



## REMUNERATION REPORT

(approved by the Board of Directors of Enel S.p.A. on April 5, 2012)

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

## Table of contents

Introduction .....	3
SECTION I: POLICY ON THE REMUNERATION OF 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 .....	4
1.1 Procedures for the adoption and implementation of the policy .....	4
1.1.1 Bodies and persons involved in the preparation, approval and implementation of the policy .....	4
1.1.2 Role, composition and functioning of the Compensation Committee .....	4
1.1.3 Independent experts who took part in the preparation of the policy .....	5
1.2 Remuneration policy for members of the Board of Directors, the General Manager, and Executives with strategic responsibilities .....	5
1.2.1 Purposes of the remuneration policy and its underlying principles .....	5
1.2.2 Policy on fixed and variable components of remuneration (so-called pay mix) .....	5
1.2.3 Policy on non-monetary benefits .....	8
1.2.4 Performance objectives on the basis of which the variable components of remuneration are awarded. Nexus between the changes in results and changes in remuneration .....	8
1.2.5 Criteria used for the assessment of the performance objectives underlying the award of the variable component of remuneration .....	11
1.2.6 Consistency of the remuneration policy with the pursuit of the Company's long-term interests .....	11
1.2.7 Vesting period, possible deferred payment systems and, where applicable, ex post correction mechanisms .....	11
1.2.8 Clauses providing for maintenance in the portfolio of financial instruments acquired under stock incentive systems .....	12
1.2.9 Policy related to indemnities/payments in the event of cessation of the office or termination of the employment relationship .....	12
1.2.10 Information on insurance coverage, or social security or pension coverage other than mandatory ones .....	13
1.2.11 Remuneration policy followed with reference to: (i) independent directors; (ii) participation in committees; and (iii) performance of particular offices .....	13
1.2.12 Remuneration policies of other companies used as a reference for Enel's remuneration policy .....	13
SECTION II: REPRESENTATION OF ITEMS WHICH COMPRISE THE REMUNERATION AND FEES PAID DURING THE RELEVANT FINANCIAL YEAR .....	15
2.1 Representation of items comprising remuneration (on an item-by-item basis) .....	15
2.1.1 Items comprising the remuneration of the members of the Board of Directors .....	15
2.1.2 Items comprising the remuneration of the members of the Board of Statutory Auditors .....	20
2.1.3 Items comprising the remuneration of Executives with strategic responsibilities .....	20
2.2 Compensation paid in 2011 .....	24
Table 1: Compensation paid to members of the Board of Directors, the Board of Statutory Auditors, to the General Manager and to Executives with strategic responsibilities .....	24
Table 2: Stock options awarded to members of the Board of Directors, to the General Manager and to the other Executives with strategic responsibilities .....	27
Table 3: Monetary incentive plans in favor of members of the Board of Directors, of the General Manager and of the Executives with strategic responsibilities .....	28
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 .....	29
PROPOSAL OF RESOLUTION .....	31

# Remuneration report

## Introduction

In consideration of the changes in the economic and financial context which have occurred since 2008, the European Commission, through Recommendation No. 385 issued on April 30, 2009, which supplements Recommendation No. 913 issued on December 14, 2004, reformulated the EC regulatory framework applicable to the remuneration of executive directors and executives with strategic responsibilities of listed companies, in order to link the remuneration of such persons with the achievement of results that are sustainable over the medium/long-term for such companies.

The principles laid down by the European Commission have been implemented through art. 6 (formerly art. 7) of the Self-regulation Code for listed companies promoted by Borsa Italiana S.p.A. (the "Self-regulation Code"). Such Code recommends, *inter alia* (i) the board of directors of listed companies to adopt a policy on the remuneration of directors and executives with strategic responsibilities and (ii) such policy to be defined so as to align their interests with pursuing the priority objective of creating value for shareholders over the medium/long-term.

The European Commission's recommendations also provide for shareholders' control over remuneration policies. These control mechanisms have been implemented through art. 123-ter of Legislative Decree 24 February 1998, No. 58 (the "Unified Financial Act" or "TUF"), which provides as follows:

- (i) listed companies must make available to the public, at least 21 days prior to the date set for the shareholders' meeting called to approve the financial statements, a remuneration report prepared on the basis of the indications provided by Consob in art. 84-*quater* and in Schedule 3A, Scheme 7-*bis*, of the Regulation approved with resolution No. 11971/1999 (the "Issuers' Regulation"); and
- (ii) the first section of such remuneration report, which explains the policy adopted with regard to the remuneration of the members of the board of directors, of the general managers and of the executives with strategic responsibilities, with reference to the financial year following the year of the financial statement submitted to the shareholders' meeting for approval, must be submitted to the shareholders for a consultative vote.

In light of the foregoing, the present remuneration report provides to the shareholders of Enel S.p.A. ("Enel" or the "Company") and to the market detailed disclosure on both the remuneration policy for Directors, the General Manager and Executives with strategic responsibilities adopted for the financial year 2012, and the compensation paid to such persons and to the regular Auditors in the financial year 2011.

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

The present remuneration report has been made available to the public at Enel's registered office (located at Viale Regina Margherita, 137, Rome), at Borsa Italiana S.p.A., and also on the Company's website ([www.enel.com](http://www.enel.com)).

## **SECTION I: POLICY ON THE REMUNERATION OF 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 and persons involved in the preparation, approval and implementation of the policy*

Enel's remuneration policy was approved by the Board of Directors, upon a proposal submitted by the Compensation Committee.

In accordance with the recommendations set forth in art. 6.C.5 (formerly art. 7.C.5) of the Self-regulation Code, the adequacy, overall consistency and effective application of the remuneration policy will be reviewed periodically by the 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 "Personnel and Organization" function, of monitoring on a continuous basis the adequacy, overall consistency and effective application of the policy; he reports periodically to the Compensation Committee on such monitoring activities.

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

The Compensation Committee is currently composed of Directors Fernando Napolitano (non-executive Director, who is also chairman), Alessandro Banchi (independent Director) and Pedro Solbes Mira (independent Director).

The composition, tasks and functioning rules of such Committee are governed by a special 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, the Compensation Committee is in charge of the following consultative and proposing tasks:

- a) formulating to the Board of Directors proposals on the general policy on the remuneration of executive Directors and the other Directors holding particular offices and Executives with strategic responsibilities, periodically assessing the adequacy, overall consistency and effective application of the policy adopted;
- b) submitting to the Board of Directors proposals for the remuneration of executive Directors and other Directors holding particular offices, as well as for the identification of performance objectives related to the variable component of such remuneration; monitoring the application of decisions adopted by the Board and verifying, in particular, the actual achievement of performance objectives;
- c) 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 statement.

The Committee also prepares 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.

Lastly, this Committee provides support to the Chief Executive Officer and competent corporate functions in connection with the optimization of managerial resources, talent scouting and the promotion of initiatives with universities in such regard.

The 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 Auditor to attend the meeting in his place. The Head of the "Personnel 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 the proposals concern the general members of Committees established within the Board of Directors. In order for Committee meetings to be valid, the attendance of a majority of the members in office is required. The Committee's determinations are made through an absolute majority vote on the part of those in attendance.

With regard to the activities performed by the Compensation Committee, the Chairman of the Committee reports to the Board of Directors at least once every six months.

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

For the preparation of the remuneration policy for the financial year 2012, the Company availed itself of the consultancy services provided by independent experts of Aon Hewitt Risk & Consulting S.r.l. (with regard to the remuneration of executive Directors) and of HayGroup (with regard to the remuneration of Executives with strategic responsibilities). In particular, such experts conducted a benchmarking analysis on the remuneration of executive directors and executives with strategic responsibilities in companies, including foreign companies, operating in the same business sector and/or companies endowed with business model similar to Enel's, which are particularly representative on account of their economic or operating dimensions.

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

#### *1.2.1 Purposes of the remuneration policy and its underlying principles*

In line with the recommendations set forth in arts. 6.C.1 and 6.C.3 (formerly, respectively, arts. 7.C.1 and 7.C.3) of the Self-regulation Code, the remuneration (i) of Enel's executive Directors, *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 (the "Group"), *i.e.* those persons reporting directly to Enel's Chief Executive Officer, is defined so as to align their interests with the priority objective of creating value for Enel's 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.

The remuneration policy applicable to such persons is therefore aimed at enhancing sustainable performance, aligning their remuneration with market standards, with a view to ensuring an adequate level of competitiveness on the labor market.

Such policy is also structured so as to guarantee an adequate balance between fixed and variable components and, with regard to variable components, between short-term and medium/long-term components, in order to ensure equilibrium between such components and the implementation of conducts in line with the sustainable performance of the Group.

The remuneration of non-executive Directors, in accordance with the recommendations set forth in art. 6.C.4 (formerly art. 7.C.4) of the Self-regulation Code, is linked with the dedication requested of each of them, also taking into account their respective participation on one or more committees established within the Board of Directors.

#### *1.2.2 Policy on fixed and variable components of remuneration (so-called pay mix)*

The policy on the remuneration of executive Directors – *i.e.*, the Chairman and the Chief Executive Officer – provides for a specific remuneration package resolved upon by the Board of Directors, upon proposal of the Compensation Committee, after hearing the opinion of the Board of Statutory Auditors, in accordance with art. 2389, paragraph 3, of the Italian Civil Code.

This remuneration package provides for an adequate balance between fixed and variable components of the remuneration, taking into account the responsibilities and powers assigned to each of the executive Directors, as well as the Company's business sector and the characteristics of its business operations. In any case, the fixed emolument is determined, for both of the above-mentioned persons, in an amount sufficient to reward them in the event that the variable emolument is not paid due to the failure to achieve performance objectives.

The short-term variable emolument of the Chairman and of the Chief Executive Officer is conditioned upon the achievement of specific and objective annual targets related to the business plan and identified by the Board of Directors upon proposal of the Compensation Committee.

The emoluments granted to the Chairman and the Chief Executive Officer absorb the base emolument granted to them, on the basis of the resolution adopted by the Ordinary Shareholders' Meeting (pursuant to art. 2389, paragraph 1, Italian Civil Code and art. 23 of the Company's bylaws), as members of the Board of Directors, and the compensation due for attendance at the board meetings of Enel's subsidiaries or affiliates (if any), which therefore are repaid to or forfeited in favor of Enel.

In particular, the Chairman's compensation is comprised of a fixed emolument and a variable emolument, which corresponds to a maximum of 80% of the fixed annual emolument and which is conditioned upon the achievement of annual objectives (both quantitative and qualitative). The quantitative objectives assigned to the Chairman are identical to those assigned to the Chief Executive Officer/General Manager, with a view to optimizing the synergetic collaboration between the two roles (while at the same time maintaining autonomy and safeguarding the powers granted to each of them), while the qualitative objectives are separate and distinct, in order to reflect the differences between the tasks assigned to each. In addition to the afore-mentioned emoluments, the Chairman is entitled to compensation for the participation in the committees established within the Board of Directors to which he belongs.

The remuneration of the Chief Executive Officer, who also acts as General Manager, is comprised of a fixed component and a variable component, each granted separately for the directorship relationship (with reference to the office of Chief Executive Officer) and for the executive relationship (with reference to the office of General Manager). In line with the recommendations set forth in the combined provisions of arts. 6.C.1, letter c) and 6.C.3 (formerly articles 7.C.1, letter c), and 7.C.3) of the Self-regulation Code, the fixed compensation of the General manager is sufficient to reward him in the event that the variable compensation due to him is not disbursed due to failure to achieve the performance objectives.

The variable remuneration due to the Chief Executive Officer/General Manager (with regard to the respective relationships) is comprised of the following components:

- (i) a short-term component, up to a maximum amount of 150% of the fixed annual remuneration paid both for the directorship relationship and for the executive relationship, depending upon whether or not the above-mentioned annual objectives have been met; and
- (ii) a medium/long-term component deriving from his participation, in his capacity as General Manager, in the incentive plans periodically adopted by Enel, through a resolution by the Board of Directors, upon proposal of the Compensation Committee, in favor of the Group's management. Under such plans, it is envisaged that the Board of Directors, upon proposal of the Compensation Committee, may grant to the General Manager a quantity of instruments (options, units, etc.) or a monetary amount, which is proportional to the position held with respect to the other recipients. The actual exercise of such plans is conditioned upon the achievement of the objective and specific targets provided by those plans.

In particular, the new long-term incentive plan (LTI) for 2012, adopted by the Board of Directors, upon proposal of the Compensation Committee, at the meeting held on 7 March 2012, provides for the pre-assignment to the person in question of a base amount, equal to 80% of his fixed remuneration, with reference to both the directorship position and the executive position, which is proportional, with reference to both the positions held, to the amounts envisaged for the other senior managers. The final bonus attainable under the plan

may vary, depending upon the achievement of the objectives, from zero to a maximum level of 120% of the base amount, which is equal to 96% of the fixed remuneration. A monetary adjustment clause is also provided, pursuant to which, if the Chief Executive Officer/General Manager were to decide to exercise his rights under the plan starting from the penultimate year of the plan, the Company will carry out a revaluation of the bonus due by applying the following formula:

$$\frac{\text{Final Cumulative EBITDA 2012-(year preceding the year of exercise)}}{\text{Cumulative Budget EBITDA 2012-(year preceding the year of exercise)}} \times \text{Actual amount accrued in 2015}$$

This adjustment may not (i) under any circumstances exceed 50% of the bonus due and accrued through 2015, or (ii) in the event of decrease, lead to a reduction in the above-mentioned actual value of the bonus accrued through 2015.

Lastly, the Board of Directors has the possibility of ordering in favor of the Chairman and/or the Chief Executive Officer/General Manager: (i) the grant of extraordinary compensation for transactions of particular strategic importance and of significant importance for the Company; and (ii) a supplementation, at the end of the person's mandate, of severance indemnity amounts if, over the three-year period, he has achieved particularly noteworthy results, causing the ordinary management objectives to be surpassed substantially.

As regards non-executive Directors, the policy, as indicated in paragraph 1.2.1 above – provides that their remuneration be comprised solely of a fixed emolument (approved by the ordinary Shareholders' Meeting in accordance with art. 2389, paragraph 1, of the Italian Civil Code and art. 23 of the Company's bylaws), 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 Compensation Committee and after hearing the Board of Statutory Auditors' opinion.

For additional information on the compensation due for participation in the internal Committees established by the Board of Directors, see paragraph 1.2.11 below.

As regards Executives with strategic responsibilities, the policy provides that the compensation structure for such persons is comprised of the following:

- (i) a fixed component 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;
- (ii) a short-term variable component remunerating the performance from a standpoint of merits and sustainability; this component is characterized by the disbursement of an annual cash remuneration, the amount of which varies depending upon the level of achievement of pre-established objectives (both individual and Group objectives), assigned and measured with reference to the relevant financial year;
- (iii) a long-term variable component characterized by the participation in long-term incentive plans (LTI), which provide that, for 2012, recipients are awarded in advance a base amount linked to the RAL and a subsequent grant of a cash bonus that may vary on the basis of such amount (from zero to a maximum of 120%) depending upon the level of achievement of pre-established objectives and performance conditions for the Group. A monetary adjustment clause is also included, which applies in accordance with the same terms described above with regard to the LTI 2012 plan assigned to the Chief Executive Officer/General Manager. This variable component is aimed at orienting management's actions toward the creation of value for shareholders over the medium/long-term.

In this regard, it should be noted that the composition of remuneration of Executives with strategic responsibilities (the so-called pay mix) is the following:

<b>Executives with strategic responsibilities</b>	<b>Total (%)</b>
Fixed Component	54%
Short-term Variable Component*	21%
Medium/long-term variable component**	25%

\* The short-term variable component is valued with reference to the possibility of achieving results equal to the target (in other words, 100% of the pre-established cash base).

\*\* The valuation of the medium/long-term component is made by taking the present value with reference to the possibility of achieving the results equal to the target (meaning 100% of the pre-established cash bonus).

### 1.2.3 Policy on non-monetary benefits

The policy on non-monetary benefits provides, with specific reference to executive Directors, Enel's commitment: (i) to enter into a special insurance policy (to cover risks such as death or permanent invalidity); and (ii) to implement protection measures in the event of legal or administrative proceedings against them in connection with their office (except in cases of willful misconduct or gross negligent determined through a finally enforceable court judgment or acts committed blatantly to the Company's detriment).

With reference to the Executives with strategic responsibilities, the following is envisaged (i) the assignment of an automobile for business and personal use; (ii) the execution of 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 for the Group's executives; (iv) the payment by Enel of contributions for *Asem - Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi*; and, in accordance with the contractual provisions, (v) the adoption of protective measures in the event of legal or administrative proceedings against them in connection with their office (except in cases of wrongful misconduct or gross negligence determined through a final enforceable court judgment or acts committed blatantly to the Company's detriment). Such benefits are also granted to the Chief Executive Officer/General Manager, on account of the executive relationship.

### 1.2.4 Performance objectives on the basis of which the variable components of remuneration are awarded. Nexus between the changes in results and changes in remuneration.

With reference to the Chairman and the Chief Executive Officer/General Manager (with regard to the respective relationships), the remuneration policy provides, as already mentioned, that the short-term variable component is granted to such persons subject to the achievement of specific, objective annual targets, based upon the business plan and identified by the Board of Directors, upon proposal of the Compensation Committee. In particular, such objectives include (i) quantitative targets – in line with those assigned to the Heads of the most important Divisions of the Group – referring to certain fundamental results in business operations (which concern, with regard to 2012, consolidated EBITDA, the reduction of consolidated financial indebtedness, the realization of the divestment plan for 2012 - from a standpoint of reducing the Group's net financial position -, the incoming net installed capacity of the Group (MW) and the safety in the workplace), and (ii) qualitative targets related to specific operating matters defined on a year-to-year basis by the Board of Directors, upon proposal of the Compensation Committee (for 2012, they have been identified for the Chairman as the capacity to ensure the successful and effective functioning of the Board of Directors, pursuing the achievement of a high level of cohesion and sense of belonging and, for the Chief Executive Officer/General Manager, in the results of the investigation on the corporate climate and the implementation of the Group's organizational restructuring plan). The percentage weight of the qualitative objectives with respect to the quantitative objectives, in terms of maximum bonus payable to each of the above-mentioned persons, is approximately 17%. As indicated in paragraph 1.2.2 above, the policy provides that the quantitative objectives assigned to the Chairman are the same as those assigned to the Chief Executive Officer/General Manager, in order to optimize the synergic collaboration between the two persons (albeit in a context of mutual autonomy and safeguarding of the powers granted to each of them), and that the qualitative



objectives are separate and distinct, in order to reflect the differences in the tasks assigned to each of them.

The policy also provides that the medium/long-term variable component (which may be granted on the basis of the long-term incentive plan (LTI) referred to in paragraph 1.2.2 above to the Chief Executive Officer/General Manager, on the basis of his executive position) is granted subject to the achievement of operating and economic-financial objectives provided under the plan and which apply to all of the recipients of the plan, including the Executives with strategic responsibilities (such objectives are illustrated in detail below).

With reference to the Executives with strategic responsibilities, the remuneration policy provides that the short-term variable component is granted to such persons subject to the achievement of objective, specific, annual targets, based upon the business plan and identified by the "Administration, Finance and Control" function, upon proposal of the "Personnel and Organization" function. In particular, such objectives include (i) economic-financial targets, in line with the strategic budget objectives of the Group as a whole and the individual Divisions/Business Areas (for all beneficiaries of the plan, consolidated EBITDA and the reduction of consolidated financial indebtedness, as well as the assignment of specific objectives for the individual Divisions/Business Areas); (ii) technical and/or project-based targets; and (iii) the assessment of conduct envisaged under the Group's "Leadership Model" (i.e., the set of conduct relevant for Enel at all organizational levels, which contribute towards the achievement of successful performance, which is fundamental for ensuring sustainable growth over time; in particular, reference is made to conduct related to: (1) safety in the workplace, (2) the management of change (3) the assumption of responsibilities and risks, (4) oversight of tasks and responsibilities and (5) growth of collaborators).

It should also be noted that the cash base annually pre-assigned in connection with the short-term variable component (MBO) may vary from a minimum level which may correspond to the cancellation of the bonus in the event that none of the individual and/or Group objectives is reached, to a maximum equal to 150% in the event of over-performance with respect to the objectives assigned. In addition, the bonus payable may be further raised up to 195% or decreased down to the cancellation of the bonus, based upon the application of an adjustment factor consisting in whether or not the Group objectives have been achieved (generally, reference is made to EBITDA and/or net financial indebtedness of the Group, applicable to all of the Group's Divisions/Companies).

Lastly, it should be noted that for all of the recipients of the short-term variable remuneration system, an additional de-multiplier of the maximum amount payable is applied, related to safety in the workplace, in line with the Group's sustainability policies. In particular, if the index of frequency of accidents is worse than the previous year, the bonus payable may be decreased by up to 19.50%.

The medium/long-term variable component (LTI plan) payable to Executives with strategic responsibilities (and to the Chief Executive Officer/General Manager, on the basis of the executive position) is granted, under the 2012 plan, subject to the achievement of a combination of the following:

- (i) an operating objective consisting in the Group's cumulative EBITDA for the three years in question (the so-called gateway objective); if this objective is not met, the plan would cease to be effective; therefore, if the gateway objective is not met, the recipients will not be granted any bonus under the LTI plan, even if all of the performance objectives are met; and
- (ii) two distinct performance objectives of an economic-financial nature consisting in:
  - with respect to 75% of the base value of the premium, the earning per share (EPS, or in other words, the net earnings of the Group as compared with the number of shares in the Company, on a cumulative basis for the three-year period);
  - with respect to the remaining 25% of the base value of the bonus, the return on average capital employed (ROACE, or in other words, the ratio between the results of operations and average net invested capital, on a cumulative basis for the relevant three-year period).

In light of the foregoing objectives, the remuneration of the executive Directors and Executives with strategic responsibilities varies – under the Group’s general plan – depending upon (i) growth and operating efficiency (measured by EBITDA), (ii) the profitability of the business in terms of its capacity to remunerate invested capital (measured by ROACE) and (iii) the capacity to generate cash for shareholders (measured by EPS), also taking into account the indebtedness policy followed (since, on the one hand, in the calculation of EPS, payment of interest payable on debt is included and, on the other, among the objectives of short-term variable remuneration, the reduction of the Group’s indebtedness is particularly important).

The foregoing objectives also present variations in the long-term incentive plans (LTI) assigned to the managers and, therefore, also to the Executives with strategic responsibilities of the “Infrastructures and Networks” Division, the “Renewable Energies” Division, and the “Iberia and Latin America” Division. In particular:

- a) for recipients of the LTI plan belonging to the “Infrastructures and Networks” Division - taking into account Enel’s obligation (related to the full liberalization of the Italian electricity sector, which took place starting on July 1, 2007) to implement administrative and accounting unbundling, so as to separate the activities of the “Infrastructures and Networks” Division from those of the Group’s other Business Areas – plans have been assigned since 2007 which provide for *ad hoc* objectives related to the Division’s activities. In particular, a gateway objective applies, consisting in the achievement of a cumulative three-year EBITDA for such Division, plus two distinctive economic-financial performance objectives, consisting in: (i) with respect to 75% of the base value of the bonus, the return on average capital employed (ROACE) of the Division; and (ii) for the remaining 25% of the base value of the bonus, the average service interruption time for low voltage clients;
- b) for recipients of the LTI plan belonging to the “Renewable Energies” Divisions – following the listing on the stock exchange in 2010 of the shares of Enel Green Power S.p.A. and in line with the requisites of operating autonomy imposed upon listed companies - since 2011, *ad hoc* objectives have been assigned to the Division’s business activities. In particular, a gateway objective applies consisting in the achievement of cumulative three-year EBITDA for such Division and two distinctive economic-financial performance objectives consisting in (i) with respect to 75% of the base value of the bonus, the cumulative three-year earning per share (EPS) of the Division; and (ii) with respect to the remaining 25% of the base value of the bonus, the additional installed capacity on a cumulative basis for the three-year period;
- c) for recipients of the LTI plan belonging to the “Iberia and Latin America” Division – in line with the requisites of operating autonomy imposed upon listed companies – *ad hoc* objectives have been assigned, since 2011, linked to the Division’s business operations. In particular, a gateway objective applies, consisting in the achievement of a cumulative three-year EBITDA for Enel’s Group and two distinct economic-financial performance objectives consisting in: (i) with respect to 75% of the base value of the bonus, the net earnings the Division and Enel’s Group, in the amount of, respectively, 15% and 60%; and (ii) with respect to the remaining 25% of the base value of the bonus, the return on average capital employed (ROACE, or in other words, the ratio between operating results and average net invested capital, on a cumulative basis for the three-year period in question) of the Division and Enel’s Group, in the amount of, respectively, 5% and 20%.

The remuneration of Executives with strategic responsibilities of the above-mentioned Divisions – which, as already mentioned, provides for specific objectives for purposes of ensuring compliance with the sector-specific laws and regulations, varies (depending upon the division) depending upon (i) the growth and operating efficiency (measured by EBITDA) of the Divisions, (ii) the profitability of the business operations in terms in the capacity of the Divisions to remunerate capital invested (measured by ROACE), (iii) the capacity to generate cash for shareholders (measured by EPS), as well as the quality of services rendered (measured by the average service interruption time for low voltage clients envisaged for the “Infrastructures and Networks” Division) and the capacity to expand its business operations (measured by the additional installed capacity envisaged for the “Renewable Energies” Division).

#### *1.2.5 Criteria used for the assessment of the performance objectives underlying the award of the variable component of remuneration*

The criteria used to assess the performance objectives underlying the award of the variable component of remuneration, while varying depending upon the type of the objective assigned, in any case ensure an objective measurement of the performance of the persons in question. In particular, the achievement of the following types of objectives:

- operating and economic-financial (envisaged for the award of both the short-term variable component and the long-term variable component), is assessed on the basis of the results indicated in the consolidated financial statement approved by the Board of Directors; and
- technical or project-based (envisaged for the award of the short-term variable component only), is assessed based upon the level of achievement of the milestones envisaged with regard to individual projects.

In addition, as regards the sole short-term variable component, the conduct on the part of the relevant persons is assessed on the basis of the provisions of Enel's "Leadership Model".

#### *1.2.6 Consistency of the remuneration policy with the pursuit of the Company's long-term interests*

The remuneration policy was prepared by the Company in order to motivate the Chief Executive Officer/General Manager (with regard to their respective relationships) and the Executives with strategic responsibilities to operate in the interest of the medium/long-term sustainability of the Company.

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

- (i) there must be an adequate balance between the fixed component and the variable component and, as part of this latter component, between the short-term and the long-term components;
- (ii) a significant portion of the remuneration of the above-mentioned persons shall come from three-year incentive plans;
- (iii) such plans must be disbursed subject to the achievement of performance objectives, the term of which is also three years;
- (iv) such objectives are pre-established, measurable and indicative of the growth and operating efficiency of the Company, as well as its capacity to remunerate invested capital and generate cash for the shareholders over the medium/long-term (with reference to the link between the variation in results and the variation in remuneration, see paragraph 1.2.4 above); and
- (v) disbursement of a significant portion (equal to 70%) of the medium/long-term variable remuneration must be paid on a deferred basis, one year after the date of accrual.

#### *1.2.7 Vesting period, possible deferred payment systems and, where applicable, ex post correction mechanisms*

As indicated in paragraph 1.2.6 above, Enel's remuneration policy provides that a significant portion of the remuneration of the Chief Executive Officer/General Manager, and the Executives with strategic responsibilities derives from cash incentive plans (LTI), having a three-year term, subject to the achievement of performance objectives, which also have a three-year term. Therefore, the right on the part of the above-mentioned persons to receive medium/long-term remuneration only accrues if, at the expiry of the three-year period (three-year vesting period), the performance objectives established under the plans are reached; as already mentioned, the

disbursement of a significant portion of such remuneration (equal to 70% of the total) is paid on a deferred basis, one year after accrual.

#### *1.2.8 Clauses providing for maintenance in the portfolio of financial instruments acquired under stock incentive systems*

Not applicable, since no incentive plans based on financial instruments are envisaged for 2012.

#### *1.2.9 Policy related to indemnities/payments in the event of cessation of the office or termination of the employment relationship*

In exchange for the Chairman's undertaking not to resign for the entire duration of the mandate, Enel's remuneration policy includes a clause providing for a minimum term of three years, in the interest of both Enel and the Chairman, pursuant to which, in the event of early termination of the relationship by the Company, revocation without just cause or resignation at the request of the shareholder who has presented the list from which the Chairman was appointed, he will be entitled to an amount equal to the total amount of the fixed and variable emolument that he would have received at the expiry of the mandate. It is provided that such indemnity shall not be paid in the event of (i) voluntary resignation, (ii) revocation for just cause by the Company, and (iii) request for resignation by the shareholder who has presented the list from which the Chairman was appointed, which is contemporaneous with the assignment by such shareholder of another office that is equivalent or of greater professional importance than the one held in Enel.

An identical clause applies also to the remuneration of the Chief Executive Officer/General Manager; in such case, the amount of the indemnity is equal to the total amount of the fixed component and short-term variable component which such person would have received as Chief Executive Officer and as General Manager until the expiry of such relationships.

The Chief Executive Officer/General Manager is also granted an end of mandate indemnity which provides for, at the moment of cessation of the directorship relationship and, consequently, of the management relationship (since the cessation of the office as Chief Executive Officer entails the cessation of the office as General Manager), the payment of two years of the fixed component (for each of the two relationships), in line with the provisions of European Commission's Recommendation No. 385 dated April 30, 2009; the grant of this indemnity absorbs the indemnity in lieu of advance notice and implies the recipient's waiver of any requests/claims under the national collective employment contract for executives of companies which produce goods and services. It is also provided that such indemnity shall not be paid in the event of (i) voluntary resignation, (ii) revocation for just cause by the Company and (iii) request for resignation by the shareholder who has presented the list from which the Chairman was appointed, which is contemporaneous with the assignment by such shareholder of another office that is equivalent or of greater professional importance than the one held in Enel.

The Chief Executive Officer/General Manager is also entitled to receive consideration (for a non-competition agreement) in exchange for his undertaking to refrain from engaging in, for a period of one year from the cessation of the relationship, on his own account and directly, throughout the European Union, any business activities which could compete with those conducted by Enel or other companies belonging to the Group; such consideration is equal to the total one year's fixed component and short-term variable component received by the person in question in his capacity as Chief Executive Officer and General Manager. It is provided that the above-mentioned consideration shall be paid 12 months after the cessation of the relationship and it shall not be paid in the event that the person in question is granted by the shareholder who has presented the list from which the Chief Executive Officer has been appointed another equivalent office or a mandate of greater professional importance than that held in Enel.

As regards Executives with strategic responsibilities, 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 employment contract for executives of

companies which produce goods and services and the supplementary contracts applicable to Enel's executives.

#### *1.2.10 Information on insurance coverage, or social security or pension coverage other than mandatory ones*

The Company entered into specific insurance policies in favor of the Chairman and the Chief Executive Officer/General Manager related to the performance of the mandate (the coverage of such policies concerns, *inter alia*, cases of death and permanent invalidity) and supplementation of the remuneration envisaged in connection with the directorship relationship. In particular, in this regard, the policies in question provide (a) for the Chairman, the grant of an end of mandate indemnity (TFM) in an amount equal to one twelfth of the total emoluments paid for the directorship relationship, including both the fixed and variable portions, for each year of the effective term of the mandate; (b) for the Chief Executive Officer/General Manager, the grant, only for the directorship relationship, (i) of an end of mandate indemnity similar to that granted to the Chairman, and (ii) a social security and pension benefit that is 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 position.

#### *1.2.11 Remuneration policy followed with reference to: (i) independent directors; (ii) participation in committees; and (iii) performance of particular offices*

In light of the recommendations set forth in art. 6.C.4 of the Self-regulation Code (formerly art. 7.C.4), Enel's remuneration policy provides that the remuneration of independent Directors is not linked to the economic results achieved by the Company. Such directors' remuneration is, therefore, comprised of the fixed component approved by the ordinary Shareholders' Meeting upon the director's appointment, currently equal to 85,000 euro gross per year.

Furthermore, for all Directors who are also members of one or more committees established within the Board of Directors, the grant of additional compensation is envisaged which was determined by the Board, at the meeting held on June 16, 2011, upon proposal of the Compensation Committee, after consulting with the Board of Statutory Auditors, in line with the recommendations set forth in art. 6.P.2 of the Self-regulation Code (formerly art. 7.P.2). The above-mentioned compensation, for participation in each of the committees established within the Board of Directors (*i.e.*, the Internal Control Committee, the Compensation Committee, the Related Parties Committee and the Corporate Governance Committee), are as follows:

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

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

As regards the remuneration policy followed with reference to the performance of particular offices, reference is made to the description set forth in the foregoing paragraphs on the remuneration policy applied by the Board of Directors, pursuant to art. 2389, paragraph 3, of the Italian Civil Code, to the Chairman and the Chief Executive Officer.

#### *1.2.12 Remuneration policies of other companies used as a reference for Enel's remuneration policy*

For the preparation of the remuneration policy, Enel availed itself of benchmarking analyses conducted by the independent consultants Aon Hewitt Risk & Consulting S.r.l. and HayGroup with

reference to the remuneration of executive directors and executives with strategic responsibilities in companies, including foreign companies, operating in the same sector and/or endowed with a business model similar to Enel's, which are particularly representative on account of their economic or operating dimensions. The remuneration policies of companies belonging to the benchmarking sample were assessed overall, in order to take into account the market standard, without making reference to only one policy or only certain of such policies.

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

### 2.1 Representation of items comprising remuneration (on an item-by-item basis)

#### 2.1.1 Items comprising the remuneration of the members of the Board of Directors

Set forth below are the items which comprise the remuneration of the current members of the Board of Directors appointed by the ordinary Shareholders' Meeting held on April 29, 2011.

##### Paolo Andrea Colombo – Chairman

Paolo Andrea Colombo became a member of the Board of Directors on April 29, 2011 following the appointment by the Shareholders' Meeting, which also named him Chairman.

The remuneration granted to Paolo Andrea Colombo – approved subsequently in accordance with art. 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors at the meeting held on 9 November 2011, upon proposal of the Compensation Committee, after obtaining the opinion of the Related Parties Committee and of the Board of Statutory Auditors – is comprised of the following, for the period starting on the date of acceptance of the office (of Chairman of the Board of Directors and chairman of the Corporate Governance Committee) until 31 December 2011:

- (i) a total fixed emolument of Euro 500,000 (see *table 1, column 1*); such fixed emolument absorbs the compensation approved for members of the Board of Directors by the ordinary Shareholders' Meeting held on April 29, 2011 and the compensation that may be due for participation in boards of directors of Enel's subsidiaries or affiliates, which therefore must be waived or repaid to Enel;
- (ii) compensation for participation in the Corporate Governance Committee (amounting to a total of Euro 23,000, as chairman of such committee, including attendance fees) in accordance with resolutions passed by the Board of Directors on June 16, 2011 (see *table 1, column 2*); and
- (iii) a total variable emolument of Euro 400,000 determined by the Board of Directors, upon proposal of the Compensation Committee, following the verification conducted at the meeting held on 7 March 2012 on the level of achievement of objective, specific, annual targets, which had been assigned to him by the Board at the meeting held on 9 November 2011, on the occasion of the grant of compensation pursuant to art. 2389, paragraph 3, of the Italian Civil Code (see *table 1, column 3, and table 3, column 2A*). In particular, such objectives, which were the same as those assigned to the Chief Executive Officer/General Manager, concerned, *inter alia*, the achievement of the levels envisaged for the Group's EBITDA, the reduction of the Group's indebtedness, the number of clients activated for gas and power utilities, and safety in the workplace, in terms of reduction in the accident frequency index.

##### Fulvio Conti – Chief Executive Officer/General Manager

Fulvio Conti already held the office of Chief Executive Officer/General Manager in the previous Board of Directors and maintained the same offices in the new Board appointed by the Shareholders' Meeting held on April 29, 2011.

Fulvio Conti's remuneration – approved for the offices envisaged under the current mandate by the Board of Directors, upon proposal of the Compensation Committee, after obtaining the opinion of the Related Parties Committee and of the Board of Statutory Auditors, at the meeting held on 9 November 2011, and, for the offices envisaged under the previous mandate, by the Board of Directors, upon proposal of the Compensation Committee, after hearing the opinion of the Board of Statutory Auditors, at the meeting held on October 2, 2008 – is comprised, for the period 1 January – 31 December 2011, of the following:

- (i) a total fixed component equal to Euro 1,382,582 (see *table 1, column 1*), of which Euro 680,000 for the office of Chief Executive Officer and Euro 702,582 for that of General

Manager; such fixed component absorbs the remuneration due as member of the Board of Directors approved by the ordinary Shareholders' Meeting held on June 11, 2008 (for the previous mandate) and on April 29, 2011 (for the current mandate) and the compensation that may be due for participation in the boards of directors of Enel's subsidiaries or affiliates, which therefore must be waived or repaid to Enel;

- (ii) a total short-term variable component of Euro 2,073,873, of which Euro 1,020,000 pertains to the office of Chief Executive Officer and Euro 1,053,873 pertains to the office of General Manager, payable for the financial year 2011, following the verification conducted by the Board of Directors, upon proposal of the Compensation Committee, on March 7, 2012, on the level of achievement of objective, specific annual targets, which had been assigned to Fulvio Conti for the afore-mentioned offices by the previous Board of Directors, upon proposal of the Compensation Committee (see *table 3, column 2A*), at the meeting held on March 14, 2011, and which were maintained by the current Board of Directors for 2011. In particular, such targets concerned, *inter alia* (as already anticipated with reference to the targets assigned to the Chairman), the achievement of the envisaged levels for the Group's EBITDA, for the reduction of the Group's indebtedness and for the number of customers activated for gas and power utilities, and safety in the workplace, in terms of reduction in the accident frequency index;
- (iii) a medium/long-term variable component for a total amount payable with reference to financial year 2011, in the amount of Euro 858,000, deriving from his participation, as General Manager, in the medium/long-term incentive plans (LTI plans 2009 and 2010) adopted by Enel through a resolution by the Board of Directors, upon proposal of the Compensation Committee, vis-à-vis the Group's management (see *table 3, column 3B*). In this regard, it should be noted that the above-mentioned long-term incentive plans (LTI) provide that recipients are pre-awarded a base amount, corresponding to 80% of the RAL (these plans, which refer to the financial years 2009 and 2010, were adopted by the previous Board of Directors; therefore, the foregoing percentage of the RAL was calculated on the basis of the RAL assigned on the previous mandate), with reference to both the directorship relationship and the executive relationship; the final bonus obtainable may vary, depending upon the level of achievement of objectives, from zero to a maximum level of 120% of the base amount.

More specifically, the remuneration which following the verifications of the level of achievement of the objectives under the above-mentioned plans, is payable to the Chief Executive Officer/General Manager, for the executive relationship, for the financial year 2011, is comprised of:

- (1) the amount of Euro 468,000 accrued with reference to the LTI plan for 2009 (for the second tranche; *i.e.*, 50% of the plan) on the basis of the level of achievement of the performance objectives for the three-year period 2009/2011 (see *table 3, column 3B*); and
- (2) the amount of Euro 390,000 accrued with reference to the LTI plan for 2010 (for the first tranche, *i.e.* 50% of the same plan), based upon the level of achievement of the performance objectives for the two-year period 2010/2011 (see *table 3, column 3B*).

For a description of the objectives envisaged under such plans, see paragraph 2.1.3 below. In this regard, it should be noted that the amount of the second tranche of the LTI plan for 2010, equal to Euro 390,000 is deferred (corresponding to the base value assigned), since it pertains to the three-year period 2010/2012 (see *table 3, column 3C*);

It should also be noted that the Chief Executive Officer/General Manager, on the basis of this executive relationship, is a recipient of the long-term incentive plan (LTI) for 2011, which provides for the pre-assignment of a base amount of Euro 1,040,000. The final bonus obtainable under the plan may vary, depending upon the level of achievement of the performance objectives for the three-year period 2011/2013, from zero to a maximum level of 120% of the above-mentioned base value. Since these are performance objectives to be realized over the three-year period (and since intermediate tranches are not envisaged –



unlike under the LTI plans for 2009 and 2010), the verification of the level of achievement of the above-mentioned objectives will take place only in 2014. The LTI plan for 2011 also contains a monetary adjustment clause pursuant to which, if the Chief Executive Officer/General Manager were to decide to exercise the plan starting the year following that in which the plan becomes fully exercisable, the Company may proceed with an adjustment of the bonus payable by applying the following formula:

$$\frac{\text{Cumulative Final EBITDA for 2011-(year preceding the year of exercise)}}{\text{Cumulative Budget EBITDA for 2011-(year preceding the year of exercise)}} \times \text{Actual amount accrued in 2014}$$

Such adjustment may not (i) in any case, exceed 50% of the payable and accrued bonus in 2014, or (ii) in the event of a decrease, lead to a reduction in the above-mentioned effective amount of the bonus accrued in 2014.

Finally, it should be noted that the Chief Executive Officer/General Manager, on the basis of the executive relationship, is also the recipient of the stock option approved by the Shareholders' Meeting held on June 11, 2008 and adopted by the Board of Directors at the meeting held on July 31, 2008. In particular, as part of such plan, 1,587,326 options have been awarded to the Chief Executive Officer/General Manager (having a fair value as of the date of award of Euro 0.17 each), which became fully exercisable following the satisfaction of the exercise conditions related to the achievement of the performance objectives for the three-year period (2008/2010) consisting in EPS (earning per share) and ROACE (return on average capital employed) (see *table 2*). However, it should be noted that in light of the current market trend, such options, although theoretically exercisable until 31 December 2014, are for the time being out of the money (since the strike price is set at Euro 7.118). For further information on the stock option plan for 2008, see the management report for the financial year 2011, as well as the disclosure document which explains the above-mentioned plan pursuant to art. 84-*bis* of the Issuers Regulation, available at the company's registered office, at Borsa Italiana S.p.A. and on the Company's website ([www.enel.com](http://www.enel.com));

- (iv) non-monetary benefits amounting to Euro 61.235 for: (i) the company automobile which may be used for both business and personal purposes, in connection with the executive position (on the basis of the value subject to tax and social security contributions, as provided under the relevant ACI tables); (ii) insurance policies covering the risk of accidents unrelated to professional activities; (iii) contributions borne by Enel for the supplementary Pension Fund for the Group's executives; and (iv) contributions borne by Enel for *Asem - Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (Association for Supplementary Healthcare Coverage for Energy and Multiservices Executives) (see *table 1, column 4*).

#### Alessandro Banchi – Independent Director

Alessandro Banchi became a member of the Board of Directors on April 29, 2011, following his appointment by the Shareholders' Meeting.

Alessandro Banchi's remuneration is comprised of (i) a fixed emolument of Euro 56,667, corresponding to the compensation approved by the above-mentioned ordinary Shareholders' Meeting (see *table 1, column 1*), as well as (ii) compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 17,667) and the Related Parties Committee (amounting to Euro 21,000, as chairman of such committee) (see *table 1, column 2*). Such emoluments and compensation were paid on a pro rata basis for the period starting on the date of acceptance of the office (respectively, of director and member of the above-mentioned committees) until December 31, 2011.

#### Lorenzo Codogno – Non-executive Director

Lorenzo Codogno already held the role of Director and member of the Internal Control Committee in the previous Board of Directors and maintained the same roles in the new Board appointed by the Shareholders' Meeting held on April 29, 2011. He was also appointed member of the Corporate Governance Committee by the Board of Directors at the meeting held on May 12, 2011.

Lorenzo Codogno's remuneration is comprised of: (i) a fixed emolument of Euro 85,000 resolved by the above-mentioned Shareholders' Meeting and, for the remaining portion of the previous mandate, by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*), and (ii) compensation, including attendance fees, for participation in the Internal Control Committee, in accordance with the resolutions passed by the Board of Directors on June 18, 2008 and on June 16, 2011 (amounting to Euro 30,667), and in the Corporate Governance Committee (amounting to Euro 17,667), in accordance with the resolutions passed by the Board of Directors on June 16, 2011 (see *table 1, column 2*). The above-mentioned emoluments and compensation, with the exception of the attendance fees (amounting to Euro 13,000), are paid entirely to the Ministry of the Economy and Finance in accordance with the directive issued by the Presidency of the Council of Ministers – Public Function Department on March 1, 2000.

#### Mauro Miccio – Independent Director

Mauro Miccio became a member of the Board of Directors on April 29, 2011, following the appointment made by the Shareholders' Meeting.

Mauro Miccio's remuneration is comprised of (i) a fixed emolument of Euro 56,667, corresponding to fees approved by the ordinary Shareholders' Meeting (see *table 1, column 1*), as well as (ii) fees, including attendance fees, for participation in the Internal Control Committee (equal to Euro 20,667) and in the Corporate Governance Committee (equal to Euro 17,667) (see *table 1, column 2*). Such emoluments and fees were paid on a pro rata basis for the period starting on the date of acceptance of the office (respectively, of director and member of the above-mentioned committees) until December 31, 2011.

#### Fernando Napolitano – Non-executive Director

Fernando Napolitano already held the role of Director and of member of the Compensation Committee in the previous Board of Directors. After the renewal of the appointment, decided by the Shareholders' Meeting at the meeting held on April 29, 2011, he was appointed by the Board of Directors, at the meeting held on May 12, 2011, as chairman of the Compensation Committee and member of the Corporate Governance Committee.

Fernando Napolitano's remuneration is comprised of (i) a fixed emolument of Euro 85,000 approved by the above-mentioned Shareholders' Meeting and, for the portion corresponding to the previous mandate, by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*), and (ii) by the compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 34,500, as chairman of the above-mentioned committee), in accordance with resolutions passed by the Board of Directors on June 18, 2008 and on June 16, 2011, and in the Corporate Governance Committee (amounting to Euro 15,667), in accordance with resolutions passed by the Board of Directors on June 16, 2011 (see *table 1, column 2*).

#### Pedro Solbes Mira – Independent Director

Pedro Solbes Mira became a member of the Board of Directors on April 29, 2011, following his appointment by the Shareholders' Meeting.

Pedro Solbes Mira's remuneration is comprised of (i) a fixed emolument of Euro 56,667 approved by the above-mentioned ordinary Shareholders' Meeting (see *table 1, column 1*), and (ii) compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 17,667) and the Related Parties Committee (amounting to Euro 14,667) (see *table 1, column 2*). Such emoluments and compensation amounts were paid on a pro rata basis for the period starting on the date of acceptance of the office (respectively, of director and member of the above-mentioned committees) until December 31, 2011.

#### Angelo Taraborrelli – Independent Director

Angelo Taraborrelli became a member of the Board of Directors on April 29, 2011, following appointment by the Shareholders' Meeting.

Angelo Taraborrelli's remuneration is comprised of (i) a fixed emolument of Euro 56,667 approved by the above-mentioned ordinary Shareholders' Meeting (see *table 1, column 1*), as well as (ii) compensation, including attendance fees, for participation in the Internal Control Committee (amounting to Euro 20,667) and the Related Parties Committee (amounting to Euro 14,667) (see *table 1, column 2*). Such emoluments and compensation were paid on a pro rata basis for the period starting on the date of acceptance of the office (respectively, of director and member of the above-mentioned committees) until 31 December 2011.

#### Gianfranco Tosi – Independent Director

Gianfranco Tosi already held the role of Director and chairman of the Internal Control Committee in the previous Board of Directors and maintained the same roles in the new Board appointed by the Shareholders' Meeting held on April 29, 2011. He was also appointed member of the Related Parties Committee by the Board of Directors at the meeting held on May 12, 2011.

Gianfranco Tosi's remuneration is comprised of (i) a fixed emolument amounting to Euro 85,000 approved by the above-mentioned Shareholders' Meeting and, for the portion corresponding to the previous mandate, by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*), and (ii) compensation, including attendance fees, for participation in the Internal Control Committee (amounting to Euro 39,667, as chairman of such committee), in accordance with the resolutions passed by the Board of Directors on June 18, 2008 and on June 16, 2011, and in the Related Parties Committee (amounting to Euro 13,667), in accordance with resolutions issued by the Board of Directors on June 16, 2011 (see *table 1, column 2*).

Set forth below are the items which comprise the remuneration of the members of the Board of Directors previously in office whose mandate expired on 29 April 2011, on the occasion of the Shareholders' Meeting called to approve the financial statement for period ended December 31, 2010:

#### Piero Gnudi

Piero Gnudi's remuneration – approved by the Board of Directors at the meeting held on October 2, 2008, upon proposal of the Compensation Committee, after hearing the opinion of the Board of Statutory Auditors, was comprised of:

- (i) a fixed emolument of Euro 233,333; such fixed compensation absorbed the compensation approved for members of the Board of Directors by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*); and
- (ii) a variable emolument of Euro 490,000, which includes a supplementary bonus of Euro 326,667, in consideration of the particular merits gained by Piero Gnudi over the course of the three mandates during which he held the office of Chairman of the Company (*i.e.*, from 2002 until 2011) and of the significant results achieved by the Group during such period (see *table 1, column 3, and table 3, column 2A and 4*).

Following the cessation of his office during 2011, Piero Gnudi also accrued the right to payment of the end of mandate indemnity amount (TFM) provided under the insurance policy. Under such policy, which provided for the payment of an amount equal to one twelfth of the total emoluments received in connection with the directorship relationship, both fixed and variable portions, for each year of the actual term of the mandate, Enel, during the mandate which terminated in 2011, paid bonuses in an amount of Euro 337,909 (see *table 1, column 8*).

#### Giulio Ballio

Giulio Ballio's remuneration was comprised of (i) a fixed emolument of Euro 28,333 approved by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*), and (ii)

compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 10,750), in accordance with resolutions passed by the Board of Directors on June 18, 2008 (see *table 1, column 2*).

#### Renzo Costi

Renzo Costi's remuneration was comprised of (i) a fixed emolument of Euro 28,333 approved by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*), and (ii) compensation, including attendance fees, for participation in the Internal Control Committee (amounting to Euro 11,000), in accordance with resolutions passed by the Board of Directors on June 18, 2008 (see *table 1, column 2*).

#### Augusto Fantozzi

Augusto Fantozzi's remuneration was comprised of (i) a fixed emolument of Euro 28,333 resolved by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*), and (ii) compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 12,417, as chairman of such committee), in accordance with the resolutions passed by the Board of Directors at the meeting held on June 18, 2008 (see *table 1, column 2*).

#### Alessandro Luciano

Alessandro Luciano's remuneration was comprised of (i) a fixed emolument of Euro 28,333 approved by the ordinary Shareholders' Meeting held on June 11, 2008 (see *table 1, column 1*), and (ii) compensation, including attendance fees, for participation in the Internal Control Committee (amounting to Euro 11,000), in accordance with resolutions passed by the Board of Directors on June 18, 2008 (see *table 1, column 2*).

### *2.1.2 Items comprising the remuneration of the members of the Board of Statutory Auditors*

Set forth below are items comprising the remuneration of the current members of the Board of Statutory Auditors appointed by the ordinary Shareholders' Meeting held on April 29, 2010:

#### Sergio Duca – Chairman

Sergio Duca's remuneration is comprised of a fixed emolument of Euro 85,000 approved by the ordinary Shareholders' Meeting at the time of appointment (see *table 1, column 1*).

#### Carlo Conte – Acting Auditor

Carlo Conte's remuneration is comprised of a fixed emolument of Euro 75,000 approved by the ordinary Shareholders' Meeting on the occasion of his appointment (see *table 1, column 1*). Such emolument is paid, in its entirety, to the Ministry of the Economy and Finance in accordance with the directive issued by the Presidency of the Council of Ministers – Public Function Department dated March 1, 2000.

#### Gennaro Mariconda – Acting Auditor

Gennaro Mariconda's remuneration is comprised of a fixed emolument of Euro 75,000 approved by the ordinary Shareholders' Meeting on the occasion of its appointment (see *table 1, column 1*).

### *2.1.3 Items comprising the remuneration of Executives with strategic responsibilities*

The remuneration of Executives with strategic responsibilities (for total of 17 executive positions) is comprised of:

- (i) a contractually envisaged fixed component amounting to a total of Euro 8,269,755 (see *table 1, column 1*);
- (ii) a short-term variable component totaling Euro 5,654,033 (see *table 3, column 2A*), payable following the verification of the level of achievement of the pre-established objectives, on

both an individual and Group-wide basis, awarded to Executives with strategic responsibilities for the financial year 2011;

- (iii) a medium/long-term variable component, amounting to a total of Euro 4,830,943 (see *table 3, column 3B*), payable for the financial year 2011, deriving from the participation in the periodic medium/long-term incentive plans (LTI plans for 2009 and 2010) adopted by Enel by a resolution of the Board of Directors, upon proposal of the Compensation Committee. In this regard, it should be noted that the above-mentioned long-term incentive plans (LTI) provide for the pre-assignment to recipients of a base amount related to the RAL; the final bonus obtainable may vary depending upon the level of achievement of the three-year objectives assigned, from zero to a maximum level of 120% of the base amount.

In the context of the above-mentioned LTI plans, specific objectives are assigned to the Executives with strategic responsibilities belonging to Group companies who are part of: (a) the “Infrastructures and Networks” Division on account of Enel’s obligation – related to the full liberalization of the electricity sector which took place as of July 1, 2007 – to implement an administrative and accounting unbundling, so as to separate activities under the “Infrastructures and Networks” Division from the activities of the Group’s other business areas; (b) the “Renewable Energies” Division, on account of the operating autonomy requisites related to the listing - starting in November 2010 – of the shares of the subsidiary Enel Green Power S.p.A.; and (c) the “Iberia and Latin America” Division, on account of the operating autonomy requisites related to the listing of the shares of the subsidiary Endesa S.A.

More specifically, the remuneration which, following verifications on the level of achievement of the objectives of the above-mentioned plans, is payable to the Executives with strategic responsibilities for the financial year 2011 is comprised of:

- (1) Euro 2,112,000 accrued under the LTI plan for 2009 (for the second tranche, *i.e.* 50% of such plan), based upon the level of achievement of the performance objectives for the three-year period 2009/2011 (see *table 3, column 3B*). In particular, the amount represents 120% of the total base amount awarded to the Executives with strategic responsibilities (amounting to Euro 1,760,000), following the achievement of the gateway objective related to operations (consisting in three-year cumulative consolidated EBITDA) and the level of achievement of the performance objective (consisting in three-year cumulative EPS – earnings per share);
- (2) a total amount equal to Euro 390,000 accrued with reference to the LTI plan for 2009 (i) of the “Infrastructures and Networks” Division (for the second tranche, *i.e.* 50% of such plan), based upon the level of achievement of the performance objectives for the three-year period 2009/2011 (in particular, the amount consists of 120% of the total base amount awarded, following the achievement of the gateway objective related to operations, consisting in the cumulative three-year EBITDA for the “Infrastructures and Networks” Division and the level of achievement of the performance objective, consisting in cumulative, three-year cash cost per customer; and (ii) of Enel (as referred to in point 1 above), only with regard to Executives with strategic responsibilities who belong to the “Renewable Energies Division” who, before the listing of the shares of Enel Green Power S.p.A. on Borsa Italiana, maintained an employment relationship with Enel and who are currently employees of Enel Green Power S.p.A. (see *table 3, column 3B*);
- (3) Euro 1,675,000 accrued with reference to the LTI plan for 2010 (for the first tranche, *i.e.* 50% of such plan), based upon the level of achievement of the performance objectives for the two-year period 2010/2011 (see *table 3, column 3B*). In particular, the amount is equal to 100% of the total base amount awarded to the Executives with strategic responsibilities (amounting to Euro 1,675,000), upon achievement of the gateway objective related to operations (consisting in consolidated, cumulative, two-year EBITDA) and the level of achievement of the performance objective (consisting in cumulative, two-year EPS – earning per share);

- (4) Euro 653,943 accrued with reference to LTI plans for 2010: (i) of the “Infrastructures and Networks” Division (for the first tranche, *i.e.* 50% of such plan), on the basis of the level of achievement of the performance objectives for the two-year period 2010/2011 (in particular, the amount is equal to 120% of the total base amount awarded following the achievement of the gateway objective related to operations, consisting in cumulative, two-year EBITDA of the “Infrastructures and Networks” Division, and the level of achievement of the performance objective, consisting in the cumulative, two-year, cash cost per customer); (ii) of the “Iberia and Latin America” Division (for the first tranche, *i.e.* 50% of such plan), based upon the level of achievement of the performance objectives for the two-year period 2010/2011 (in particular, the amount consists of the total “base value” awarded, following the achievement of the gateway objective related to operations, consisting in cumulative, two-year EBITDA of the “Iberia and Latin America” Division, and the level of achievement of the performance objective, consisting in the net earnings of, respectively, Endesa and Enel’s Group); and (iii) Enel (as referred to in point 1 above), only with respect to Executives with strategic responsibilities who work for the “Renewable Energies” Division who, before the listing of the shares of Enel Green Power S.p.A. on Borsa Italiana, maintained an employment relationship with Enel and who are currently employees of Enel Green Power S.p.A. (see *table 3, column 3B*);

In this regard, it should be noted that the following amounts are deferred (i) the amount of the second tranche of the LTI plan for 2010, amounting to Euro 1,675,000 (corresponding to the base amount awarded), referring to the three-year period 2010/2012 (see *table 3, column 3C*); (ii) the amount of the second tranche of the LTI plans for 2010 for the “Infrastructures and Networks” Division and for the “Iberia and Latin America” Division, and of the Enel LTI plan for 2010 awarded to Executives with strategic responsibilities belonging to the “Renewable Energies Division” prior to the listing of the shares of Enel Green Power S.p.A., totaling Euro 538,150 (corresponding to the base amount awarded), referring to the three-year period 2010/2012 (see *table 3, column 3C*).

It should also be noted that the Executives with strategic responsibilities are recipients of the long-term incentive plan (LTI) for 2011, which provides for the pre-assignment of a base amount totaling Euro 5,004,140. The final bonus obtainable under the plan may vary, depending upon the level of achievement of the performance objectives for the three-year period 2011/2013, from zero to a maximum level equal to 120% of the base amount. Since these are performance objectives to be achieved over the three-year period 2011/2013 (and since no intermediate tranches are envisaged, unlike under the LTI plans for 2009 and 2010), the verification of the level of achievement of such objectives shall take place only in 2014. A monetary adjustment clause also applies, pursuant to which if the recipient decides to exercise the plan starting in the year following the year in which the plan becomes fully exercisable, the Company shall apply a monetary adjustment of the bonus payable, calculated on the basis of the following formula:

$$\frac{\text{Cumulative Final EBITDA 2011-(year preceding the year of exercise)}}{\text{Cumulative Budget EBITDA 2011-(year preceding the year of exercise)}} \times \text{Actual amount accrued in 2014}$$

Such adjustment may not (i) under any circumstances exceed 50% of the bonus payable and accrued through 2014, or (ii) in the event of decrease, lead to a reduction in the above-mentioned accrual amount of the bonus accrued in 2014.

It should be noted that Executives with strategic responsibilities belonging to the “Infrastructure and Networks” Division, the “Renewable Energies” Division and the “Iberia and Latin America” Division are recipients of specific LTI plans for 2011 (subject to the achievement of *ad hoc* objectives related to the three-year period 2011/2013), for an amount

totaling Euro 1,476,428 (corresponding to the base amount awarded, which may vary in an equivalent manner for all of the Executives with strategic responsibilities).

The Executives with strategic responsibilities are also recipients of the stock option plan approved by the Shareholders' Meeting on June 11, 2008 and implemented by the Board of Directors meeting held on July 31, 2008. In particular, under such plan, 8,036,409 options have been awarded to the Executives with strategic responsibilities (having a fair value as of the date of award of Euro 0.17), which became fully exercisable following the satisfaction of the exercise conditions related to the achievement of the performance objectives for the three-year period consisting in EPS (earning per share) and ROACE (return on average capital employed) (see *table 2*). However, it should be noted that in light of the current market trend, such options, although theoretically exercisable until 31 December 2014, are for the time being out of the money (since the strike price is set at Euro 7.118). For further information on the stock option plan for 2008, see the management report for the financial year 2011, as well as the disclosure document which explains the above-mentioned plan pursuant to art. 84-*bis* of the Issuers Regulation, available at the Company's registered office, at Borsa Italiana S.p.A. and on the Company's website ([www.enel.com](http://www.enel.com))

- (iv) one-off bonuses amounting to Euro 400,000 linked to results achieved in connection with extraordinary projects (see *table 3, column 4*);
- (v) non-monetary benefits amounting to Euro 699,240, related to (i) the assignment of an automobile for business and personal use (on the basis of the value subject to tax and social security contributions, as provided under the relevant ACI tables); (ii) the execution of 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 for the Group's executives; (iv) the payment by Enel of contributions for *Asem - Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (see *table 1, column 4*).

## 2.2 Compensation paid in 2011

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

The following table sets forth compensation paid to the members of the Board of Directors and the Board of Statutory Auditors, to the General Manager and to the Executives with strategic responsibilities, on an accrual basis (with the exception of the column entitled “Non-monetary Benefits” which was completed in accordance with the taxable income criterion), in accordance with the provisions of Schedule 3A, Scheme 7-*bis*, of the Issuers’ Regulation issued by Consob.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
First Name and Last Name	Office	Term of office	Expiry of term of office	Fixed compensation	Compensation for committee participation	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	End of mandate indemnity / end of employment indemnity
						Bonuses and other incentives	Profit sharing					
Paolo Andrea Colombo	Chairman	04/2011-12/2011	Approval of financial statement for 2013	500,000	23,000	400,000	-	-	-	923,000	-	-
Fulvio Conti	Chief Executive Officer and General Manager	01/2011-12/2011	Approval of financial statement for 2013	1,382,582	-	2,931,873	-	61,235	-	4,375,690	269,845 (*)	-
Alessandro Banchi	Director	04/2011-12/2011	Approval of financial statement for 2013	56,667	38,667	-	-	-	-	95,334	-	-
Lorenzo Codogno	Director	01/2011-12/2011	Approval of financial statement for 2013	85,000	48,334	-	-	-	-	133,334	-	-
Mauro Miccio	Director	04/2011-12/2011	Approval of financial statement for 2013	56,667	38,334	-	-	-	-	95,001	-	-
Fernando Napolitano	Director	01/2011-12/2011	Approval of financial statement for 2013	85,000	50,167	-	-	-	-	135,167	-	-
Pedro Solbes Mira	Director	04/2011-12/2011	Approval of financial statement for 2013	56,667	32,334	-	-	-	-	89,001	-	-
Angelo	Director	04/2011-	Approval of	56,667	35,334	-	-	-	-	92,001	-	-



Taraborrelli		12/2011	financial statement for 2013									
Gianfranco Tosi	Director	01/2011-12/2011	Approval of financial statement for 2013	85,000	53,334	-	-	-	-	138,334	-	-
Piero Gnudi	Chairman no longer in office	01/2011-04/2011	Approval of financial statement for 2010	233,333	-	490,000	-	-		723,333	-	337,909
Giulio Ballio	Director no longer in office	01/2011-04/2011	Approval of financial statement for 2010	28,333	10,750	-	-	-	-	39,083	-	-
Renzo Costi	Director no longer in office	01/2011-04/2011	Approval of financial statement for 2010	28,333	11,000	-	-	-	-	39,333	-	-
Augusto Fantozzi	Director no longer in office	01/2011-04/2011	Approval of financial statement for 2010	28,333	12,417	-	-	-	-	40,750	-	-
Alessandro Luciano	Director no longer in office	01/2011-04/2011	Approval of financial statement for 2010	28,333	11,000	-	-	-	-	39,333	-	-
Sergio Duca	Chairman of Board of Statutory Auditors	01/2011-12/2011	Approval of financial statement for 2012	85,000	-	-	-	-	-	85,000	-	-
Carlo Conte	Regular auditor	01/2011-12/2011	Approval of financial statement for 2012	75,000	-	-	-	-	-	75,000	-	-
Gennaro Mariconda	Regular auditor	01/2011-12/2011	Approval of financial statement for 2012	75,000	-	-	-	-	-	75,000	-	-
Total				2,945,915	364,671	3,821,873	-	61,235	-	7,193,694	269,845	337,909

(\*) It should be noted that in light of the current market trend, such options, although theoretically exercisable until 31 December 2014, are for the time being out of the money (since the strike price is set at Euro 7.118).

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name	Office	Term of office	Expiry of term of office	Fixed compensation	Compensation for committee participation	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	End of office indemnity / end of employment indemnity
						Bonuses and other incentives	Profit sharing					
-	Executives with strategic responsibilities	-	-									
(I) Fees paid to the firm which prepares the financial statement				6,431,395	-	8,602,635	-	470,935	-	15,504,965	1,366,189	-
(II) Compensation/fees from subsidiaries and affiliates				1,838,360	-	2,282,341	-	228,305	-	4,349,006	-	-
(III) Total				8,269,755	-	10,884,976	-	699,240	-	19,853,971	1,366,189 (*)	-

(\*) It should be noted that in light of the current market trend, such options, although theoretically exercisable until 31 December 2014, are for the time being out of the money (since the strike price is set at Euro 7.118).

*Table 2: Stock options awarded to members of the Board of Directors, to the General Manager and to the other Executives with strategic responsibilities*

The following table sets forth the stock options in place, which have been awarded under the stock option plan for 2008 to the members of the Board of Directors, to the General Manager and to the Executives with strategic responsibilities, in accordance with the provisions of Schedule 3A, Scheme 7-bis, of the Issuers' Regulation issued by Consob.

			Options held at the beginning of the financial year			Options awarded during the financial year						Options exercised during the financial year			Options that have expired during the financial year	Options held at the end of the financial year	Options referring to the financial year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) – (11) – (14)	(16)
Name	Office	Plan	Number of options	Strike price	Possible exercise period (from – until)	Number of options	Strike price	Possible exercise period (from – until)	Fair value as of date of award	Date of award	Market price of the shares underlying the award of the options	Number of options	Strike price	Market price of the underlying shares on the date on which the options are exercised	Number of options	Number of options	Fair value
Fulvio Conti	Chief Executive Officer / General Manager	Plan for 2008 (11/06/2008)	1,587,326	7.118	14.04.2011 / 31.12.2014	-	-	-	-	-	-	0	-	-	0	1,587,326	269,845 (*)
Executives with strategic responsibilities																	
(I) Fees paid to the company which prepares the financial statement		Plan for 2008 (11/06/2008)	8,036,409	7.118	14.04.2011 / 31.12.2014	-	-	-	-	-	-	0	-	-	0	8,036,409	1,366,189 (*)
(II) Fees/compensation from subsidiaries and affiliates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			9,623,735	-	14.04.2011 / 31.12.2014	-	-	-	-	-	-	0	-	-	0	9,623,735	1,636,034 (*)

(\*) It should be noted that in light of the current market trend, such options, although theoretically exercisable until 31 December 2014, are for the time being out of the money (since the strike price is set at Euro 7.118).

*Table 3: Monetary incentive plans in favor of members of the Board of Directors, of the General Manager and of the Executives with strategic responsibilities*

The following table sets forth the compensation deriving from monetary incentive plans in favor of the members of the Board of Directors, of the General Manager, and of the Executives with strategic responsibilities, on an accrual basis in accordance with the provisions of Schedule 3A, Scheme 7-bis, of the Issuers' Regulation issued by Consob.

A	B	(1)	(2)			(3)			(4)
First Name and Last Name	Office	Plan	Bonus for the year			Bonuses for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
Paolo Andrea Colombo	Chairman	MBO 2011	400,000	-	-	-	-	-	-
Fulvio Conti	Chief Executive Officer/General Manager	MBO 2011	2,073,873	-	-	-	-	-	-
		LTI 2009	-	-	-	-	468,000	-	-
		LTI 2010	-	-	-	-	390,000	390,000	-
Piero Gnudi	Chairman no longer in office	MBO 2011	163,333	-	-	-	-	-	326,667
Total			2,637,206	-	-	-	858,000	390,000	326,667
A	B	(1)	(2)			(3)			(4)
Name	Office	Plan	Bonus for the year			Bonus for previous years			Other bonuses
(*)	Executives with strategic responsibilities		(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
(I) Fees paid to the company which drafts the financial statement		MBO 2011	4,415,635	-	-	-	-	-	-
		LTI 2009	-	-	-	-	2,112,000	-	-
		LTI 2010	-	-	-	-	1,675,000	1,675,000	-
		One-off	-	-	-	-	-	-	400,000
(I) Sub-total			4,415,635	-	-	-	3,787,000	1,675,000	400,000
(II) Fees/compensation from subsidiaries and affiliates		MBO 2011	1,238,398	-	-	-	-	-	-
		LTI 2009	-	-	-	-	390,000	-	-
		LTI 2010	-	-	-	-	653,943	538,150	-
(II) Sub-total			1,238,398	-	-	-	1,043,943	538,150	-
(III) Total			5,654,033	-	-	-	4,830,943	2,213,150	400,000

## 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 table sets forth the shares in Enel and its subsidiaries held by the members of the Board of Directors and Board of Statutory Auditors, of the General Manager and of 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, communications received and information gathered from such members of the Board of Directors and Board of Statutory Auditors, the General Manager and the Executives with strategic responsibilities. The data related to the latter are provided on an aggregate basis, in accordance with the provisions of Schedule 3A, Scheme 7-ter, of the Issuers Regulation issued by Consob.

The table is completed only with reference to the persons who held, over the course of 2011 shares in Enel or companies controlled by it, including those who held the office in question for only a portion of the year.

Last Name and First Name	Office	Company in which shareholding is held	Number of shares held at the end of 2010	Number of shares acquired in 2011	Number of shares sold in 2011	Number of shares held at the end of 2011	Title
<b>Members of the Board of Directors in office as of 31 December 2011</b>							
Colombo Paolo Andrea	Chairman of the Board of Directors	Enel SpA	29,452 <sup>(1)</sup>	30,000	-	59,452 <sup>(2)</sup>	Ownership
Conti Fulvio	Chief Executive Officer/ General Manager	Enel SpA	529,632 <sup>(3)</sup>	43,500	-	573,132 <sup>(4)</sup>	Ownership
		Endesa SA	200	-	-	200	Ownership
		Enel Green Power SpA	124,000 <sup>(5)</sup>	32,900	-	156,900 <sup>(6)</sup>	Ownership
Banchi Alessandro	Director	Enel SpA	4,780 <sup>(7)</sup>	-	4,780 <sup>(8)</sup>	0	Ownership
Napolitano Fernando	Director	Enel SpA	76,540	-	-	76,540	Ownership
		Enel Green Power SpA	34,000 <sup>(9)</sup>	-	-	34,000 <sup>(9)</sup>	Ownership
Angelo Taraborrelli	Director	Enel SpA	20,500	-	-	20,500	Ownership
<b>Members of the Board of Directors who ceased to hold office in 2011</b>							
Gnudi Piero	Chairman of the Board of Directors	Enel SpA	388,096 <sup>(10)</sup>	-	-	388,096 <sup>(10)</sup>	Ownership
		Enel Green Power SpA	100,000	-	-	100,000	Ownership
Ballio Giulio	Director	Enel SpA	70,000 <sup>(11)</sup>	-	-	70,000 <sup>(11)</sup>	Ownership
		Enel Green Power SpA	20,000 <sup>(11)</sup>	-	-	20,000 <sup>(11)</sup>	Ownership
Fantozzi Augusto	Director	Enel SpA	75,200	-	75,200 <sup>(12)</sup>	0	Ownership
		Enel Green Power SpA	42,000	-	42,000 <sup>(12)</sup>	0	Ownership
Luciano Alessandro	Director	Enel SpA	9,080	1,920 <sup>(13)</sup>	-	11,000	Ownership
<b>Members of the Board of Statutory Auditors in office as of 31 December 2011</b>							
Conte Carlo	Acting auditor	Enel SpA	44,100 <sup>(14)</sup>	-	17,100	27,000 <sup>(15)</sup>	Ownership
		Enel Green Power SpA	2,000 <sup>(11)</sup>	-	-	2,000 <sup>(11)</sup>	Ownership
Mariconda Gennaro	Acting auditor	Enel SpA	456,472 <sup>(16)</sup>	-	-	456,472 <sup>(16)</sup>	Ownership
Salsone Antonia Francesca	Alternate auditor	Enel SpA	3,040	-	-	3,040	Ownership
Tutino Franco	Alternate auditor	Enel SpA	262 <sup>(11)</sup>	-	-	262 <sup>(11)</sup>	Ownership

<sup>(1)</sup> Of which 21,566 are held personally and 7,886 are held by his spouse.

<sup>(2)</sup> Of which 51,566 are held personally and 7,886 are held by his spouse.

<sup>(3)</sup> Of which 521,025 are held personally and 8,607 are held by his spouse.

<sup>(4)</sup> Of which 564,525 are held personally and 8,607 are held by his spouse.

<sup>(5)</sup> Of which 100,000 are held personally and 24,000 are held by his spouse.

- <sup>(6)</sup> Of which 132,900 are held personally and 24,000 are held by his spouse.  
<sup>(7)</sup> Of which 2,390 are held personally and 2,390 are held by his spouse.  
<sup>(8)</sup> Shares sold prior to his appointment as Director of Enel S.p.A.  
<sup>(9)</sup> Of which 24,000 are held personally and 10,000 are held by his spouse.  
<sup>(10)</sup> Of which 152,392 are held personally, 198,376 through a subsidiary and 37,328 are held by his spouse.  
<sup>(11)</sup> Entire shareholding held by his spouse.  
<sup>(12)</sup> Shares sold after he ceased to be Director of Enel S.p.A.  
<sup>(13)</sup> Shares acquired after he ceased to be Director of Enel S.p.A.  
<sup>(14)</sup> Of which 39,100 are held personally and 5,000 are held by his spouse.  
<sup>(15)</sup> Of which 22,000 are held personally and 5,000 are held by his spouse.  
<sup>(16)</sup> Of which 291,976 are held personally and 164,496 are held by his spouse.

Name	Company in which shareholding is held	Number of shares held at the end of 2010	Number of shares acquired in 2011	Number of shares sold in 2011	Number of shares held at the end of 2011	Title
17 Executives With strategic responsibilities <sup>(1)</sup>	Enel SpA	448,056	-	40,321 <sup>(2)</sup>	407,735	Ownership
	Endesa SA	400	-	-	400	Ownership
	Enel Green Power SpA	184,000	169,000	-	353,000	Ownership

<sup>(1)</sup> During financial year 2011, the Heads of Functions of Enel and the Heads of Divisions were executives with strategic responsibilities.

<sup>(2)</sup> Of which 4,621 shares had previously been held by his spouse and are no longer relevant following legal separation which took place during the financial year.

## PROPOSAL OF RESOLUTION

In consideration of the foregoing, we submit to your approval the following

### Agenda

The Meeting of the Shareholders Enel S.p.A.,

- having examined the remuneration report drawn up by the Board of Directors, pursuant to article 123-*ter* of Legislative Decree No. 58 dated February 24, 1998, and article 84-*quater* of the Issuers' Regulation adopted by Consob with resolution No. 11971/1999;
- having examined and discussed, in particular, the first section of the aforementioned report containing the description of the policy for the remuneration of the members of the Board of Directors, of the General Manager and of the Executives with strategic responsibilities adopted by the Company for the financial year 2012, as well as of the procedures used for the adoption and implementation of such policy;
- considering that the aforesaid remuneration policy has been prepared pursuant to the recommendations of the Self-regulation Code for listed companies promoted by Borsa Italiana, to which the Company complies with;
- considering that, pursuant to article 123-*ter*, paragraph 6, of Legislative Decree No. 58 dated February 24, 1998, is called to express a non binding vote of the first section of the remuneration report,

### resolves

to vote in favor of the First Section of the Remuneration Report drawn up pursuant to article 123-*ter* of Legislative Decree No. 58 dated February 24, 1998, and article 84-*quater* of the Issuers' Regulation adopted by Consob with resolution No. 11971/1999, containing the description of the policy for the remuneration of the members of the Board of Directors, of the General Manager and of the Executives with strategic responsibilities adopted by the Company for the financial year 2012, as well as of the procedures used for the adoption and implementation of such policy.