



**REMUNERATION REPORT**

**2014**

**(approved by the Board of Directors of Enel S.p.A. on April 29, 2014)**

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

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## Remuneration Report

### Letter of the Chairman of the Compensation Committee

In my capacity as President of the Compensation Committee, I am pleased to present Enel's annual Remuneration Report.

Since the last Shareholder's Meeting, the Compensation Committee, composed also of Directors Alessandro Banchi and Pedro Solbes Mira, carried out an in-depth analysis in order to ensure an appropriate balance between the need to attract and retain the most appropriate resources to successfully manage the Company and the sustainable growth, together with the creation of value for Shareholders.

This Remuneration Report illustrates also amendments to the Policy on the Remuneration, as compared to the last financial year.

In particular, the proposals by the Committee and approved by the Board of Directors concerned the introduction of a cap to discretionary bonuses that may be paid to the Chairman and to the Chief Executive Officer/General Manager, and a modification to the long term incentive plans, aimed

at targeting in a more effective way the achievement of EPS and ROACE.

This year, with the Shareholders' Meeting convened on May 22, 2014, the Board of Directors will expire and with it the Committee. The committee during its term, aware of how important matters related to remuneration are to Shareholders and to the market, has carried out its duties, supporting the Board of Directors, in order to promote the long-term sustainable creation of value and to ascertain that the remuneration is based on actual results. In doing so, the Committee was very considerate on Italian and international best practices as well as on the results of the Shareholders' Meeting vote on the remuneration report, aiming at improving year after year the implementation of the principles on the basis of the remuneration policy and the transparency towards the market. The Shareholders' Meeting vote has showed the results achieved.

In thanking Directors Alessandro Banchi and Pedro Solbes Mira for their contribution to the Committee, I would like to greet the Directors that are about to join it.

Rome, April 29, 2014

Fernando Napolitano

Chairman of the Compensation Committee

## Introduction

This Report, approved by the Board of Directors on April 29, 2014, upon proposal of the Compensation Committee, is divided into two sections:

- (i) the first section describes the policy adopted by Enel S.p.A. (“Enel” or “the Company”) on the remuneration of the members of the Board of Directors, of the General Manager and of the Executives with strategic responsibilities, with reference to the financial year 2014; in accordance with the provisions of article 123-*ter* of Legislative Decree of February 24, 1998 No. 58 (the “Consolidated Financial Act”), such section is submitted to the consultative vote of the Shareholders’ Meeting called to approve the financial statements as of December 31, 2013;
- (ii) the second section provides for a detailed disclosure on compensation paid to the above mentioned individuals and to the regular Statutory Auditors in the financial year 2013.

The report also provides for information on the shareholdings held in Enel and in 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 underage children, whether such shareholdings are held directly or indirectly through subsidiaries, trusts or agents.

This Remuneration Report is made available to the public at Enel’s registered office (located at Viale Regina Margherita, No. 137, Rome) and on the Company’s website ([www.enel.com](http://www.enel.com)).

## Summary of the main features of Enel's remuneration policy

Enel's remuneration policy, described in detail in the first section of this Report, was passed on April 29, 2014 by the Board of Directors, upon proposal of the Remuneration Committee. This Policy is aimed at (i) attracting, motivating and retaining the persons most suitable to successfully manage the company, (ii) stimulating the achievement of the strategic targets; (iii) aligning the interests of the top management with the main goal of creation of sustainable value for shareholders in the medium-long term and (iv) promoting the corporate mission and values.

In drafting the Remuneration Policy for 2014, which is substantially consistent with the previous one, the Remuneration Committee has taken into account the recommendations of the Corporate Governance Code, the best Italian and international practices as well as the position expressed by shareholders regarding the remuneration report passed with a favorable vote at the Shareholders' Meeting held on April 30, 2013.

In this respect, it is reminded that the current Board of Directors will expire with the Shareholders' Meeting of May 22, 2014. Thus, pursuant to the prerogatives that the corporate bylaws assign to the new Board of Directors,

the latter will be responsible for determining the compensation package of the directors with delegated powers, pursuant to article 2389, paragraph 3, Italian Civil Code. In doing so, the new Board shall take into account the vote of the Shareholders' Meeting on item 8 of the ordinary agenda ("Limits set under Art. 84-ter of Law Decree No. 69 of June 21, 2013, as amended with modifications into Law No. 98 of August 9, 2013, on the compensation of the directors with delegated powers of the Company and of its subsidiaries"). In particular, under said article 84-ter, with limitation to the first renewal of the board of directors after August 21, 2013, it shall be submitted to the shareholders' meeting of companies that are directly or indirectly controlled by public administrations a proposal under which the compensation of directors with delegated powers cannot be determined and assigned in excess of the 75% of the total compensation paid in the previous term of office, inclusive of emoluments of any nature and also of any possible compensation due under work relationships with the company. The approval of such proposal by the Shareholders' Meeting may impact on the Remuneration Policy described herein also in relation to the pay mix of the Chairman and Chief Executive Officer.

Without prejudice to the above, here below are listed the main features of the Remuneration Policy for 2014.

Item	Purposes and features	Applicable conditions and payment timeline	Proportional weight
<b>Fixed remuneration</b>	To adequately remunerate the performance of the persons concerned, also where the variable remuneration is not paid.  Attract and retain talents, ensuring competitiveness on the job market.	Not subject to any conditions.  Paid on a quarterly basis (except for the GM and ESR to which is paid monthly).	Chairman: 56% CEO/GM: 25% ESR: 46%
<b>Short-term variable remuneration (MBO)</b>	To steer the managing activity of the persons concerned to the achievement of the main annual targets.  To remunerate the performance of the persons concerned according to the level of achievement of the annual performance targets.  Same annual incentives assigned to the Chairman and the CEO/GM while differentiated for the ESR, based on the roles and responsibilities assigned.	Targets for the Chairman and the CEO/GM:  EBITDA (30 points)  Reduction of the Group's debt (40 points)  Group's ordinary net income (20 points)  Safety (10 points)  ESR targets:  Individual targets connected to the business and differentiated for each ESR, based on the roles and responsibilities assigned.  Paid in the financial year in which the level of achievement of annual targets is verified.  Claw-back right of the Company concerning the amounts paid on the basis of data which subsequently proved to be manifestly misstated.	Chairman: 44% CEO/GM: 38% ESR: 22%
<b>Long-term variable remuneration (LTI)</b>	To steer the managing activity of the persons concerned to the creation of value in the long term.  To remunerate the performance of the persons concerned according to the level of achievement of the three-year	Gateway target: EBITDA  Performance target:  - EPS: 75% of the base premium  - ROACE: 25% of the base premium	CEO/GM: 37% ESR: 32%

	<p>performance targets.</p> <p>Same three-year performance targets for the GM and the ESR.</p>	<p>Paid for its 30% in the same financial year in which the level of achievement of the three years period targets is verified and for the remaining 70% in the next financial year (deferred payment).</p> <p>Claw-back right of the Company concerning the amounts paid on the basis of data which subsequently proved to be manifestly misstated.</p>	
<b>Other compensation</b>	<p>To supplement the compensation package by taking into consideration the total compensation, mainly through the assignment of pension and welfare benefits, in compliance with market practice.</p>	<p>Conditions under individual contracts and applicable collective contracts.</p>	-

CEO/GM: Chief Executive Officer/ General Manager

ESR: Executives with strategic responsibilities

**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 proposal of the Compensation Committee.

In accordance with the recommendations set forth under article 6.C.5 of the Corporate Governance Code, the adequacy, overall consistency and effective application of the remuneration policy are 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, reporting periodically to the Compensation Committee.

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

The Compensation Committee is at the date hereof entirely composed of the following independent Directors: Fernando Napolitano (who is also chairman), Alessandro Banchi and Pedro Solbes Mira.

The composition, the tasks and the functioning rules of such Committee are governed by an 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 consulting and proposing tasks:

- a) formulating to the Board of Directors proposals on the remuneration policy of Directors and Executives with strategic responsibilities, periodically assessing the

adequacy, overall consistency and effective application of the policy adopted;

- b) submitting proposals to or expressing opinions in favor of, the Board of Directors on the remuneration of executive Directors and other Directors holding particular offices, as well as for the identification of performance targets 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 targets;
- 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 statements.

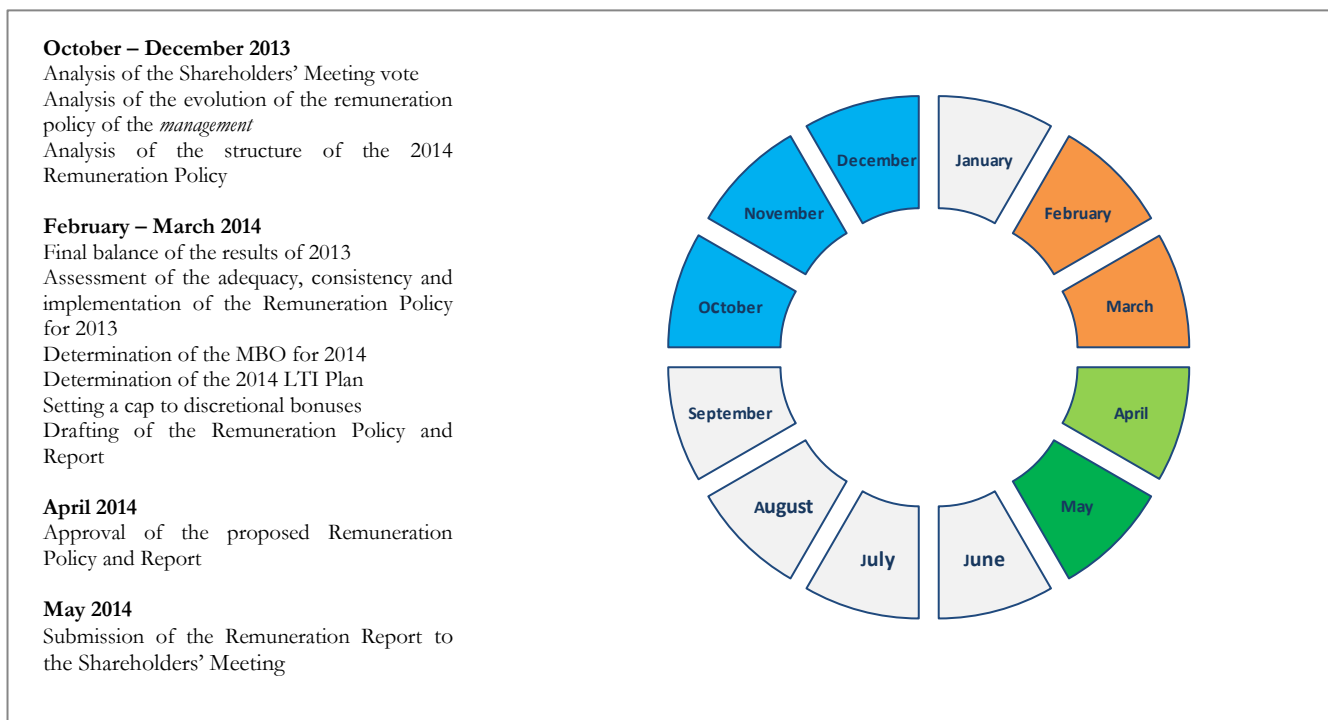
The Committee also drafts and submits to the Board of Directors, for its approval, incentive schemes for the management, including stock-based remuneration plans, monitoring the application of the same.

The Committee provides support to the Chief Executive Officer and to the competent corporate functions in connection with the optimization of managerial resources, talent scouting and 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 regular Statutory Auditor to attend the meeting in his place; the other regular Statutory Auditors may also participate. 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 such proposals concern all the 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 resolutions are adopted through an absolute majority vote on the part of those in attendance; in the event of parity, the vote of the Chairman prevails.

The Chairman of the Committee reports to the Board of Directors at least once a year with regard to the activities performed by the Compensation Committee.

In this respect, it is here below illustrated the activity carried out by the Committee in view of the drafting of this report.



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

In drafting the remuneration policy for the financial year 2014, the Company availed itself of the consultancy services provided by independent expert Hay Group S.r.l. In particular, such expert 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 a division of powers similar to Enel's, which are particularly representative on account of their economic or operating dimensions. Such companies are mentioned in the Paragraph 2.1 together with the results of the benchmarking analysis.

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.

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

### 1.2.1 Purposes of the remuneration policy, its underlying principles and changes compared with the financial year 2013

In line with the recommendations set forth in Articles 6.C.1 and 6.C.3 of the Corporate Governance Code, the remuneration (i) of Enel's executive Directors, *i.e.* the President and 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 purpose 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.

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

- (i) there must be an adequate balance between the fixed component and the variable component and, within this latter



component, between the short-term and the long-term components;

- (ii) the Company has the right to claim back the variable components of the remuneration, if such components were paid on the basis of data which subsequently proved to be manifestly misstated (clawback);
- (iii) a significant portion of the remuneration of the above-mentioned persons shall come from three-year incentive plans;
- (iv) such plans must be paid subject to the achievement of three-year *performance* targets;
- (v) such targets are pre-determined, measurable and indicative of the 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; and
- (vi) 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 verification of the level of achievement of the performance targets.

The remuneration policy applicable to such individuals 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.

In addition, such policy sets a maximum cap on the variable components and, in general, purports to ensure an adequate balance between its fixed and variable components. Furthermore, the fixed component shall be sufficient to reward the persons concerned also when the variable component is not delivered because of the failure to achieve the performance targets.

The remuneration of non-executive Directors, in accordance with the recommendations set forth in article 6.P.2 of the Corporate Governance Code, is related to the dedication requested to each of them, also taking into account their respective participation in one or more committees established within the Board of Directors.

#### [Amendments to the remuneration policy for the financial year 2014 compared with financial year 2013](#)

It should be noted that, in consideration of certain indications emerged from the voting results of the Shareholder's Meeting of April 30, 2013 on the Remuneration Report, the Board of Directors has

amended the remuneration policy in order to limit its own right to pay discretionary bonuses in favor of the Chairman and the Chief Executive Officer/General Manager. In particular such amendments are aimed at:

- (i) setting a cap to discretionary bonuses, if any, equal to the 40% of the annual global remuneration ("AGR", equal to the sum of the fixed compensation and MBO) of the Chief Executive Officer/General Manager and to the 20% of the AGR of the Chairman; and
- (ii) providing that any discretionary bonus, if paid at the end of the term, and added to the emolument due for expiration of the term, does not yield a payment higher than two year installments of the fixed compensation, in compliance with the recommendations of the European Commission.

Also, in order to simplify the architecture of the management compensation, the Board of Directors has cancelled the revaluation clause included in the previous regulations of the long-term incentive plans (LTI plans) and focused on EBITDA, replacing it with a performance scale that addresses, in a more accurate manner, the achievement of EPS and ROACE.

With regard to the measures adopted to limit the compensation, it shall be noted that it was submitted to the Shareholders' Meeting of May 22, 2014 a proposal (please see item 8 of the ordinary agenda "Limits set under Art. 84-ter of Law Decree No. 69 of June 21, 2013, as amended with modifications into Law No. 98 of August 9, 2013, on the compensation of the directors with delegated powers of the Company and of its subsidiaries") under which the compensation of directors with delegated powers cannot be determined and assigned in excess of the 75% of the total compensation paid in the previous term of office, inclusive of emoluments of any nature and also of any possible compensation due under work relationships with the company.

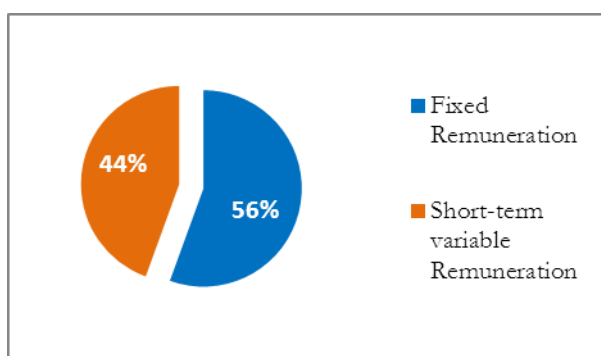
In light of such proposal, which submits to the Shareholders' judgement a possible reduction of the compensation of directors with delegated powers, the Company has not renovated for 2014 the reduction of the short-term variable remuneration of the management that was implemented on voluntary basis in 2013.

## 1.2.2 Chairman of the Board of Directors

### Compensation package and pay mix

The emoluments granted to the Chairman include the base emolument granted to him, on the basis of the resolution adopted by the Ordinary Shareholders' Meeting (pursuant to article 2389, paragraph 1, of the Italian Civil Code and article 23 of the Bylaws), as member of the Board of Directors, and the compensation due for attendance at the board meetings of Enel's subsidiaries or affiliates, which therefore are repaid to or forfeited in favor of Enel.

The Chairman compensation consists of (i) a fixed component and (ii) a variable short-term component, subdivided as follows (assuming payment of the maximum amount of the variable compensation):



### Fixed Remuneration

The fixed remuneration granted to the Chairman in office as of the date hereof amounted to Euro 750,000 gross per year. In addition to the aforementioned remuneration, the Chairman is entitled to a compensation for the participation in the relevant committees established within the Board of Directors.

### Variable Remuneration

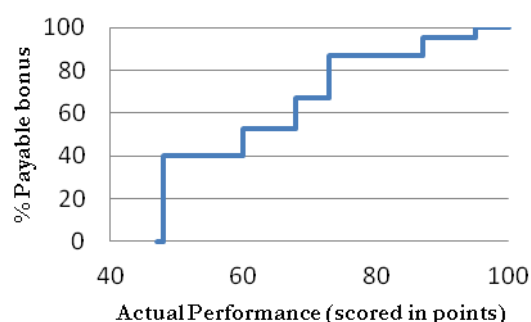
The variable remuneration to the Chairman is equal to a maximum of 80% of the fixed remuneration and it is conditional upon the achievement of annual performance targets. It is provided for the Chairman and the Chief Executive Officer/General Manager to share the same targets in order to enhance a synergic cooperation between the two, without prejudice to their autonomy and protection of their respective prerogatives.

The performance targets to which the payment of the variable remuneration for the financial year 2014 is subject, and the related weight, are indicate below:

Performance target	Points
Consolidated EBITDA	between 15 and 30
Reduction of consolidated financial indebtedness	between 20 and 40
Group ordinary net income	between 8 and 20
Safety in the workplace	between 5 and 10

For each target the score will vary between the minimum and the maximum level based on the actual performance. A performance below the minimum level scores zero points.

Please note that the minimum threshold triggering the assignment of the variable remuneration is 48 points (equal to the 40% of the variable remuneration). In case of a performance above to 95 points, 100% of the variable remuneration shall be assigned (equal to, as mentioned, the 80% of the fixed annual remuneration). The relationship between performance and short-term remuneration is represented by the incentive curve illustrated below.



In the last year of the term, absent its renewal, the variable remuneration shall be computed as the average of the same remuneration paid to the person concerned in the last two years, *pro rata temporis* (i.e. from January 1 till the date of expiry of the office).

### Clawback

The Company has the right to claim back the variable remuneration, if this was paid on the basis of data which subsequently proved to be manifestly misstated.

### Other compensation

The policy on non-monetary benefits provides for the undertaking of Enel to: (i) enter into a specific insurance policy (to cover risks such as death or permanent disability); and (ii) adopt protective measures in the event of judicial or administrative proceedings related to the office of chairman (except in cases of willful misconduct or gross negligence established by final judgment or acts

clearly committed to the detriment of the Company). The Company has also entered into a specific insurance policy in order to pay to the Chairman one twelfth of the total remuneration received, fixed and variable part, for each year of actual duration of the office.

The Board of Directors may order in favor of the Chairman:

- a) the payment of an extraordinary compensation due to transactions of exceptional strategic importance to and highly relevant for the Company; and
- b) a supplement, at the expiry of the office, of any amounts due if, over the three-year period, he has achieved noteworthy results, causing the ordinary management targets to be exceeded substantially.

Each of these discretionary bonuses cannot exceed the 20% of the AGR of the person concerned (equal to the sum of fixed remuneration and the MBO).

In this respect it shall be noted that in the course of the current term the Board of Directors has not resolved upon the payment in favor of the Chairman of any discretionary bonus.

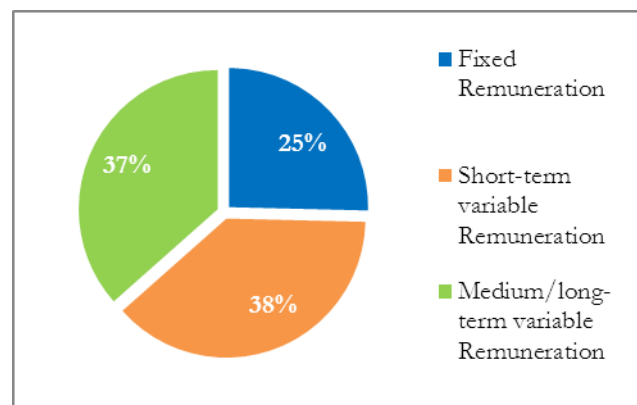
### 1.2.3 Chief Executive Officer / General Manager

#### Remuneration package and pay mix

Based on the current organizational structure of the Company, the office of Chief Executive Officer and of General Manager is held by the same person and the economic and regulatory treatment applied to him concerns, therefore, both the directorship and executive relationship. To the aforementioned executive relationship – which shall remain in force for the entire duration of the directorship relationship and will expire upon its termination – both the national collective employment contract of executives companies which produce goods and services, and the supplementary contracts applicable to Enel’s executives, apply.

The emoluments granted to the Chief Executive Officer include the base emolument granted to him on the basis of the resolution adopted by the Ordinary Shareholders’ Meeting (pursuant to article 2389, paragraph 1, of the Italian Civil Code and article 23 of the Bylaws), as member of the Board of Directors, and the compensation due for the attendance at board meetings of Enel’s subsidiaries or affiliates, which therefore are repaid to or forfeited in favor of Enel.

The remuneration of the Chief Executive Officer/General Manager consists of (i) a fixed component, (ii) a short-term variable component and (iii) a medium/long-term variable component, as subdivided below (assuming the payment of the maximum of the variable component both of short and medium/long term):



#### Fixed Remuneration

The fixed remuneration of the Chief Executive Officer/General Manager in office as of the date hereof is divided into: (i) Euro 720,000 gross per year as compensation for the office of Chief Executive Officer; and (ii) Euro 705,035 gross per year as compensation for the office of General Manager (amount subject only to the adjustments provided for under the national collective employment contract of executives companies which produce goods and services); for a total of Euro 1,425,035 gross per year.

#### Short-term variable remuneration

The short-term variable remuneration can amount up to a maximum of 150% of the fixed annual remuneration related both to the directorship and to the executive relationship, depending upon whether or not the annual performance targets have been met.

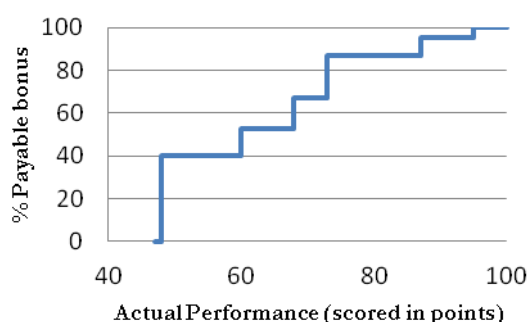
The performance targets to which achievement is subject the payment of the short-term variable remuneration for the financial year 2014, and the related weight, are indicate below:

Performance target	Points
Consolidated EBITDA	between 15 and 30
Reduction of consolidated financial indebtedness	between 20 and 40
Group ordinary net income	between 8 and 20
Safety in the workplace	between 5 and 10

For each target the score will vary between the minimum and the maximum level based on the actual performance. A performance below the minimum level scores zero points.

Please note that the minimum threshold triggering the assignment of the variable remuneration is 48 points (equal to the 40% of the variable remuneration). In case of a performance above 95 points, 100% of the variable remuneration shall be assigned (equal to, as mentioned, 150% of the fixed annual remuneration).

The relationship between performance and short-term remuneration is represented by the incentive curve illustrated below.



In the last year of the term, absent its renewal, the short-term variable remuneration shall be computed as the average of the same remuneration paid to the person concerned in the last two years, *pro rata temporis* (i.e. from January 1 till the date of expiry of the office).

#### Medium/long-term variable remuneration

The medium/long-term component deriving from participation by the person concerned, in his capacity as General Manager, to 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 an amount of financial instruments (options, units, etc.) or money, which is proportional to the position held with respect to the other recipients. The actual exercise of such plans is conditional upon the achievement of the objective and specific targets provided under those plans.

In particular, the new long-term incentive plan (LTI) for 2014, adopted by the Board of Directors, upon proposal of the Compensation Committee 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 and the executive position, which is

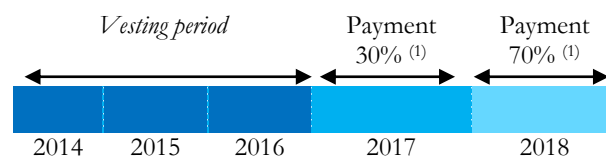
proportional, with reference to the position held, to the amounts envisaged for the other top managers. The actual activation of the plan is subject to the achievement of the following triennial targets (*vesting period*):

- a) an operating target consisting in the Group's cumulative EBITDA for the three years 2014-2016 (the so-called gateway target); if this target is not met, the plan will cease to be effective; therefore, if the gateway target is not met, the recipient will not be paid any amount under the LTI plan, even if all of the performance targets are met; and
- b) two different performance targets of an economic-financial nature consisting in:
  - with respect to 75% of the set base value, the ordinary earning per share (EPS, *i.e.* the ordinary net earnings of the Group related to the number of shares of the Company, on a cumulative basis for the three-year period 2014-2016);
  - with respect to the remaining 25% of the set base value, the return on average capital employed (ROACE, *i.e.* the ratio between the results of operations and average net invested capital, on a cumulative basis for the three-year period 2014-2016).

The final amount payable under the plan may vary, depending upon the achievement of the targets, from zero to a maximum level of 180% of the base amount, which is equal to 144% of the fixed remuneration.

Moreover it is provided that a material portion of the medium/long-term remuneration (equal to 70% of the total) is paid on a deferred basis, one year after the verification of the level of achievement of the performance targets (the so called deferred payment).

#### **Timeline of the LTI 2014 plan**



<sup>(1)</sup> In the event of achievement of the performance targets.

In case of termination of the office, the payment of the plan shall be made at the expiry of the related vesting period, according to the level of achievement of the performance targets set under



the plan; if the termination occurs in the year in which the plan is assigned, the payment will be made on a *pro rata* basis till the termination date of the mandate (to this end, the number of calendar days elapsed between January 1 and the date of termination of the office shall be divided by 365 days).

#### Clawback

The Company has the right to claim back the variable remuneration (both short-term and medium/long-term), if this was paid on the basis of data which subsequently proved to be manifestly misstated.

#### Other compensation

With the termination of the directorship and, consequently, of the executive relationship (since the termination as Chief Executive Officer triggers the termination of the office of General Manager), the Chief Executive Officer/General Manager is entitled to the payment of an indemnity equal to 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; such indemnity includes the indemnity in lieu of advance notice provided for under article 23 of the national collective employment contract for executives of companies which produce goods and services and implies the recipient's waiver of any requests/claims under such national collective employment contract. It is also provided that such indemnity shall not be paid in the event of (i) voluntary resignation, (ii) revocation for cause by the Company, and (iii) request for resignation by the shareholder who has presented the slate from which the Chief Executive Officer was appointed, which is concurrent 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 a consideration (non-competition agreement) in exchange for his undertaking to refrain from engaging in, for a period of one year from the termination of the relationship, on his own account and directly, throughout the European Union, any business activities which could compete with those carried out by Enel or other companies belonging to the Group; such consideration is equal to one year's fixed component and short-term variable component received in his capacity as Chief Executive Officer and General Manager. Such consideration shall be paid 12 months after the termination 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 slate from which the Chief Executive Officer has been appointed with another equivalent office or a mandate of greater professional importance than that held in Enel. Under the policy, the breach of the non-competition agreement results in the non-payment of the above mentioned amount or its reimbursement, where Enel has learnt of such breach after the payment. It is finally provided that such breach triggers the duty to indemnify the damage, which amount has been agreed between the parties as equal to the double of the value of the non-competition agreement.

The policy on non-monetary benefits provides that Enel undertakes to: (i) enter into a specific insurance policy (to cover risks such as death or permanent disability); and (ii) adopt protective measures in the event of judicial or administrative proceedings related to the office (except in cases of willful misconduct or gross negligence established by final judgment or acts clearly committed to the detriment of the Company). The Company has also entered into a specific insurance policy in favor of the Chief Executive Officer/General Manager, for the integration of the treatment envisaged in connection with the directorship relationship. In particular such policy pays only for the directorship relationship, (i) one twelfth of the total emoluments paid, including both the fixed and variable portions, for each year of actual duration of the office; 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.

The Board of Directors may also order in favor of the Chief Executive Officer/General Manager:

- a) the payment of an extraordinary compensation for transactions of exceptional strategic importance to and highly relevant for the Company; and
- b) a supplement, at the expiry of the mandate, of severance indemnity amounts if, over the three-year period, he has achieved noteworthy results, causing the ordinary management targets to be exceeded substantially.

Each of these discretionary bonuses cannot exceed the 40% of the AGR of the person concerned (equal to the sum of fixed remuneration and the MBO). Also, such bonuses, if paid as a supplement of severance indemnity (as referred to under point (b) above), may not entitle the payment of an amount, as summed up to the severance indemnity, greater than two-years installments of fixed

remuneration, as recommended by the European Commission; such limit having been already reached with reference to the remuneration of the Chief Executive Officer/General Manager.

In this respect it shall be noted that in the course of the current term the Board of Directors has not resolved upon the payment in favor of the Chief Executive Officer/General Manager of any discretionary bonus.

#### 1.2.4 Non executive-directors

With regard to non-executive Directors, the policy – as indicated in paragraph 1.2.1 above – provides that their remuneration consists solely of a fixed emolument (approved by the ordinary Shareholders’ Meeting in accordance with article 2389, paragraph 1, of the Italian Civil Code and article 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 Remuneration Committee and upon consultation of the Board of Statutory Auditors.

Such Directors’ remuneration is, therefore, composed only of the fixed component approved by the ordinary Shareholders’ Meeting upon the director’s appointment, at the date hereof equal to Euro 85,000 gross per year, not being provided any variable component.

Furthermore, for all Directors who are at the date hereof also members of one or more committees established within the Board of Directors, the grant of an additional compensation has been 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 article 6.P.2 of the Corporate Governance Code. The above-mentioned compensation, for participation in each of the committees established within the Board of Directors (*i.e.*, the Control and Risk Committee, the Compensation Committee, the Related Parties Committee and the Nomination and Corporate Governance Committee), are as follows:

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

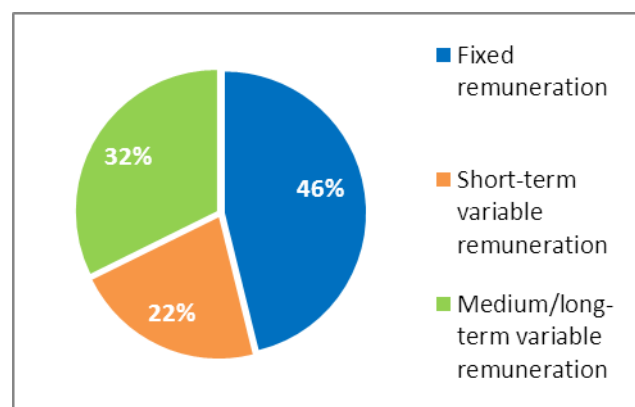
In setting the above-mentioned fees, the Board of Directors also set a maximum limit to the total

amount that may be paid to each Director for his/her participation in the above-mentioned Committees which may not, under any circumstances, exceed the limit of Euro 70,000 gross per year.

#### 1.2.5 Executives with strategic responsibilities

##### Remuneration package and pay mix

As regards Executives with strategic responsibilities, the remuneration policy provides that the compensation structure for such individuals consists of (i) a fixed component, (ii) a short-term variable component and (iii) a medium/long-term variable component, as subdivided below (assuming the achievement of the targets):



##### Fixed remuneration

The fixed remuneration of the Executives with strategic responsibilities is 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.

##### Short-term variable remuneration

The short-term variable remuneration of the Executives with strategic responsibilities is aimed at remunerating the performance from a merit and sustainability standpoint. This remuneration is paid to the Executives with strategic responsibilities, based on role and responsibilities of each of them and weights, in the average, the 47% of the fixed remuneration. In particular, the short-term variable component is granted subject to the achievement of objective, specific, annual targets, based upon the business plan and jointly identified by the “Administration, Finance and Control” function and the “Personnel and Organization” function. Such targets include (i) economic-financial targets, in line with the strategic budget targets of the Group as a whole and the individual

Divisions/Business Areas (e.g.: consolidated EBITDA, the reduction of operating expenses and the reduction of consolidated financial indebtedness, as well as the assignment of specific targets for the individual Divisions/Business Areas); (ii) technical and/or project-based targets; and (iii) the assessment of conducts envisaged under the Group's "Leadership Model".

It should also be noted that the cash base annually pre-assigned in connection with the short-term variable component (MBO) may vary from the achievement of a minimum level of performance targets (below which the bonus is set to zero) up to a maximum predetermined level in the event of over-performance connected to the targets, which is different depending on the countries and the business of the Group.

#### Medium/long-term variable remuneration

The medium/long-term variable remuneration is characterized by the participation in long-term incentive plans (LTI), which provide that, for 2014, recipients are awarded in advance a base amount linked to the fixed remuneration (equal to 70% of such remuneration) and a subsequent grant of a cash bonus that may vary on the basis of such amount (from zero to a maximum of 180%) depending upon the level of achievement of pre-established targets and performance conditions for the Group. Such variable component is aimed at orienting management's actions towards the creation of value for shareholders over the medium/long-term; as such, the right to this medium/long term remuneration vests only if, at the expiry of the three-year period (three-year vesting period), the performance targets established under the plans are met.

The medium/long-term variable component (LTI plan) payable to Executives with strategic responsibilities is granted, under the 2014 plan, subject to the achievement of a combination of the following:

- a) an operating target consisting in the Group's cumulative EBITDA for the three years 2014-2016 (the so-called gateway target); if this target is not met, the plan will cease to be effective; therefore, if the gateway target is not met, the recipients will not be granted any bonus under the LTI plan, even if all of the *performance* targets are met; and
- b) two distinct *performance* targets of an economic-financial nature consisting in:
  - with respect to 75% of the set base value, the ordinary EPS (on a

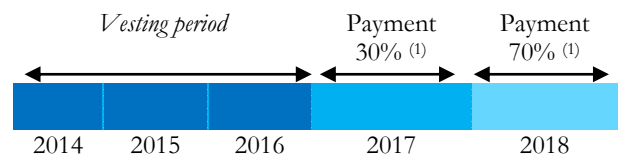
cumulative basis for the three-year period 2014-2016);

- with respect to the remaining 25% of the base value, the ROACE, (on a cumulative basis for the three-year period 2014-2016).

The foregoing targets vary 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 order to ensure compliance with the sector-specific laws and regulations.

Moreover, it is provided that a material portion of the medium/long-term remuneration (equal to 70% of the total) is paid on a deferred basis, one year after the verification of the level of achievement of the performance targets (the so called deferred payment).

#### **Timeline of the LTI 2014 plan**



(1) In the event of achievement of the performance targets.

#### Clawback

Enel has the right to claim back the variable remuneration (both short-term and medium/long-term), if this was paid on the basis of data which subsequently proved to be manifestly misstated.

#### Other compensation

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 to which the national collective contract be applicable.

It is envisaged (i) the assignment of an automobile for business and personal use; (ii) the entering into 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, based on the relevant contract, for the Group's executives; (iv) the payment by Enel of contributions for the supplementary healthcare

coverage; 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 willful misconduct or gross negligence established by final judgment or acts clearly committed to the Company's detriment). Such benefits are also granted to the Chief Executive Officer/General Manager, in consideration of its executive relationship with the Company.



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

### 2.1 Compensation paid in 2013

Please find here below detailed information on the compensation paid to the members of the Board of Directors, to the General Manager and to the Executives with strategic responsibilities, on an accrual basis.

These compensations have been paid in compliance with the Remuneration Policy submitted to the consultative vote of the Shareholders' Meeting of April 30, 2013.

#### • Fixed Remuneration

The fixed remuneration of the Chairman and of the Chief Executive Officer/General Manager was approved, pursuant to article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors on November 9, 2011, upon proposal of the Remuneration Committee, after having obtained the opinion of the Related Parties Committee and heard the Board of Statutory Auditors. Such compensation absorbs the base pay assigned to the persons concerned, on the basis of the ordinary Shareholders' Meeting (pursuant to article 2389, paragraph 1, of the Italian Civil Code and article 23 of the corporate bylaws), in their quality of members of the Board of Directors as well as the compensation due for taking part to the board of directors of Enel's controlled or affiliated companies, that thus shall be waived or reverted to Enel.

The compensation of non-executive directors was approved by the ordinary Shareholders' Meeting of April 29, 2011, pursuant to article 2389, paragraph 1, of the Italian Civil Code.

#### • Short-term variable compensation

The Board of Directors, upon proposal of the Remuneration Committee, has verified the achievement by the Chairman and the Chief Executive Officer/General Manager of a score of 100 points on the *performance* scale used, equivalent to the maximum amount of the short-term variable remuneration. The table below specifies the level of achievement of each target.

Performance targets assigned to the Chairman and to the Chief Executive Officer/General Manager	Points range			Points assigned		
Consolidated EBITDA	between 15 and 25			25		
Reduction of the consolidated financial debt	between 18 and 30			30		
Issue of hybrid financial instruments <sup>(1)</sup>	0 and 15 (on/off)			15		
Collection of the <i>tariff deficit</i> in Spain	between 10 and 20			20		
Safety on the workplace	between 5 and 10			10		
<b>Performance scale</b>	<b>0</b>	<b>40%</b>	<b>53%</b>	<b>67%</b>	<b>87%</b>	<b>100%</b>
<b>Total assessment</b>						✓

<sup>(1)</sup> Please note that the hybrid financial instruments were issued at a value set on the low end of the range indicated in the Business Plan 2013/2017.

Based on the amendments to the economic and regulatory treatment of the top management in 2013, notwithstanding the achievement of all of the performance targets, the amount of the short-term variable remuneration payable to the Chairman was reduced by 30%, while the one payable to the Chief Executive Officer/General Manager was set to zero, with reference to the directorship relationship, and reduced by 30%, with reference to the executive relationship. Therefore, the amount of the short-term variable remuneration actually paid to (i) the Chairman is equal to Euro 420,000 and (ii) the Chief Executive Officer/General Manager is equal to Euro 739,474.

The short-term variable component of the remuneration payable to Executives with strategic responsibilities was set on the basis of the performance of each of them in relation to the different targets assigned; also in this instance the payable amount, as resulting from the level of achievement of the performance targets, was reduced by 30%.

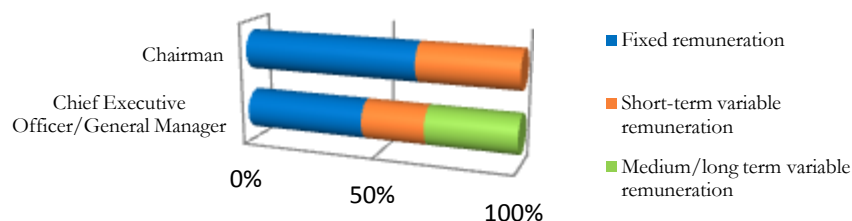
#### • Medium/long term variable compensation

The Board of Directors, upon proposal of the Remuneration Committee, has verified the achievement by the Chief Executive Officer/General Manager and the Executives with strategic responsibilities of the performance targets for the 2011 LTI as indicated below and therefore the payment of the 100% of the long-term variable remuneration (amounting to Euro 1,040,000 for the Chief Executive Officer/General Manager).

Performance targets assigned to the Chief Executive Officer/General Manager and to Executives with strategic responsibilities	Performance scale			
	0	50%	100%	120%
Consolidated EBITDA (gateway target)	Achieved			
Earning per share (EPS)			✓	
Return on average capital employed (ROACE)			✓	
<b>Total assessment</b>			✓	

#### • Pay mix

Based on the abovementioned data, here below is illustrated the pay mix of the Chairman and of the Chief Executive Officer/General Manager for the year 2013.



#### • Competitive positioning on the relevant market

Based on the data of the financial year 2013, please find below the competitive positioning on the relevant market of the compensation package of the Chairman, the Chief Executive Officer/General Manager and the Executives with strategic responsibilities, as elaborated by Hay Group.

##### Chairman

With reference to the Chairman:

- the fixed portion of the remuneration is positioned, as compared to the reference benchmark, below the first quartile;
- the total remuneration including the payment of the short term variable is positioned on the market median. The companies considered for the

purpose of the above mentioned benchmark are Assicurazioni Generali, Eni, Intesa SanPaolo and Unicredit; European companies were not considered, since the powers granted to the Chairman – who, under the Corporate Governance Code, would qualify as executive director but lacks management powers – place him in a peculiar position as compared to the chairmen of European companies having a size similar to that of Enel's.

##### Chief Executive Officer/General Manager

With reference to the Chief Executive Officer/General Manager:

- the fixed part of the remuneration is positioned, as compared to the reference benchmark, on the market median;
- the total remuneration, inclusive of the payment of the short-term variable component is positioned below the first quartile of the market;
- the total remuneration, inclusive of the payment of the medium/long-term variable component, is below the first quartile of the market.

The companies considered for the purpose of the above mentioned benchmark are BG Group, Centrica, EDP, Eni, E.On, GDF Suez, Iberdrola, Repsol, RWE and Total.

##### Executives with strategic responsibilities

With reference to the Executives with strategic responsibilities:

- the fixed portion of the remuneration is positioned slightly above the median of the market;
- the remuneration including the payment of the short-term variable portion is positioned between the median and the third quartile of the market;
- the total remuneration, inclusive also of the medium/long-term variable component, is positioned slightly above the median of the market.

Such benchmark was set taking into account the compensation of some 2,866 top executives of the 260 most representative European listed companies based on market capitalization.

Table 1: Compensation paid to the 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 in 2013, on an accrual basis, to the members of the Board of Directors and the Regular Statutory Auditors, to the General Manager and to the Executives with strategic responsibilities, in

compliance with Annex 3A, Table 7-bis, of Consob's Issuer Regulation. This table includes all the persons holding the aforementioned offices even only for a fraction of the year.

(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	Severance payments
						Bonuses and other incentives	Profit sharing					
Paolo Andrea Colombo <sup>(1)</sup>	Chairman	01/2013-12/2013	Approval financial statements 2013	750,000 <sup>(a)</sup>	34,000 <sup>(b)</sup>	420,000 <sup>(c)</sup>	-	2,324 <sup>(d)</sup>	-	1,206,324	-	-
Fulvio Conti <sup>(2)</sup>	Chief Executive Officer and General Manager.	01/2013-12/2013	Approval financial statements 2013	1,424,261 <sup>(a)</sup>	-	1,779,474 <sup>(b)</sup>	-	74,365 <sup>(c)</sup>	-	3,278,100	269,845 <sup>(d)</sup>	-
Alessandro Banchi <sup>(3)</sup>	Director	01/2013-12/2013	Approval financial statements 2013	85,000 <sup>(a)</sup>	59,000 <sup>(b)</sup>	-	-	-	-	144,000	-	-
Lorenzo Codogno <sup>(4)</sup>	Director	01/2013-12/2013	Approval financial statements 2013	85,000 <sup>(a)</sup>	52,000 <sup>(b)</sup>	-	-	-	-	137,000	-	-
Mauro Miccio <sup>(5)</sup>	Director	01/2013-12/2013	Approval financial statements 2013	85,000 <sup>(a)</sup>	58,000 <sup>(b)</sup>	-	-	-	-	143,000	-	-
Fernando Napolitano <sup>(6)</sup>	Director	01/2013-12/2013	Approval financial statements 2013	85,000 <sup>(a)</sup>	61,000 <sup>(b)</sup>	-	-	-	-	146,000	-	-
Pedro Solbes Mira <sup>(7)</sup>	Director	01/2013-12/2013	Approval financial statements 2013	85,000 <sup>(a)</sup>	49,000 <sup>(b)</sup>	-	-	-	-	134,000	-	-
Angelo Taraborrelli <sup>(8)</sup>	Director	01/2013-12/2013	Approval financial statements 2013	85,000 <sup>(a)</sup>	58,000 <sup>(b)</sup>	-	-	-	-	143,000	-	-
Gianfranco Tosi <sup>(9)</sup>	Director	01/2013-12/2013	Approval financial statements 2013	85,000 <sup>(a)</sup>	66,000 <sup>(b)</sup>	-	-	-	-	151,000	-	-
Sergio Duca <sup>(10)</sup>	Chairman of Board of Statutory Auditors	01/2013-12/2013	Approval financial statements 2015	85,000 <sup>(a)</sup>	-	-	-	-	-	85,000	-	-
Carlo Conte <sup>(11)</sup>	Regular statutory auditor	01/2013-04/2013	Approval financial statements 2012	25,000 <sup>(a)</sup>	-	-	-	-	-	25,000	-	-
Lidia D'Alessio <sup>(12)</sup>	Regular statutory auditor	05/2013-12/2013	Approval financial statements 2015	50,000 <sup>(a)</sup>	-	-	-	-	-	50,000	-	-
Gennaro Mariconda <sup>(13)</sup>	Regular statutory auditor	01/2013-12/2013	Approval financial statements 2015	75,000 <sup>(a)</sup>	-	-	-	-	-	75,000	-	-
<b>Total</b>				<b>3,004,261</b>	<b>437,000</b>	<b>2,199,474</b>	<b>-</b>	<b>76,689</b>	<b>-</b>	<b>5,717,424</b>	<b>269,845</b>	<b>-</b>

Notes:

(1) **Paolo Andrea Colombo – Chairman of the Board of Directors**

- (a) Fixed emolument approved, in accordance with article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors at the meeting held on November 9, 2011, upon proposal of the Compensation Committee, after obtaining the opinion of the Related Parties Committee and upon consultation with the Board of Statutory Auditors.
- (b) Compensation for the participation in the Nomination and Corporate Governance Committee (as Chairman of such Committee, including attendance fees) in accordance with resolutions passed by the Board of Directors on June 16, 2011.
- (c) Variable emolument determined by the Board of Directors, upon proposal of the Compensation Committee, following the assessment conducted at the meeting held on March 11, 2014, on the level of achievement of objective, specific, annual targets, which had been assigned to the Chairman by the Board of Directors at the meeting held on March 12, 2013. In this respect, it is reminded that notwithstanding the achievement of all of the performance targets, the amount actually payable to the Chairman was reduced by 30%, based on the amendments made in 2013.
- (d) Life insurance policy.

(2) **Fulvio Conti – Chief Executive Officer/General Manager**

- (a) Fixed emolument approved, in accordance with article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors at the meeting held on November 9, 2011, upon proposal of the Compensation Committee, after obtaining the opinion of the Related Parties Committee and upon consultation with the Board of Statutory Auditors, of which Euro 720,000 for the office of Chief Executive Officer and Euro 704,261 for the office of General Manager.
- (b) Variable component (i) short-term for the office of General Manager, of Euro 739,474, determined by the Board of Directors, upon proposal of the Compensation Committee, following the assessment conducted at the meeting held on March 11, 2014, on the level of achievement of objective, specific, annual targets, which had been assigned to the Chief Executive Officer/General Manager by the Board of Directors at the meeting held on March 12, 2013 (ii) medium/long-term of Euro 1,040,000 under the L.II plan 2011. It is reminded that notwithstanding the achievement of all of the performance targets related the short-term variable remuneration, the amount actually payable to the Chief Executive Officer/General Manager, based on the amendments made in 2013, was set to zero with reference to the directorship relationship, and reduced by 30%, with reference to the executive relationship.
- (c) Benefits related to: 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).
- (d) In light of the current market trend, such options, although theoretically exercisable until December 31<sup>st</sup>, 2014, are out of the money (since the strike price is set at Euro 7.118).

(3) **Alessandro Banchi – Independent Director**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2011.
- (b) Compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 27,000) and the Related Parties Committee (amounting to Euro 32,000, as Chairman of such Committee)

(4) **Lorenzo Codogno – Director**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2011.
- (b) Compensation for the participation in the Control and Risk Committee (amounting to Euro 20,000) and in the Nomination and Corporate Governance Committee (amounting to Euro 20,000)  
The above-mentioned emoluments and compensation, with the exception of the attendance fees (amounting to Euro 12,000), 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.

(5) **Mauro Miccio – Independent Director**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2011.
- (b) Compensation, including attendance fees, for participation in the Control and Risk Committee (amounting to Euro 34,000) and in the Nomination and Corporate Governance Committee (amounting to Euro 24,000).

(6) **Fernando Napolitano – Independent Director**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2011.
- (b) Compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 37,000, as Chairman of such Committee) and in the Nomination and Corporate Governance Committee (amounting to Euro 24,000).

(7) **Pedro Solbes Mira – Independent Director**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2011.
- (b) Compensation, including attendance fees, for participation in the Compensation Committee (amounting to Euro 27,000) and the Related Parties Committee (amounting to Euro 22,000).

(8) **Angelo Taraborrelli – Independent Director**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2011.
- (b) Compensation, including attendance fees, for participation in the Control and Risk Committee (amounting to Euro 34,000) and the Nomination and Corporate Governance Committee (amounting to Euro 24,000).

(9) **Gianfranco Tosi – Independent Director**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2011.
- (b) Compensation, including attendance fees, for participation in the Control and Risk Committee (amounting to Euro 44,000, as Chairman of such Committee) and the Related Parties Committee (amounting to Euro 22,000).

(10) **Sergio Duca – Chairman of the Board of Statutory Auditors**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2010 (for the term 2010/2012) and by Ordinary Shareholders' Meeting on April 30, 2013 (for the term 2013/2015).

(11) **Carlo Conte – Regular auditor (up to April 30, 2013)**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2010

(12) **Lidia D'Alessio – Regular auditor (since May 2013)**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 30, 2013.

(13) **Genaro Mariconda – Regular auditor**

- (a) Fixed emolument approved by Ordinary Shareholders' Meeting on April 29, 2010 (for the term 2010/2012) and by Ordinary Shareholders' Meeting on April 30, 2013 (for the term 2013/2015).

(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 office indemnity / end of employment indemnity
						Bonuses and other incentives	Profit sharing					
-	Executives with strategic responsibilities (No. 17 positions)	-	-									
(I) Fees paid to the firm which prepares the financial statement				3,491,339	-	4,705,472	-	273,870	-	8,470,681	1,135,580	-
(II) Compensation/fees from subsidiaries and affiliates				5,491,418	-	5,904,069	-	931,653	-	12,327,140	-	-
(III) Total				<b>8,982,757</b>	-	<b>10,609,541</b> <sup>(a)</sup>	-	<b>1,205,523</b> <sup>(b)</sup>	-	<b>20,797,821</b>	<b>1,135,580</b> <sup>(c)</sup>	-

**Notes:**

- (a) Medium/long-term and short-term variable component accrued in the year 2013. The short-term variable component is equal to Euro 4,223,050, calculated on the level of achievement of annual targets, objective and specific, which were set for the persons concerned. The medium/long-term variable component is equal to Euro 6,386,491, disburseable with reference to the LTI 2011, based on the level of achievement of annual performance targets for the three-year period 2011/2013.
- (b) Benefits related to: 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 the company for the supplementary Pension Fund for the Group's executives; and (iv) contributions borne by the company for Supplementary Healthcare Coverage.
- (c) In light of the current market trend, such options, although theoretically exercisable until December 31, 2014, are 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 Consob's Issuers Regulation.

First Name and Last Name	Office	Plan	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
			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	CEO / GM	Plan for 2008 (11/06/2008) <sup>(1)</sup>	1,587,326 <sup>(2)</sup>	7,118	14.04. 2011 / 31.12. 2014	-	-	-	-	-	-	0	-	-	0	1,587,326	269,845 <sup>(3)</sup>
Executives with strategic responsibilities (No. 17)																	
(I) Fees/compensation paid by the company which prepares the financial statement		Plan for 2008 (11/06/2008) <sup>(1)</sup>	6,679,885	7,118	14.04. 2011 / 31.12. 2014	-	-	-	-	-	-	0	-	-	0	6,679,885	1,135,580 <sup>(3)</sup>
(II) Fees/compensation paid by subsidiaries and affiliates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			8,267,211	-	14.04. 2011 / 31.12. 2014	-	-	-	-	-	-	0	-	-	0	8,267,211	1,405,425

**Notes**

- (1) For information on the stock option plan for 2008, see the management report for the financial year 2013, as well as the disclosure document which explains the above-mentioned plan pursuant to Article 84-bis of the Issuers Regulation, available at the Company's registered office, Borsa Italiana S.p.A. and on the Company's website ([www.enel.com](http://www.enel.com)).
- (2) Options granted based on the executive relationship.
- (3) In light of the current market trend, such options, although theoretically exercisable until December 31, 2014, are 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

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 Consob's Issuers Regulation.

The following table sets forth the compensation deriving from monetary incentive plans in favor of the members of the Board of Directors, of the

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 <sup>(1)</sup>	Chairman	MBO 2013	420,000 <sup>(a)</sup>	-	-	-	-	-	-
Fulvio Conti <sup>(2)</sup>	Chief Executive Officer/General Manager	MBO 2013	739,474 <sup>(a)</sup>	-	-	-	-	-	-
		LTI 2011	-	-	-	-	1,040,000 <sup>(b)</sup>	-	-
<b>Total</b>			<b>1,159,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,040,000</b>	<b>-</b>	<b>-</b>
A	B	(1)	(2)			(3)			(4)
Last Name and First Name	Office	Plan	Bonus for the year			Bonus for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
-	17 Executives with strategic responsibilities <sup>(3)</sup>								
(I) Fees/compensation paid by the company which drafts the financial statements		MBO 2013	1,921,388 <sup>(a)</sup>	-	-	-	-	-	-
		LTI 2011	-	-	-	-	2,784,084 <sup>(b)</sup>	-	-
(I) Sub-total			1,921,388	-	-	-	2,784,084	-	-
(II) Fees/compensation paid by subsidiaries and affiliates		MBO 2013	2,301,662 <sup>(a)</sup>	-	-	-	-	-	-
		LTI 2011	-	-	-	-	3,602,407 <sup>(c)</sup>	-	-
(II) Sub-total			2,301,662	-	-	-	3,602,407	-	-
<b>(III) Total</b>			<b>4,223,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,386,491<sup>(d) (e)</sup></b>	<b>-</b>	<b>-</b>

Notes

(1) Paolo Andrea Colombo

(a) Notwithstanding the fact that all performance targets of the short-term remuneration were achieved, the amount actually payable to the Chairman, based on the amendments made in 2013, was reduced by 30%.

(2) Fulvio Conti

(a) Notwithstanding the fact that all performance targets of the short-term remuneration were achieved, the amount actually payable to the Chief Executive Officer/General Manager, based on the amendments made in 2013, was set to zero for the directorship relationship and reduced by 30% for the executive relationship.

(b) Remuneration payable to the Chief Executive Officer/General Manager, in function of the executive relationship, for the financial year 2013, with reference to the 2011 LTI plan based upon the level of achievement of the performance targets for the three-year period 2011/2013. The Chief Executive Officer/General Manager, on the basis of the executive relationship, results being a recipient (i) of the 2012 LTI plan, which provides for the pre-assignment of a base amount of Euro 1,138,685, (ii) of the 2013 LTI plan, which provides for the pre-assignment of a base amount of Euro 1,138,685 and (iii) of the 2014 LTI plan, which provides

for the pre-assignment of a base amount of Euro 1,140,028. The final amount obtainable under such plans may vary, depending upon the level of achievement of the performance targets, respectively, for the three-year period 2012/2014, 2013/2015 and 2014/2016, from zero to a maximum level of 120% of the above-mentioned base value (except for the 2014 LTI plan having a maximum level of 180%). Since these are performance targets to be achieved over the three-year period, the assessment of the level of achievement of the above-mentioned targets is envisaged, respectively, in 2015, in 2016 and in 2017.

(3) Executives with strategic responsibilities

(a) After assessment of the achievement of performance targets of the short-term remuneration, the amount actually payable to the Executives with strategic responsibilities, based on the amendments made in 2013, was reduced by 30%.

(b) Amount accrued under the 2011 LTI plan, based upon the level of achievement of the performance targets for the three-year period 2011/2013.

(c) Amount accrued with reference to 2011 LTI plans on the basis of the level of achievement of the performance targets for the three-year period 2011/2013, by the Executives with strategic responsibilities employed by companies of Enel's Group other than Enel S.p.A. (among which those under the "Infrastructures and Networks" Division, the "Iberia and Latin America" Division and the "Renewable Energies" Division).

(d) It should also be noted that the Executives with strategic responsibilities are recipients (i) of the 2012 LTI plan, which provides for the pre-assignment of a base amount of Euro 2,786,781 and (ii) of the 2013 LTI plan, which provides for the pre-assignment of a base amount of Euro 2,792,140, and (iii) of the 2014 LTI plan, which provides for the pre-assignment of a base amount of Euro 2,445,473. The final amount obtainable under such plans may vary, depending upon the level of achievement of the performance targets, respectively, for the three-year period 2012/2014, 2013/2015 and 2014/2016, from zero to a maximum level of 120% of the above-mentioned base value (except for the 2014 LTI plan having a maximum level of 180%). Since these are performance targets to be achieved over the three-year period, the assessment of the level of achievement of the above-mentioned targets is envisaged, respectively, in 2015, in 2016 and in 2017. The amounts under the 2012 and 2013 LTI plans are different from those disclosed in the previous Remuneration Reports since in the course of 2013 some Executives with strategic responsibilities moved from Enel to some of its subsidiaries.

(e) 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 long-term incentive plans (LTI) for 2012, 2013 and 2014 (subject to the achievement of *ad hoc* targets related, respectively, to the three-year period 2012/2014, 2013/2015 and 2014/2016), while the Executives with strategic responsibilities employed by other companies of Enel’s Group are addressed with the same plans of Enel’s Executives. The total amount of the base amount pre-awarded for 2012 LTI plans is Euro 3,931,950, for 2013 LTI plans is Euro 3,959,948 and for 2014 LTI plans is Euro 3,736,631. The amounts of 2012 and 2013 LTI plans are different from those disclosed in the previous Remuneration Reports since in the course of 2013 some Executives with strategic responsibilities moved from Enel to some of its subsidiaries.



## 2.2 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 the persons

concerned. The data related to the Executives with strategic responsibilities are provided on an aggregate basis, in accordance with the provisions of Schedule 3A, Scheme 7-ter, of Consob' Issuers Regulation.

The table is completed only with reference to the persons who held, over the course of 2013 shares in Enel or companies controlled by it, including those who were in office for a fraction of the year.

Last Name and First Name	Office	Company in which shareholding is held	Number of shares held at the end of 2012	Number of shares acquired in 2013	Number of shares sold in 2013	Number of shares held at the end of 2013	Title
<b>Members of the Board of Directors</b>							
Colombo Paolo Andrea	Chairman of the Board of Directors	Enel S.p.A.	59,452 <sup>(1)</sup>	-	-	59,452 <sup>(1)</sup>	Ownership
Conti Fulvio	Chief Executive Officer/ General Manager	Enel S.p.A.	643,132 <sup>(2)</sup>	40,785	-	683,917 <sup>(3)</sup>	Ownership
		Endesa S.A.	200	-	-	200	Ownership
		Enel Green Power S.p.A.	161,200 <sup>(4)</sup>	1,200 <sup>(5)</sup>	-	162,400 <sup>(6)</sup>	Ownership
Napolitano Fernando	Director	Enel S.p.A.	76,540	-	-	76,540	Ownership
		Enel Green Power S.p.A.	34,000 <sup>(7)</sup>	900 <sup>(8)</sup>	-	34,900 <sup>(9)</sup>	Ownership
Taraborrelli Angelo	Director	Enel S.p.A.	20,500	-	-	20,500	Ownership
<b>Statutory Auditors</b>							
Conte Carlo	Regular Statutory Auditor (terminated)	Enel Green Power S.p.A.	2,100 <sup>(10)</sup>	-	-	2,100 <sup>(10)</sup>	Ownership
Mariconda Gennaro	Regular Statutory Auditor	Enel S.p.A.	257,860 <sup>(11)</sup>	-	-	257,860 <sup>(11)</sup>	Ownership
Salsone Antonia Francesca	Alternate Statutory Auditor (terminated)	Enel S.p.A.	3,040	-	-	3,040	Ownership
Tutino Franco	Alternate Statutory Auditor	Enel S.p.A.	262 <sup>(12)</sup>	-	-	262 <sup>(12)</sup>	Ownership
<b>Executives with strategic responsibilities</b>							
No. 17 positions	Executives with strategic responsibilities	Enel S.p.A.	345,781	14,155	1,520	358,416	Ownership
		Endesa S.A.	500	-	100	400	Ownership
		Enel Green Power S.p.A.	355,000	1,300 <sup>(13)</sup>	9,000	347,300	Ownership

<sup>(1)</sup> 51,566 of which held personally and 7,886 through the spouse.

<sup>(2)</sup> 634,525 of which held personally and 8,607 through the spouse.

<sup>(3)</sup> 674,525 of which held personally and 9,392 through the spouse.

<sup>(4)</sup> 137,200 of which held personally and 24,000 through the spouse.

<sup>(5)</sup> Bonus shares granted in compliance with what was disclosed in the Prospectus published in connection with the public offering and listing on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. of ordinary shares of Enel Green Power S.p.A.

<sup>(6)</sup> 137,200 of which held personally and 25,200 through the spouse.

<sup>(7)</sup> 24,000 of which held personally and 10,000 through the spouse.

<sup>(8)</sup> Bonus shares granted in compliance with what was disclosed in the Prospectus published in connection with the public offering and listing on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. of ordinary shares of Enel Green Power S.p.A.

<sup>(9)</sup> 24,600 of which held personally and 10,300 through the spouse.

<sup>(10)</sup> Thoroughly through the spouse.

<sup>(11)</sup> 248,284 of which held personally and 9,576 through the spouse's heirs.

<sup>(12)</sup> Thoroughly through the spouse.

<sup>(13)</sup> Bonus shares granted in compliance with what was disclosed in the Prospectus published in connection with the public offering and listing on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. of ordinary shares of Enel Green Power S.p.A.

## PROPOSAL OF RESOLUTION

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

### Agenda

The Shareholders' Meeting of 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 2014, 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 Corporate Governance Code for listed companies promoted by Borsa Italiana, which the Company complies with;
- considering that, pursuant to Article 123-ter, paragraph 6, of Legislative Decree No. 58 dated February 24, 1998, it 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 2014, as well as of the procedures used for the adoption and implementation of such policy.