the Plan**

No procedures exist for reviewing the LTI Plan, without prejudice for the Nomination and Compensation Committee to propose to the Board of Directors possible changes to the level of achievement of the performance objectives in the event of material changes in the Group's perimeter. It is agreed that the Chief Executive Officer/General Manager, since he is a Beneficiary of the Plan, will not take part in any board discussions concerning this matter.

### **3.4 Procedures for determining the availability and award of financial instruments**

The LTI Plan does not provide for the award of financial instruments.

### **3.5 Role played by each Director in determining the Plan's characteristics**

The entire process of defining the Plan's characteristics was carried out on a jointly basis and with the proposing and consultative support of the Nomination and Compensation Committee, in accordance with the recommendations set forth in the Corporate Governance Code and the best corporate practices in this area. It should also be noted that the resolution through which the Board of Directors adopted the scheme of the Plan to be submitted to the Shareholders' Meeting for approval was passed unanimously; the Chief Executive Officer, since he is one of the Beneficiaries of the Plan, did not take part in the discussions concerning such Plan.

### **3.6 Date of the decision made by the competent body to propose the Plan to the Shareholders' Meeting approval and of the proposal, if any, by the Nomination and Compensation Committee**

The decision of the Board of Directors to submit the Plan to the Shareholders' Meeting for approval is dated March 1, 2016. The proposal of the Nomination and Compensation Committee on the scheme of the LTI Plan is dated February 22, 2016.

### **3.7 Date of the decision made by the competent body on the award of financial instruments and of the proposal, if any, submitted by the Nomination and Compensation Committee**

Not applicable.

### **3.8 Market price registered on the above-mentioned dates, for the financial instruments on which the Plan is based**

Set forth below is the market price of the Company's shares registered on the dates indicated in paragraph 3.6 above:

- reference price of the Enel share registered on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. on February 22, 2016: Euro 3.728;

- reference price of the Enel share registered on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. on March 1, 2016: Euro 3.74.

**3.9 Safeguards adopted by the Company with regard to the possibility that the date of the award of the financial instruments or the date of possible decisions in such regard by the Nomination and Compensation Committee may coincide with the date of dissemination of material information within the meaning set forth under Article 114, paragraph 1, of the TUF.**

Not applicable.

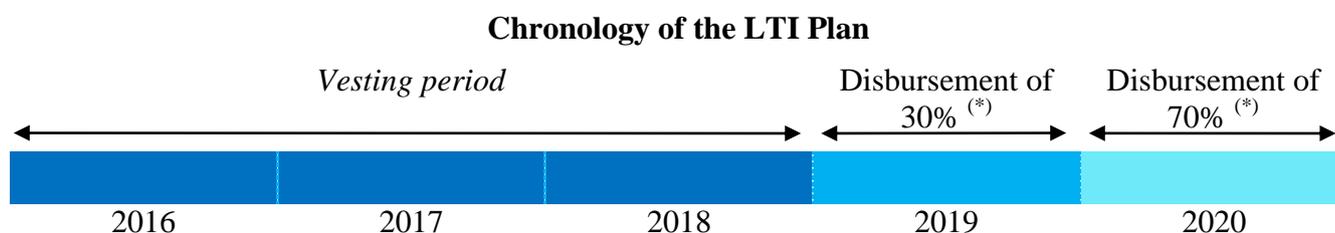
## **4. CHARACTERISTICS OF THE LTI PLAN**

### **4.1 Structure of the Plan**

The Plan consists of the award of a monetary incentive that may vary, depending upon the level of achievement of three-year performance objectives upon which the Plan is conditioned (see paragraph 4.5 below), from 0 (and therefore in the event that none of the objectives is achieved, no incentive would be awarded) up to 180% of the base value.

### **4.2 Period of implementation of the Plan**

The exercise of the LTI Plan is conditioned upon the achievement of three-year performance objectives over the period 2016-2018 (the “vesting period”). If such objectives are achieved, the Plan may be exercised with respect to 30% in 2019 and, with respect to the remaining 70%, in the following year. It is envisaged that the disbursement of a significant portion of the long-term remuneration (equal to 70% of the total) is deferred by one year with respect to the year of verification of the level of achievement of the performance objectives (“deferred payment”).



(\*) In the event that the performance objectives are achieved.

### **4.3 Expiry of the Plan**

The LTI Plan will expire in 2020.

### **4.4 Maximum number of financial instruments awarded in each financial year to the persons identified by name or to the categories indicated**

Not applicable.

### **4.5 Methods of implementing the Plan and related provisions**

The exercise of the LTI Plan is conditioned upon the achievement of the following performance objectives:

Performance objective	Peso
Average TSR <sup>1</sup> of Enel vs average TSR of the EUROSTOXX Utilities Index – EMU in the period 2016-2018	60%
Cumulative ROACE for the three years 2016-2018	40%

The objective related to TSR will be measured on the basis of the performance scale set forth below (with a linear interpolation between the different thresholds). If the performance does not reach the pre-established minimum threshold, no bonus will be awarded.

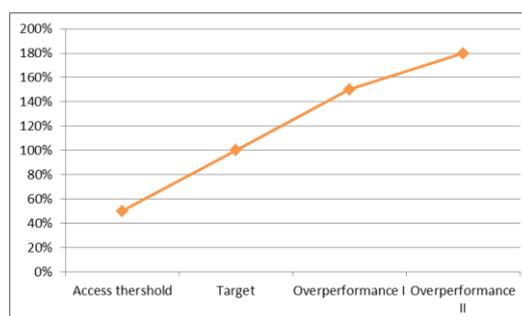
Enel's TSR exceeding 115% of the Index's TSR	Enel's TSR between 110% and 115% of the Index's TSR	Enel's TSR between 100% and 110% of the Index's TSR	Enel's TSR between 90% and 100% of the Index's TSR	Enel's TSR lower than 90% of the Index's TSR
180%	150%	100%	50%	0

If Enel's TSR were to register performance exceeding that of the EUROSTOXX Utilities Index – EMU, but be negative, no over performance will be granted (“negative TSR threshold”); in such case, a cap would apply to the maximum incentive disbursable, which could not exceed 100% of the base value. Therefore, if, for example, Enel's TSR performance were to exceed 115% of the Index's TSR but Enel's TSR were negative, the bonus would be equal to 100% and not 180%.

The objective linked to ROACE will be measured on the basis of the performance scale set forth below.

Objective	Access threshold	Target	Over I	Over II
Cumulative ROACE for three years 2016-2018	-2.7%	Business Plan 2016-2019	+4%	+6.7%

Upon the achievement of the access threshold or of the target, it is envisaged, respectively, that a sum equal to 50% or 100% of the base amount would be disbursed, while upon the achievement of the over performance, a sum equal to 150% or 180% of the base amount would be disbursed with regard to each objective (with a linear interpolation between the different thresholds), as indicated here below:



Therefore if, for example:

- both of the objectives (TSR and ROACE) were to reach the target level, the remuneration disbursable in favor of the Chief Executive Officer/General Manager would amount to 80% of the fixed remuneration;

<sup>1</sup> The average *Total Shareholders Return* (TSR) of Enel and of the Index is calculated in the one-month period preceding the start date and the end date of the vesting period (January 1, 2016 – December 31, 2018), in order to sterilize any volatility that may be present on the market.

- the only objective achieved was the TSR, at a level equal to the access threshold, the remuneration disbursable in favor of the Chief Executive Officer/General Manager would be equal to 24% of the fixed remuneration.

The Company is entitled to claim-back the variable remuneration (both short-term and long-term) paid (or to withhold the variable remuneration subject to deferral), if it is found to have been disbursed on the basis of data which later turn out to be clearly erroneous (clawback and *malus* clause).

#### **4.6 Availability restrictions imposed upon the financial instruments awarded**

Not applicable.

#### **4.7 Conditions subsequent, if any, in connection with the Plan in the event that the Beneficiaries were to conclude hedging transactions that allow for the neutralization of any selling restrictions applicable to the financial instruments**

Not applicable.

#### **4.8 Effects caused by the termination of the employment relationship**

In the event of termination of the open-ended employment relationship prior to the date on which the Plan vests, the Beneficiary loses all rights related to the Plan.

In the event of termination of a fixed term employment relationship, the disbursement under the plan would take place at the natural expiry of the relevant vesting period, depending upon the level of achievement of the performance objectives envisaged under the plan; if the termination takes place during the year in which the Plan is awarded, the disbursement will be made *pro rata temporis* until the date of termination of the office (in such regard, the number of calendar days between January 1 and the expiry date of the office will be divided by 365 days).

#### **4.9 Indications of any other causes for the cancellation of the Plan**

No causes for cancellation of the Plan apply.

#### **4.10 Reasons underlying the possible redemption of financial instruments granted under the Plan**

Not applicable.

#### **4.11 Loans or other assistance, if any, for the purchase of the financial instruments**

Not applicable.

#### **4.12 Estimated expected cost for Enel as of the date of the award**

The total maximum economic cost of the Plan (borne by Enel and its subsidiaries), estimated as of the date of this Information Document, amounts to approximately Euro 55 million.

#### **4.13 Dilution effects, if any, caused by the Plan**

Given that the Plan provides for the award of a cash sum, its implementation does not have any dilution effects.

#### **4.14 - 4.23**

The paragraphs on the award of shares and stock options do not apply.