



**REPORT ON THE REMUNERATION POLICY FOR 2021 AND
COMPENSATIONS PAID IN 2020**

(approved by the Board of Directors of Enel S.p.A. on April 15, 2021)

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

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Report on the remuneration policy and compensations paid

Letter from the Chair of the Nomination and Compensation Committee

In my capacity as Chair of the Nomination and Compensation Committee (the “**Committee**”), I am pleased to present Enel’s report on the remuneration policy for 2021 and compensations paid in 2020.

The Committee, composed of Directors Cesare Calari, Costanza Esclapon de Villeneuve and Anna Chiara Svelto, in addition to the Chair, has prepared and submitted to the Board of Directors an annual remuneration policy for 2021 aimed at pursuing – in line with the guidelines of the new Italian Corporate Governance Code – the sustainable success of the Company and the Group it leads; this policy is aimed at attract, retain and motivate people with the expertise and professionalism required by the delicate managerial tasks entrusted to them, and has been drafted taking into account the remuneration and working conditions of the employees of the Company and of the Group itself.

In defining the 2021 remuneration policy set out in the first section of this report, the Committee has taken into account the best national and international practices, the indications resulting from the favorable vote of the Shareholders’ Meeting held on May 14, 2020 on the remuneration policy for 2020, as well as the results of the engagement activity on corporate governance issues carried out by the Company in the period between January and March 2021 with the main proxy advisors and institutional investors in Enel’s share capital.

The Committee also examined and duly considered the benchmark analysis regarding the remuneration treatment of the Chair of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors of Enel for 2020 financial year. Such analysis was carried out by the independent advisor Mercer taking into consideration the data resulting from the documentation published for the 2020 AGM season by issuers included in a single peer group (“Peer Group”), which results from the integration of three sub-groups composed by: (i) Italian companies with a global scope, similar to Enel in terms of complexity and dimensional criteria, which represent to Enel itself a model in terms of employment market and national practices; (ii) European companies operating in the utilities sector

which result similar to Enel in terms of dimension, business model, services provided and control over the value chain; (iii) European companies of relevant dimension listed on the main continental stock exchanges which result similar to Enel in terms of complexity and interest in a perspective of people competition ⁽¹⁾. The adoption of the new Peer Group reflects the evolution made by Enel Group, which has turned itself over the past 15 years from an essentially domestic operator at first into an international utility leader, reaching the current status as a major European industrial group. The focus of the Peer Group on continental European companies is aimed at making the comparison even more significant in terms of remunerations structure. The benchmark analysis has shown that the remuneration of the Chair of the Board of Directors and the Chief Executive Officer/General Manager due for 2020 financial year substantially reflects the standing of Enel in terms of capitalization, revenues and number of employees with respect to companies included in the Peer Group. With regard to non-executive Directors, the benchmark analysis has instead outlined the grounds for an increase in their remuneration, both for participation in Board activities and for participation in the Board Committees, taking into account that, in these cases, the remuneration levels fall between the first quartile and the median of the Peer Group, thus resulting misaligned with Enel’s positioning compared to the companies included in the panel.

In view of such elements, the Committee has deemed to maintain unchanged in the remuneration policy for 2021 the remuneration treatment of the Chair of the Board of Directors and of the Chief Executive Officer/General Manager. At the same time the Committee, even though it deemed necessary – in view of the outcomes of the benchmark analyses and taking into account the recommendations of the Italian Corporate Governance Committee – to evaluate the drafting of a proposal for an increase in the remuneration of the non-executive Directors (especially with regard to the participation in the Board Committees), has lastly deemed to postpone the definition of such proposal until next year, in order to express in this way its sensitivity for the protracted negative social and economic effects caused by the COVID-19 pandemic.

⁽¹⁾ For the composition of such Peer Group, reference is made to paragraph 1.3 of this report.

The Committee then deemed appropriate to introduce some new performance objectives connected to sustainability issues in the short-term variable remuneration of the Chief Executive Officer/General Manager and in the Long-Term Incentive Plan 2021.

In particular, with regard to the short-term variable remuneration of the Chief Executive Officer/General Manager, it has been introduced a new performance objective, with a weight equal to 15% out of the total, which measures the customer satisfaction of clients of the Enel Group's distribution networks. The index used is the annual average duration of power outages per low-voltage customer (System Average Interruption Duration Index - SAIDI); indeed, both the decarbonization and electrification of consumption promoted by the Enel Group are based on the central role attributed to distribution networks, which will have to be increasingly digitalized, flexible, resilient and guarantee a better quality of service to end users. At the same time, it was deemed appropriate to confirm the weight of the objective related to safety, equal to 15% of the total, considering the central role of ensuring safety in workplaces. Therefore, the overall weight of sustainability objectives within the short-term variable remuneration of the Chief Executive Officer/General Manager is confirmed at 30%.

The Committee has then deemed appropriate to maintain in the Long-Term Incentive Plan 2021 the main features of the 2019 and 2020 Long-Term Incentive Plans – consisting of the provision of a significant share-based component of the incentive, as well as the alignment of the access threshold to such incentive to the target level of each performance objective – considering the significant appreciation expressed in this regard by Shareholders at the 2019 and 2020 annual Meetings.

The Committee has also evaluated the opportunity of valorize the Enel Group's commitment in ensuring fair representation of women in the bases that supply the management succession plans. In this perspective, it has therefore been introduced into the 2021 Long Term-Incentive Plan a new performance objective, with a weight of 5% of the total, represented by the percentage of women in management succession plans at the end of 2023. The introduction of this objective should be seen as a starting point in relation to the increased attention that the Committee plans to pay to the "gender gap" issue in outlining for the coming years the performance objectives of the variable component of the remuneration of the Chief Executive Officer/General Manager and top management. The

other performance objectives of the 2021 Long-Term Incentive Plan remain unchanged, although the weight of one of them is slightly modified due to the inclusion of the abovementioned objective. Specifically, the long-term variable remuneration of top management is linked to the following performance objectives, measured during the 2021-2023 time frame: (i) the trend of Enel's average TSR as compared with the average TSR of Index EUROSTOXX Utilities – EMU, with a weight equal to 50%; (ii) the Return on Average Capital Employed ("ROACE"), with a weight equal to 25%; (iii) ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity, with a weight equal to 10%; (iv) GHG Scope 1 grams emissions per kWh equivalent produced by the Enel Group, with a weight equal to 10%; (v) percentage of women in management succession plans, with a weight of 5%. Therefore, the overall weight of sustainability objectives is still equal to 25%, in line with the Long-Term Incentive Plan 2020, confirming the consolidated attention of the Enel Group to issues linked to the Environmental, Social and Governance aspects, with particular emphasis on the fight against climate change.

Lastly, the Committee has deemed appropriate to explain transparently and analytically the reasoning and the evaluations carried out by the Board of Directors, upon prior preliminary analysis of the same Committee, in order to determine the remuneration treatment of the top Management and non-executive Directors for 2021. In this respect. a specific examination is described both (i) in the first section of this report, with regard to the remuneration of the Chair of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors for 2021, and (ii) in the second section of this report, with regard to the remuneration of the top Management for the 2020 financial year.

In conclusion, the Committee considers that the annual remuneration policy for 2021 takes into appropriate consideration both the results of the above-mentioned benchmark analyses and the policies of the major proxy advisors, the institutional investors in Enel's share capital and the outcomes of the above-mentioned engagement activities. Such remuneration policy on the one hand, provides for the confirmation of the remuneration treatment of the Chair of the Board of Directors and the Chief Executive Officer/General Manager as it is consistent with Enel's positioning compared to the reference peers in terms of capitalization, revenues and number of employees, and on the other hand, further contributes to the pursuit of the business and

sustainability objectives set out in the Strategic Plan for 2021-2023.

Rome, April 15, 2021

Alberto Marchi

Chair of the Nomination and Compensation
Committee

Introduction

This report, approved by the Board of Directors on April 15, 2021, after a preliminary analysis and upon proposal of the Nomination and Compensation Committee, is divided into two sections:

- (i) the first section describes the annual remuneration policy adopted by Enel S.p.A. (“**Enel**” or the “**Company**”) for the members of the Board of Directors, the General Manager and the Executives with strategic responsibilities, with reference to the financial year 2021 as well as, without prejudice to the provisions of Article 2402 of the Italian Civil Code, for the members of the Board of Statutory Auditors;
- (ii) the second section provides for a detailed disclosure on the compensations relating to the financial year 2020 – determined on an accrual basis – due to the above-mentioned persons on the basis of the remuneration policy adopted for such financial year and in execution of previous individual agreements.

In accordance with Article 123-ter of Legislative Decree No. 58 of February 24, 1998 (the “**Consolidated Financial Act**”), (i) the first section is subject to the binding resolution of the ordinary Shareholders’ Meeting called for the approval of the financial statements as of December 31, 2020, while (ii) the second section is subject to the non-binding resolution of the same Shareholders’ Meeting.

The report also provides for information on the shareholdings held in Enel and in its subsidiaries by members of the Board of Directors and of the Board of Statutory Auditors, by the General Manager and by 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 report is made available to the public at Enel’s registered office (located in Rome, at Viale Regina Margherita No. 137), on the Company’s website (www.enel.com) and on the authorized storage mechanism called “eMarket Storage” (www.emarketstorage.com).

Summary of the main features of Enel's remuneration policy

The remuneration policy of Enel for 2021, described in detail in the first section of this report, has been approved on April 15, 2021 by the Board of Directors, after a preliminary analysis and upon proposal of the Nomination and Compensation Committee. This policy is aimed at (i) promoting Enel's sustainable success, which consists in the creation of long-term value to the benefit of the Shareholders, taking adequate account of the interests of other significant stakeholders, so as to foster the achievement of strategic targets; (ii) attracting, retaining and motivating people with the expertise and professionalism required by the delicate managerial tasks entrusted to them, taking into account the remuneration and working conditions of the employees of the Company and of the Enel Group; as well as (iii) promoting the corporate values and mission.

In drafting the remuneration policy for 2021, the Nomination and Compensation Committee has taken into account: (i) the recommendations set forth under the Italian Corporate Governance Code published on January 31, 2020 (the “**Corporate Governance Code**”); (ii) national and international best practices; (iii) the indications resulting out the favorable vote of the Shareholders' Meeting held on May 14, 2020 on the remuneration policy for 2020; (iv) the outcomes of the engagement activities on corporate governance issues carried out by the Company in the period between January and March 2021 with the main proxy advisors and institutional investors in Enel's share capital; (v) the outcomes of a benchmark analysis regarding the remuneration

treatment of the Chair of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors of Enel for 2020 financial year, carried out by the independent advisor Mercer.

The latter analysis took into account the data resulting from the documentation published for the 2020 AGM season by issuers included in a single peer group which is composed by the integration of the following three sub-groups, as described in detail in paragraph 1.3 of this report: (i) Italian companies with a global scope; (ii) the European companies with a comparable business; (iii) European companies of relevant dimensions similar to Enel in terms of complexity and interest in a perspective of people competition.

For the purposes of preparing the remuneration policy for 2021, the Nomination and Compensation Committee has also considered the outcomes of a further benchmark analysis carried out by Mercer in relation to remuneration of the Board of Statutory Auditors for 2020 financial year; this analysis was carried out by taking into consideration a peer group composed exclusively of Italian companies belonging to the FTSE MIB index, as illustrated in detail in paragraph 2.6 of this report.

Lastly, the remuneration policy for 2021 has considered the overall policy adopted by the Group (hereinafter also referred to as the “**Group**”) for the remuneration of its employees, which is based on the central role of people and on health and safety at work and whose aim is therefore to reinforce a strategy focused on sustainable growth.

Illustrated below are the main features of the annual remuneration policy for 2021 financial year.

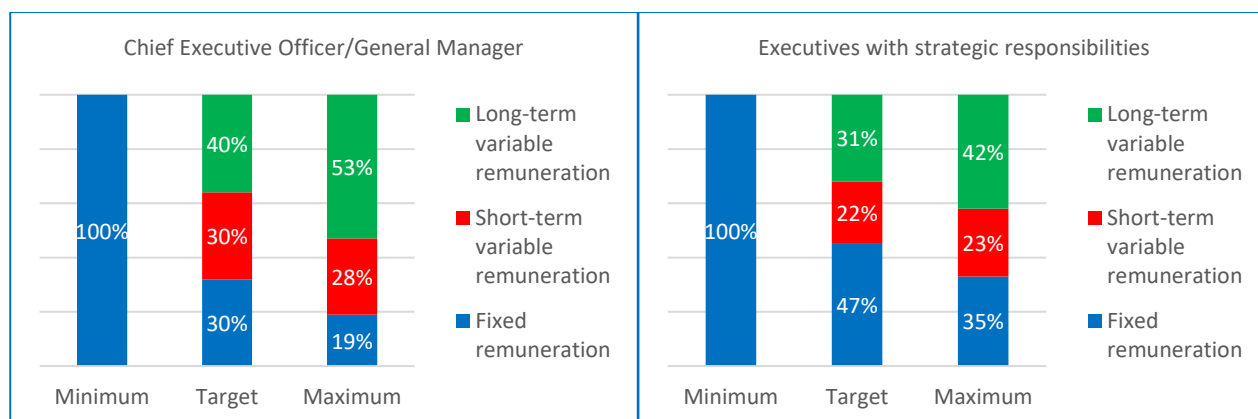
Component	Applicable conditions and payment timeline	Proportional weight ¹
Fixed remuneration	<ul style="list-style-type: none"> Not subject to any conditions Paid on a quarterly basis to the CEO and to the Chair and on a monthly basis to the GM and to the ESR 	Chair: 100% CEO/GM: 19% ESR: 35%
Short-term variable remuneration (MBO)	<ul style="list-style-type: none"> Objectives for the CEO/GM: <ul style="list-style-type: none"> Ordinary consolidated net income (35%) Group Opex (20%) Funds from operations/Consolidated net financial debt (15%) System Average Interruption Duration Index - SAIDI (15%) Safety in the workplace (15%) Objectives for the ESR: <ul style="list-style-type: none"> Individual targets connected to the business and differentiated for each ESR, based on the tasks and the responsibilities assigned 	CEO/GM: 28% ESR: 23%

	<ul style="list-style-type: none"> • Paid in the financial year in which the level of achievement of annual objectives is verified • Clawback right of the Company concerning the amounts paid on the basis of data which are subsequently proved to be manifestly misstated (“clawback”) 	
Long-term variable remuneration (LTI)	<ul style="list-style-type: none"> • Performance objectives: <ul style="list-style-type: none"> - average TSR (Total shareholders return) of Enel <i>vs.</i> average TSR of EUROSTOXX Utilities Index – EMU (50%) - ROACE (Return on average capital employed) (25%) - Renewable sources net consolidated installed capacity / Total net consolidated installed capacity (10%) - GHG Scope 1 grams emissions per kWh equivalent produced by Enel Group (10%) - Percentage of women in management succession plans (5%) • 100% of the base amount for the CEO/GM and 50% of the base amount for the other beneficiaries of the Plan is assigned in Enel shares, to award free of charge, subject and proportionally to the achievement of the performance objectives, to the extent and timings set forth below. • The difference between the incentive determined in the final assessment of the Plan – which can reach up to 280% of the base amount for the CEO/GM and 180% of the base amount for the other beneficiaries – and the proportion of incentive (indicated in the point above) distributed in Enel shares is disbursed in cash, subject and proportionally to the achievement of the performance objectives, to the extent and timings set forth below. • The incentive – for both the share-based and the monetary component – is disbursed, subject and proportionally to the achievement of the performance objectives, (i) by 30% in the first financial year following the end of the three-year performance period, and (ii) by 70% in the second financial year following the end of the three-year performance period (“deferred payment”) • Clawback right of the Company concerning the amounts paid (or right to withhold deferred sums) on the basis of data which are subsequently proved to be manifestly misstated (“clawback” and “<i>malus</i>”) 	CEO/GM: 53% ESR: 42%
Other compensations	<ul style="list-style-type: none"> • CEO/GM: <ul style="list-style-type: none"> - Severance indemnity equal to 2 years fixed compensation; such indemnity replaces and derogates the treatments due pursuant to the laws and the national collective bargaining agreement (“CCNL”) - The Board of Directors is not entitled to grant discretionary bonuses • ESR: <ul style="list-style-type: none"> - In the event of termination of the employment relationship, the conditions provided under the relevant collective contracts apply, without prejudice to previous individual agreements still in force as of the date of this report, according to paragraph 2.7.5 of this report. 	

¹ Percentages calculated based on the highest MBO and LTI assignable incentive

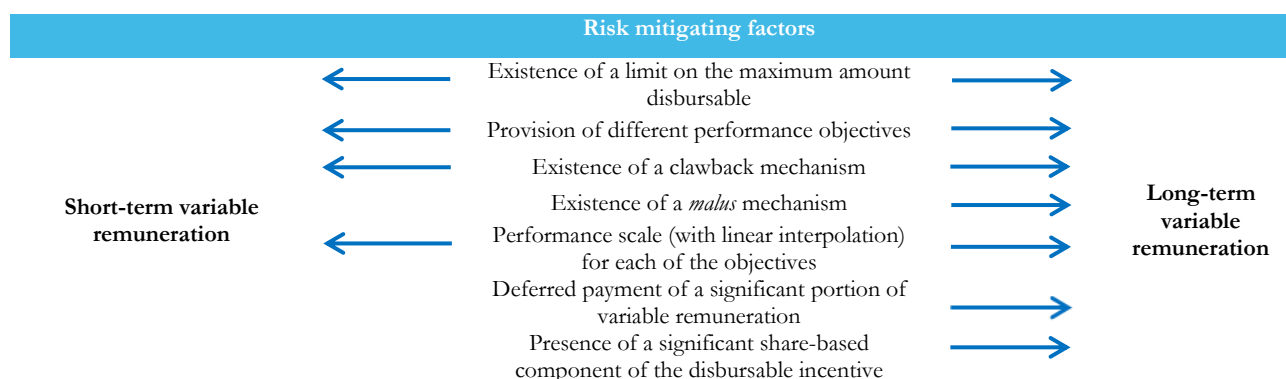
CEO/GM: Chief Executive Officer/ General Manager
ESR: Executives with strategic responsibilities

Change in the remuneration of the Chief Executive Officer/General Manager and of the Executives with strategic responsibilities on the basis of the achievement of the performance objectives



Risk mitigation factors

Set forth below are the safeguards implemented by the Company in order to mitigate risks assumed by the management and to encourage the creation of sustainable value for Shareholders over the long-term.



SECTION I: REMUNERATION POLICY FOR THE MEMBERS OF THE BOARD OF DIRECTORS, THE GENERAL MANAGER, THE EXECUTIVES WITH STRATEGIC RESPONSIBILITIES AND THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS FOR 2021. PROCEDURES FOR THE ADOPTION AND IMPLEMENTATION OF THE POLICY

1. Procedures for the adoption and implementation of the policy

1.1 Bodies or persons involved in the preparation, the approval, the possible review and the implementation of the policy.

Enel's remuneration policy has been approved by the Board of Directors, after a preliminary analysis and upon proposal of the Nomination and Compensation Committee; these bodies are also responsible for any review of the policy.

In accordance with the Recommendation No. 25 of the Corporate Governance Code, the adequacy, overall consistency and effective application of the remuneration policy for the Directors are periodically reviewed by the Nomination and Compensation Committee.

The remuneration policy of the Executives with strategic responsibilities is managed by the Chief Executive Officer which, with the support of the Company's People and Organization Function, provides to the Nomination and Compensation Committee the necessary information to allow the latter to periodically monitor the adequacy, overall consistency and effective application of the policy.

1.2 Role, composition and functioning of the Nomination and Compensation Committee

As of the date hereof, the Nomination and Compensation Committee is entirely composed of the following independent Directors: Alberto Marchi (Chair), Cesare Calari, Costanza Esclapon de Villeneuve and Anna Chiara Svelto.

The composition, the tasks and the functioning rules of such Committee are governed by a specific organizational regulation approved by the Board of Directors and made available to the public on the Company's website (www.enel.com).

In particular, such Committee is in charge of the following preliminary, consultative and proposing tasks concerning compensation:

- a) assisting the Board of Directors in the preparation of the remuneration policy of

Directors and Executives with strategic responsibilities;

- b) periodically assessing the adequacy, overall consistency and effective application of the policy adopted for the remuneration of Directors and Executives with strategic responsibilities;
- c) 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 objectives related to the variable component of such remuneration; monitoring the application of decisions adopted by the Board itself and verifying, in particular, the actual achievement of performance objectives;
- d) reviewing in advance the report on the remuneration policy and compensations paid, 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 (if any), monitoring the application of the same.

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

The Nomination and Compensation Committee meets as often as appropriate to ensure the proper performance of its functions. The Chair 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 People and Organization Function generally attends the meeting as well. The Chair may, from time to time, invite to the Committee meetings other members of the Board of Directors who ask for it or other representatives of corporate functions or third parties whose attendance could be deemed helpful for purposes of optimizing the functioning of the Committee. In order to prevent conflicts of interest, 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's meetings to be valid, the attendance of a majority of the members in office is required.

The Committee's resolutions are adopted with the absolute majority vote of those in attendance; in the event of a tie, the vote of the person chairing the

meeting prevails. The Chair of the Committee reports to the first available meeting of the Board of Directors with regard to the meeting held by the Nomination and Compensation Committee. In this respect, it is here below illustrated the main activities carried out by the Committee in view of the drafting of this report.

July 2020

- Definition of the proposal for the compensation of Committee members
- Identification of the legal advisor to be entrusted with the office of assisting the Committee in the drafting of determinations regulating the economic and legal treatment of the top Management

September 2020

- Analysis of the outcomes of the vote expressed by the Shareholders' Meeting held on May 14, 2020 on the LTI Plan 2020 and the Report on the remuneration policy for 2020 and compensations paid in 2019, as well as benchmark analysis on the main critical issues highlighted by institutional investors and proxy advisors

October 2020 – April 2021

- Sharing of proposals of determinations governing the economic and legal treatment of top Management
- Identification, with the support of an independent advisor, of the peer group to be used for updating the benchmark analyses on the adequacy of the Remuneration policy for 2020 and for preparing the Remuneration policy to be submitted to the 2021 annual Shareholders' Meeting
- Definition of the MBO 2021 for the CEO/GM
- Definition of the LTI Plan 2021
- Final assessment of the MBO 2020 for the CEO/GM
- Final assessment of LTI Plan 2018
- Assessment of the adequacy, overall consistency and actual application of the Remuneration policy for 2020
- Drafting and definition (i) of the Remuneration policy for 2021 and Report on the same Policy and compensations paid in 2020, as well as (ii) the Information Document on the LTI Plan 2021
- Approval by the Board of Directors (i) of the Remuneration policy for 2021 and Report on the same Policy and compensations paid in 2020, as well as (ii) the Information Document on the LTI Plan 2021

May 2021

- Presentation of the Report on the remuneration policy for 2021 and compensations paid in 2020 and of the Information Document on the LTI Plan 2021 to the Shareholders' Meeting



1.3 Independent experts who took part in the preparation of the policy

In drafting the annual remuneration policy for the financial year 2021, Enel availed itself of the support of the independent consultancy company Mercer. In particular, the latter brought to the attention of the

Nomination and Compensation Committee a benchmark analysis regarding the remuneration treatment of the Chair of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors of Enel for the 2020 financial year.

Such analysis was carried out by Mercer and was based on the data resulting from the documentation published for the 2020 AGM season by the issuers belonging to a single peer group (“**Peer Group**”), which is made of the integration of the following three sub-groups:

- Italian companies with a global scope – companies similar to Enel in terms of complexity and dimensional criteria which represent to Enel itself a model in terms of employment market and national practices. The following companies belong to this sub-group: Eni, FCA, Leonardo, Prysmian, Terna and TIM;
- comparable business companies – European companies which are similar to Enel in terms of dimension, business model, services provided and control of the value chain, which represent a reference in terms of business practices. This sub-group includes the following companies: EdP, Engie, E.On, Iberdrola, National Grid, Naturgy, Orsted, RWE;
- European companies of relevant dimension – Companies listed on the main continental stock exchanges that are similar to Enel in terms of complexity and interest in a perspective of people competition. Indeed, Enel’s strategy of attracting the best talents on the employment market is not exclusively focused on the domestic market but includes in some cases the possibility of drawing strategic resources also from businesses which are not strictly related to the Electric Utilities market. The following companies belong to this sub-group: Airbus, Royal Dutch Shell, SAP, Schneider Electric, Siemens, Total.

In order to identify the Peer Group, the Nomination and Compensation Committee deemed to:

- exclude banking and insurance companies, in line with the market practices, since the remuneration policies adopted by these companies are linked to the specific regulation provided by the sector’s supervisory authorities;
- take into consideration European peers, excluding comparable non-European companies, in light of (i) the potential heterogeneity of their remuneration policies, especially in terms of pay-mix, and (ii) the geographical scope used by the main proxy advisors to identify Enel’s peers;
- consider the Italian market significant also in terms of the employment market, identifying within this context companies which, although not strictly comparable to Enel in terms of the nature of their business, operate globally, present similar complexities to those of Enel and

represent in this respect a reference point for the latter;

- take into consideration the companies which, at a European level, have a greater similarity in terms of business, as well as (as far as possible) comparable dimensions in relation to Enel, with particular attention to the level of capitalization;
- integrate the panel with the European companies, although engaged in other businesses than that of Enel, are to the latter comparable in dimension to Enel and, at the same time, are relevant also in the employment market, in line with the Group’s current people strategy, which is oriented to the talent acquisition even at a European level and not exclusively among the related businesses.

The benchmark analysis showed that, on the basis of data as of December 31, 2019, Enel is positioned, compared to the Peer Group, between the third quartile and the ninth decile as for capitalization and revenues and between the median and third quartile as for the number of employees. Considering the benchmark analysis, Mercer has therefore released specific opinions supporting the definition of the remuneration policy for the Chair of the Board of Directors, the Chief Executive Officer/General Manager, non-executive Directors and members of the Board of Statutory Auditors for 2021.

Furthermore, the Company conducted a benchmark analysis on the remuneration of Executives with strategic responsibilities based on the study “*2020 Mercer Executive Remuneration Guides – Western Europe*”, which analyzed 1,342 European companies (34,579 individual roles).

The results of the abovementioned benchmark analyses are specifically described in paragraphs 2.3.2, 2.4.1, 2.5 and 2.6 of the first section, as well as in paragraph 3.1 of the second section of this report.

2. Remuneration policy concerning the members of the Board of Directors, the General Manager, Executives with strategic responsibilities and the members of the Board of Statutory Auditors

2.1 Purposes of the remuneration policy, its underlying principles and changes compared with the financial year 2020

In accordance with Principle XV and the Recommendations No. 27 and 28 of the Corporate Governance Code, the annual remuneration policy for 2021 (i) of Enel’s executive Director, *i.e.* the Chief Executive Officer (who also holds, as of the date of

this report, the office of General Manager, with a provision that such office will automatically cease in the event of termination of the office of Chief Executive Officer), and (ii) of Executives with strategic responsibilities of the Group *i.e.* those persons reporting directly to Enel's Chief Executive Officer who (based upon the composition, the frequency of the meetings and the matters addressed by the executive committees involving the "top management") share with the Chief Executive Officer the main decisions concerning the Group – is functional to the pursuit of Enel's sustainable success, which consists in the creation of long-term value to the benefit of the Shareholders, taking adequate account of the interests of other significant stakeholder. The remuneration policy also takes into account the need to attract, retain and motivate people with the expertise and professionalism required by the delicate managerial tasks entrusted to them – considering the remuneration and working conditions of the employees of the Company and of the Group – while promoting the corporate values and mission.

Furthermore, the remuneration policy aims at ensuring the pursuit of the objectives set out in the 2021-2023 Strategic Plan of the Group, guaranteeing at the same time 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 both the sustainable success of the Company and the objectives set forth by the 2021-2023 Strategic Plan, the remuneration policy for the Chief Executive Officer/General Manager of the Company and Executives with strategic responsibilities of the Group provides as follows:

- (i) there must be an adequate balance between the fixed component and the variable component and, within the latter, between the short-term and the long-term components, being the variable component subject to upper limits which still represents a significant part of the overall remuneration;
- (ii) the performance objectives, to which the disbursement of the variable components is linked, shall be predetermined, measurable and significantly related to a long-term horizon. Such objectives are consistent with the targets set forth under the 2021-2023 Strategic Plan and are aimed at promoting Enel's sustainable success, also including non-financial parameters;
- (iii) a significant portion of the remuneration shall come from incentive plans lasting overall five-

years (considering performance period, vesting period and deferment period);

- (iv) the treatment related to such plans must be paid subject to the achievement of three-year performance objectives;
- (v) such objectives are indicative of the operating efficiency of the Company, as well as of its capacity to remunerate invested capital and generate cash for the Shareholders over the long term;
- (vi) a significant portion of the long-term variable remuneration shall be assigned in Enel shares;
- (vii) the payment of a significant portion (equal to 70%) of the long-term variable remuneration is deferred, for both share-based and monetary component, to the second financial year following the performance period ("deferred payment");
- (viii) the Company is entitled to request the restitution, in whole or in part, of variable components of the remuneration disbursed (or to withhold the deferred parts of the incentive), determined on the basis of data that later turned out to be manifestly erroneous ("clawback" and "*malus*");
- (ix) the access threshold for the incentive coincides with the target level of each performance objective envisaged under Long-Term Incentive Plan 2021;
- (x) the indemnity for the termination of the directorship of the Chief Executive Officer (and, consequently, also of the executive relationship) shall be equal to two years of the fixed component for each of the two relationships, in line with the provisions of the European Commission's Recommendation No. 385 of April 30, 2009, and the related payment shall be linked to specific cases.

The sustainable strategy of Enel Group, started in 2015 and lastly updated within the 2021-2023 Strategic Plan, aims at creating value also through the integration of Environmental, Social and Governance factors ("ESG"). Notably, this strategy promotes the acceleration of the energy transition – through decarbonization, electrification of consumption and platforms –along with a sustainable growth aimed at creating shared values for all stakeholders.

The 2021-2023 Strategic Plan envisages that the decarbonisation of electricity production will take place through increased investments in renewable energies and the exit from coal-fired production; renewables will therefore have an increasing weight

on the Group's overall capacity while greenhouse gas emissions will be significantly reduced.

At the same time, the gradual electrification of consumption – enabled by new services such as flexibility services and electric mobility solutions – will benefit both end-users and environment.

Both decarbonization and electrification of consumption are based on the key role of distribution networks, which will have to be increasingly digitalized, flexible, resilient and guarantee a better quality of service.

In this context, both short and long-term strategic objectives have been set out and converted into key performance indicators (“KPIs”), in order to allow their measurement and corrective actions (if needed). The most relevant KPIs have been included into the performance objectives set for the Chief Executive Officer/General Manager and for Executives with strategic responsibilities, thus allowing to align their interests with the business strategy, as well as with the interests of Group's stakeholders.

Particularly, the short-term variable remuneration of the Chief Executive Officer/General Manager is determined on the basis of the achievement of performance objectives related to profitability (*i.e.*, Ordinary consolidated net income), the achievement of adequate levels of operating efficiency (*i.e.*, Group Opex) and leverage (*i.e.*, Funds from operations/Consolidated net financial debt), alongside which it is confirmed the ESG objective concerning safety in the workplaces. Furthermore, considering the effectiveness of the actions realized by the Enel Group during 2020 to deal with the health emergency related to the COVID-19 pandemic, it was deemed appropriate to replace the objective relating to remote management of company activities with an ESG objective concerning customer satisfaction. The SAIDI (System Average Interruption Duration Index) was therefore introduced as a new performance objective consistent with the 2021-2023 Strategic Plan, which measures the satisfaction of end-user served by the Group's distribution networks; in particular, SAIDI measures the level of service continuity, recording the average annual duration of power outages per low-voltage customer.

With regard to the long-term variable remuneration, a third ESG objective has been introduced, linked to gender diversity and represented by the percentage of women in management succession plans. In particular, such objective is aimed at supporting women's growth at managerial levels and at ensuring fair representation of gender in the bases supplying the abovementioned plans. Therefore, with regard to the Long-Term Incentive Plan 2021 the following

performance objectives have been set out: (i) the Total Shareholders Return, which – taking into account share performance and dividend payments – represents an all-inclusive measure of the value created for Shareholders; (ii) the ROACE (Return on average capital employed), as a measure of the Group's ability to create value in the long-term; (iii) the ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity, in line with what provided for Sustainability-linked bond issues; (iv) the GHG Scope 1 grams emissions per kWh equivalent produced by the Group, envisaging the progressive reduction of these emissions according to the Paris Agreement; (v) percentage of women in management succession plans in order to ensure fair representation of gender in the bases supplying the above-mentioned plans.

Strategic pillar	Performance objectives of short-term variable remuneration	Performance objectives of long-term variable remuneration
Profitability	Ordinary consolidated net income	ROACE
Value creation and return for shareholders		Total Shareholders Return
Operational efficiencies	Group Opex	
Financial rigor and steady financial structure	Funds from operations / Consolidated net financial debt	
Industrial sustainable growth	System Average Interruption Duration Index - SAIDI	Renewable sources net consolidated installed capacity/Total net consolidated installed capacity
	Safety	GHG Scope 1 emissions
		Percentage of women in management succession plans

The remuneration policy of the Chief Executive Officer/General Manager and Executives with strategic responsibilities is therefore aimed at enhancing sustainable performance and achieving strategic priorities.

Such policy is also aimed at attracting, motivating and retaining resources who are most qualified to successfully manage the company, and promoting the company's mission and core values (including safety in the workplaces).

The remuneration of non-executive Directors, in accordance with Recommendation No. 29 of the Corporate Governance Code, is related to the expertise, professionalism and efforts requested by the tasks assigned to the latter within the Board of Directors and Board Committees; furthermore, such remuneration is not linked to the achievement of performance objectives.

The remuneration policy for 2021 takes into account the overall policy adopted by the Group for the remuneration of its employees, which is based on the central role of people and health and safety at work and whose aim is therefore to reinforce Enel's strategy focused on sustainable growth.

In this regard, in 2013 Enel entered into the Global Framework Agreement - GFA with the Italian federations and the global federations IndustriAll and Public Services International; such document is based on the principles of human rights, labour law and the best and most advanced transnational industrial relations systems of multinational groups and reference institutions at international level, including ILO (International Labour Organization). According to such principles, the minimum remuneration of the Group's employees cannot be lower than the one established by the collective agreements and the relevant legislative and regulatory treatments applicable from time to time in the different countries of operation. The Enel Group ensures that the principle of a fair income is respected in all countries in which the same operates and is, therefore, committed to guaranteeing a living wage to all its employees, acknowledging the value of collective bargaining as an instrument for determining the contractual conditions of its employees.

Furthermore, in July 2019 Enel's Chief Executive Officer/General Manager entered into the UN-sponsored commitment on "just transition", through which the Company and the Group undertook to ensure that new jobs are fair, decent and inclusive. The Enel Group is also committed to complying internally and having its suppliers comply with the following international standards: i) social dialogue with workers and their labour unions; ii) respect for workers' rights (including those related to safety) based on the guidelines of the ILO; iii) social protection, including pensions and health care; iv) wage guarantees, also in line with ILO guidelines.

The considerable attention dedicated to people working in the Group, who are considered key elements of the strategy and energy transition, is also mirrored in the highest attention paid to health and safety in the workplace. In particular, Enel considers

people's health, safety and psychophysical integrity to be the most precious asset to be protected at all times of life and is committed to developing and spreading a solid safety culture throughout the Company in order to guarantee a safe working environment.

[Changes to the remuneration policy for the financial year 2021 compared to the financial year 2020](#)

During the first months of 2021 the Nomination and Compensation Committee has considered the changes to be made to the remuneration policy of the previous year, taking in account: (i) the benchmark analysis carried out by the independent advisor Mercer on the competitive positioning of the remuneration treatment for the Chair of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors for the 2020 financial year; (ii) the indications resulting from the favourable vote expressed at the Shareholders' Meeting held on May 14, 2020 on the 2020 remuneration policy; (iii) the outcomes of the engagement activities on the corporate governance issues carried out by the Company in the period between January and March 2021 with the main proxy advisors and institutional investors in Enel's share capital; as well as (iv) the Recommendations of the Corporate Governance Code and national and international best practices.

In particular, in light of the above-mentioned benchmark analysis, the outcomes of the Shareholders' Meeting vote and the engagement activity carried out, it was decided to confirm for 2021 the remuneration granted to the Chair of the Board of Directors, to the Chief Executive Officer/General Manager and to the non-executive Directors for 2020 financial year.

The examination of the reasoning and the evaluations carried out by the Board of Directors, upon prior preliminary analysis of the Nomination and Compensation Committee, in order to determine the abovementioned remuneration treatments is described in the following paragraphs 2.3, 2.4 and 2.5 of this report.

Compared to the remuneration policy for 2020 the following highlighted changes have been made.

	2020 Remuneration Policy	2021 Remuneration Policy
Short-term variable remuneration for CEO/GM	<u>Performance objectives</u> <ul style="list-style-type: none"> • Ordinary consolidated net income (weight 35%) • Group Opex (weight 20%) • Funds from operations/Consolidated net financial debt (weight 15%) • Management of COVID-19 emergency: remote management of operations (weight 15%) • Safety in the workplace (weight 15%) 	<u>Performance objectives</u> <ul style="list-style-type: none"> • Objective and weight remained unchanged • Objective and weight remained unchanged • Objective and weight remained unchanged • System Average Interruption Duration Index - SAIDI (weight 15%) • Objective and weight remained unchanged
	MBO Plan's performance scale: 150%, 100%, 50%, 0%.	MBO Plan's performance scale remained unchanged
LTI plan for CEO/GM and ESR	<u>Performance objectives</u> <ul style="list-style-type: none"> • Enel's average TSR compared to the average TSR of the EUROSTOXX Utilities – EMU Index (weight 50%) • Return on Average Capital Employed – ROACE (weight 25%) • Renewable sources net consolidated installed capacity / Total net consolidated installed capacity (weight 15%) 	<u>Performance objectives</u> <ul style="list-style-type: none"> • Objective and weight remained unchanged • Objective and weight remained unchanged • Objective remained unchanged (weight 10%)

	<ul style="list-style-type: none"> • CO₂ emissions per kWh equivalent produced by the Group (weight 10%) 	<ul style="list-style-type: none"> • GHG Scope 1 grams emissions per kWh equivalent produced by Enel Group (weight 10%) • Percentage of women in management succession plans (weight 5%)
	LTI plan's performance scale: a) CEO/GM: 280%, 150%, 130%, 0% b) ESR: 180%, 150%, 100%, 0%.	LTI plan's performance scale for both the CEO/GM and the ESR remained unchanged.

2.2 Right of derogation from the remuneration policy

The Company does not expect to exercise the power provided under Article 123-ter, paragraph 3-bis of the Consolidated Financial Act in order to temporarily derogate from the remuneration policy in the event of exceptional circumstances.

2.3 Chair of the Board of Directors

2.3.1 Remuneration structure and pay mix

The remuneration granted to the Chair includes: (i) the base remuneration granted to him on the basis of the resolution approved by the ordinary Shareholders' Meeting (pursuant to Article 2389, paragraph 1, of the Italian Civil Code, and Article 23.1 of the corporate bylaws), as member of the Board of Directors; (ii) the remuneration due and the attendance fees due for the participation (if any) in the Committees established within the same Board of Directors (pursuant to Article 21.3 of the corporate bylaws); as well as (iii) the compensation possibly due for being a member of the board of directors of Enel's non-listed subsidiaries and/or affiliates and/or of non-listed companies or entities of interest for the Group, which therefore are waived or repaid to Enel itself. Therefore, the remuneration paid to the Chair does not comprehend and, thus, may be combined with, the compensation possibly due to the same as member of the boards of directors of listed Enel's subsidiaries, taking also into consideration the burden of the required commitment and the responsibilities deriving from such office.

The Chair's remuneration consists only of a fixed component.

2.3.2 Fixed Remuneration

In defining the amount of the fixed remuneration of the Chair for 2021 it has been taken into account both the benchmark analysis carried out by the independent advisor Mercer with reference to the remuneration treatment paid to the non-executive chairpersons of the companies of the Peer Group, and the role of Enel's Chair within the corporate governance of a Group which comprises 15 companies with shares listed in 8 countries on 3 continents, characterized by minorities' heterogeneity and the presence of a large number of supervisory authorities.

In particular, the above-mentioned benchmark analysis on the fixed remuneration of the Chair for 2020, equal to Euro 500,000 gross per year, showed a positioning in line with the third quartile of the Peer Group considering only the remuneration paid for this role by the companies included in the panel. If, on the other hand, the additional compensation that some companies pay to their respective non-executive chairpersons for participation in board committees is also considered, the fixed remuneration of Enel's Chair – which does not envisage such additional compensation – falls between the median and the third quartile of the Peer Group.

In consideration of the above and in line with the opinion issued by Mercer, the fixed remuneration for 2021 granted to the Chair is confirmed in an amount equal to Euro 500,000 gross per year, since such remuneration essentially reflects Enel's positioning in terms of capitalization, revenues and number of employees with respect to the companies of the Peer Group.

It should be noted that no discretionary bonuses for the Chair are envisaged.

2.3.3 Non-monetary benefits

The policy on non-monetary benefits provides for the undertaking of Enel to: (i) enter into a specific insurance policy to cover the risk of death or permanent disability resulting from injury or disease; (ii) pay contributions for supplementary health care; (iii) adopt protective measures in the event of judicial or administrative proceedings related to the office of Chair, as well as to other offices (if any) held in subsidiaries or affiliated companies or in third companies or legal entities (when the office has been held on behalf of or for the interest of the Group), except in cases of willful misconduct or gross negligence established by final judgment or acts clearly committed to the detriment of the Company; (iv) ensure the availability of a company car also for

personal use, in accordance with the treatment provided for the Company's executives; and (v) recognise the use of adequate accommodations in the city of Rome.

It should be noted that the continuation of the above-mentioned non-monetary benefits, or the subscription of advisory agreements in favor of the Chair for the period following termination of office, are not envisaged.

2.4 *Chief Executive Officer / General Manager*

2.4.1 Economic treatment of the Chief Executive Officer/General Manager

In defining the economic treatment of the Chief Executive Officer/General Manager for 2021 it was first taken into account the benchmark analysis carried out by the independent advisor Mercer, and it was therefore examined the positioning of the remuneration of Enel's Chief Executive Officer/General Manager for the 2020 financial year compared to the one granted to the Chief Executive Officers of the companies of the Peer Group, taking into account all its components. It should be noted that the short and long-term variable remuneration was examined both at target level and at maximum performance level. The outcomes of such analysis are provided below.

Fixed remuneration

The fixed remuneration is in line with the third quartile of the Peer Group.

Variable remuneration at target level

- The overall annual remuneration at target level (consisting of fixed remuneration and short-term variable remuneration at target level) is between the median and the third quartile of the Peer Group.
- The Total Direct Compensation Target (consisting of the fixed remuneration and the short and long-term variable remuneration at target level) is also between the median and third quartile of the Peer Group.

Variable remuneration at maximum performance level

- The overall annual remuneration at maximum performance level is between the median and third quartile of the Peer Group.
- The Total Direct Compensation at maximum performance level is also between the median and the third quartile of the Peer Group.

The benchmark analysis has therefore shown that the overall economic treatment granted to the Chief Executive Officer/General Manager for 2020

financial year essentially reflect Enel's positioning in terms of capitalization, revenues and number of employees compared to the companies of the Peer Group.

It should also be noted that during the period 2015-2020, the Enel Group recorded a significant growth thanks to the new sustainable strategy. Particularly, with regard to the results achieved at operational level, capacity from renewable sources of the Group increased from approximately 36.8 GW at the end of 2014 to approximately 48.6 GW at the end of 2020, with a weight of capacity from renewable sources (including managed capacity) on the total capacity increasing from approximately 30% in 2014 to approximately 56% in 2020. The distribution business recorded in such period an increase of approximately 22% of end-users, exceeding 74 million at the end of 2020. In addition, almost 70 million retail customers were reached in 2020, an increase of approximately 15% compared to the end of 2014.

Such operational growth affected also the economic performance. Between the end of 2014 and the end of 2020, the Group recorded a growth in ordinary Ebitda of more than 15%, reaching Euro 17.9 billion, with a simultaneous increase in ordinary net income (that reached Euro 5.2 billion) of approximately 73%. These results enabled the Enel Total Shareholders Return (TSR) to achieve, over the same period, a positive variation equal to 187% compared to a positive variation equal to 79% of the European index of the sector (*i.e.*, EUROSTOXX Utilities). On the financial side, it should be noted that over the same period there was an increase in net financial debt from Euro 37.4 billion to Euro 45.4 billion (approximately +21%), essentially due to free cash flow after dividends and perfectly compatible in terms of Net Debt/Ebitda ratio (which remains constant).

Considering the above and in line with the opinion issued by Mercer, the remuneration policy confirms therefore for 2021 the economic treatment described below granted to the Chief Executive Officer/General Manager for 2020.

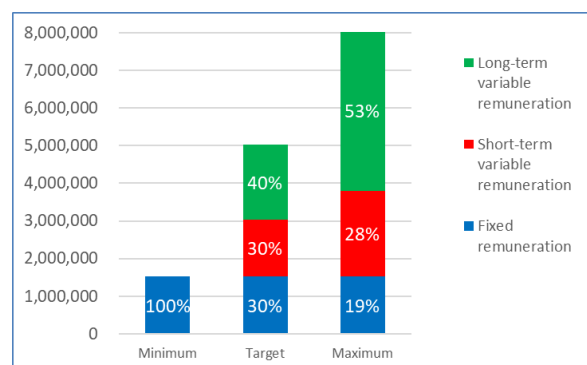
2.4.2 Remuneration structure and pay mix

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

The remuneration granted to the Chief Executive Officer includes the base remuneration granted to him on the basis of the resolution approved by the ordinary Shareholders' Meeting (pursuant to Article 2389, paragraph 1, of the Italian Civil Code, and Article 23.1 of the corporate bylaws), as member of the Board of Directors, and the compensation possibly due as member of the board of directors of Enel's subsidiaries and/or affiliates, which therefore are repaid to or forfeited in favor of Enel itself.

Therefore, the remuneration of the Chief Executive Officer/General Manager includes, as mentioned above, (i) a fixed component, (ii) a short-term variable component and (iii) a long-term variable component, and is subdivided as below:



It should be noted that the remuneration of the Chief Executive Officer/General Manager for 2021 allows the pay mix to remain in line with market best practices. In particular, the pay mix at target level gives the variable component of remuneration an overall weight that is substantially in line with the average Peer Group benchmarks; the pay mix at the maximum performance level, moreover, gives the variable component of the remuneration an overall slightly higher weight compared to the average Peer Group benchmarks, referable to a higher proportion of the long-term variable component, which is intended to enhance the pursuit of the priority objective of sustainable success.

Lastly, it should be noted that no discretionary bonuses for the Chief Executive Officer/General Manager are envisaged.

2.4.3 Fixed remuneration

The fixed remuneration of the Chief Executive Officer/General Manager consists of: (i) Euro 700,000 gross per year, as remuneration for the office of Chief Executive Officer; and (ii) Euro 820,000 gross per year as remuneration for the office of General Manager, for an overall amount equal to Euro 1,520,000 gross per year.

2.4.4 Short-term variable remuneration

The short-term variable remuneration may range from zero up to a maximum of 150% of the base amount (the latter being equal to 100% of the annual fixed remuneration, related to both the executive and to the directorship relationship). Therefore, the short-term variable remuneration may reach a maximum of Euro 2,280,000 gross per year, depending on the level of achievement of the annual performance objectives. The performance objectives to which achievement is subject the payment of the short-term variable remuneration for the financial year 2021, and the related weight, are indicated below:

Performance objective	Weight
Ordinary consolidated net income	35%
Group Opex ⁽²⁾	20%
Funds from operations/Consolidated net financial debt ⁽³⁾	15%
System Average Interruption Duration Index - SAIDI ⁽⁴⁾	15%
Reduction of the work-related accident frequency index and simultaneous reduction of fatal accidents in 2021 <i>vs</i> the lower value between (i) the average of the results of the previous three-year period and (ii) the target of the previous year for each of the aforesaid criteria ⁽⁵⁾	15%

It should be noted that the performance objectives' component concerning ESG issues has an overall weight of 30% and, therefore, takes into account the growing attention of the financial community to these matters, with a particular emphasis in this case on safety in the workplace and on quality of the

electricity distribution service for the Group's end-users, in view of the growing role of distribution networks in the energy transition.

Each objective will be measured on the basis of the performance scale set forth below (by linear interpolation).

Objective ⁽⁶⁾	Access threshold	Target	Over
Ordinary consolidated net income	Euro 5.41 billion	Euro 5.46 billion	Euro 5.57 billion
Group Opex	Euro 7.97 billion	Euro 7.89 billion	Euro 7.81 billion
Funds from operations/Consolidated net financial debt	24.22%	24.46%	24.95%
System Average Interruption Duration Index - SAIDI	255 minutes	252 minutes	247 minutes
Reduction of the work-related accident frequency index (FI) 2021 <i>vs</i> the average of the results of the previous three-year period and concurrent reduction in the number of fatal accidents 2021 <i>vs</i> target of the previous year	Work-related Accident Frequency Index (FI) ⁽⁷⁾ 2021 < 0.64 and number of fatal accidents in 2021 < the target Group's average of fatal accidents in 2020 ⁽⁸⁾	FI 2021 < 0.60 and same objective of reduction in number of fatal accidents in 2021 envisaged for the access threshold	FI 2021 < 0.46 and same objective of reduction in number of fatal accidents in 2021 envisaged for the access threshold

⁽²⁾ Group Opex are determined as the sum of the costs classified as "services", "materials and supplies", "costs for leases and rentals", "personnel recurrent costs" and "other manageable fixed costs", as well as "taxes and fees", "personnel non-recurrent costs" and "other non manageable fixed costs".

⁽³⁾ The Funds from operations are calculated as the sum of the cash flows prior to the dividends and extraordinary transactions + *gross capex*, while the consolidated net financial debt, net of the quota of activities classified as "held for sale" and "discontinued operations", will be determined by the "Long-term loans" and by the "Short-term loans and current quotas of long-term loans", net of "Cash and cash equivalents" and by current and non-current financial assets (financial receivables and titles not deriving from shareholdings) included in the "Other current assets" and "Other non-current assets".

⁽⁴⁾ Such objective measures the average annual duration of power outages per low-voltage user, calculated as the weighted average of SAIDI's performance of the individual entities in the "Global Infrastructure and Networks" Business Line, with respect to the number of active low-voltage users as of December 31, 2021, net of extreme weather events recognised by the regulatory entities.

⁽⁵⁾ The work-related accident frequency index is calculated as the ratio between the number of accidents occurred and the total of hours worked (Enel + contractors), expressed in millions; for this

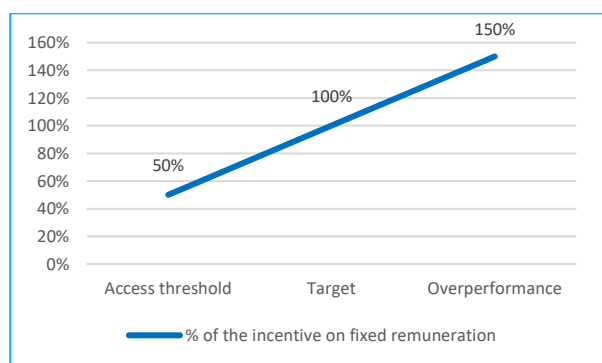
purpose, only injuries that entail more than 3 days of absence from work are considered as accidents. It should be noted that road events are excluded from the fatal accidents count.

⁽⁶⁾ During the final assessments, impacts arising from the differences due to the evolution of the exchange rate compared to the budget, the amendments of the scope of consolidation compared to budget hypothesis, impacts of hyperinflation, impacts of funds (if any) and of extraordinary releases of funds as well as the impact of extraordinary transactions – including any liability management transactions – always compared to budget hypothesis, will be neutralized. Furthermore, during the final assessment, the extraordinary events that according to the management might have affected the value of the relevant KPI will be presented to the Nomination and Compensation Committee, in order to allow the latter to assess their possible sterilization. The objectives include the impact of the new international accounting standards.

⁽⁷⁾ The work-related accident frequency index is calculated as the ratio between the number of accidents occurred and the total amount of worked hours (Enel + contractors) expressed in millions; to this end, only injuries that entail at least 3 days of absence from work are considered as accidents.

⁽⁸⁾ Road events are not included in the count of fatal accidents.

For each objective, upon the achievement of the access threshold, the disbursement of a sum equal to 50% of the base amount is envisaged, while upon the achievement of the target and over performance, disbursement of a sum equal to, respectively, 100% and 150% of the base amount is envisaged (with linear interpolation), as set forth below. For performances under the access threshold no incentive is provided.



Therefore, if, for example:

- all the objectives were to reach the target level, the remuneration disbursement would amount to 100% of the fixed remuneration;
- the only objective achieved were the Group Opex at a level equal to the access threshold, the remuneration disbursement would amount to 10% of the fixed remuneration.

2.4.5 Long-term variable remuneration

Long-term variable remuneration is linked to the participation in multi-year incentive plans reserved to top management of Enel Group and may range from

zero up to a maximum of 280% of the base amount (the latter being equal to 100% of the annual fixed remuneration for both the executive relationship and the directorship relationship). Therefore, the long-term variable remuneration can reach a maximum of Euro 4,256,000 gross per year.

For 2021, the long-term variable remuneration is linked to the participation in the specific Long Term Incentive Plan (“**LTI Plan 2021**”), which envisages that the incentive possibly awarded is disbursed partly in cash and partly in Enel shares, as illustrated below.

Set forth below are the three-year performance objectives envisaged under LTI Plan 2021, as well as their relevant weight.

Performance objective	Weight
Average TSR ⁽⁹⁾ Enel <i>vs.</i> average TSR of EUROSTOXX Utilities Index – EMU ⁽¹⁰⁾ in the 3-year period 2021-2023	50%
ROACE (Return on average capital employed) cumulative for the 3-year period 2021-2023 ⁽¹¹⁾	25%
Renewable sources net consolidated installed capacity / Total net consolidated installed capacity at the end of 2023	10%
GHG Scope 1 emissions per kWh equivalent produced by the Group in 2023 ⁽¹²⁾	10%
Percentage of women in management succession plans at the end of 2023	5%

The objective related to the TSR will be measured on the basis of the performance scale set forth below (with linear interpolation). For Enel’s average TSR performances under the 100% of the average TSR of EUROSTOXX Utilities Index – EMU, no incentive will be awarded.

⁽⁹⁾ The average of the *Total Shareholders Return* (TSR) of Enel and of the EUROSTOXX Utilities Index – EMU is calculated in the three-month period preceding the beginning and the end of the *performance period* (January 1, 2021 – December 31, 2023), in order to sterilize any possible volatility on the market.

⁽¹⁰⁾ Index managed by STOXX Ltd, which includes the most relevant utilities companies in Euro Area countries (EMU). As of December 31, 2020, this index was composed of A2A, E.On, EdP, EdP Renovaveis, EdF, Elia Group, Endesa, Enel, Engie, Fortum, Hera, Iberdrola, Italgas, Naturgy, Red Electrica, RWE, Suez, Terna, Uniper, Veolia Environnement, Verbund.

⁽¹¹⁾ The ROACE is calculated as the *ratio* between: (i) Ordinary EBIT (Ordinary Operating Results), determined excluding the items which cannot be referred to the ordinary business, *i.e.* the capital gains related to asset divestiture and the asset write-downs due to impairment considered as extraordinary for the purpose of determining the Group ordinary net income (Group Net Income) and (ii) average NIC (Net Invested Capital), determined as the semi-sum between the figures at the beginning and at the end of the relevant year, after deducting the Discontinued Operations and the asset write-downs due to impairment, sterilized in determining ordinary EBIT.

For the final assessment, the (positive and negative) impacts arising from variations in the exchange rates, in the calculation of the effects of the hyperinflation, in the scope of consolidation or in the international accounting standards, will be sterilized.

During the final assessment, the extraordinary events that according to the management might have affected the value of the relevant KPI, will be presented to the Nomination and Compensation Committee, in order to allow the latter to assess their possible sterilization.

⁽¹²⁾ GHG (Greenhouse Gases) Scope 1 emissions represent the Group’s direct emissions and mainly derive from energy production activities in thermoelectric power plants fuelled by coal, oil & gas and combined cycles. Scope 1 also includes CO₂ emissions generated during the combustion of gasoline and diesel in the motors of the corporate fleet and from the combustion of diesel in auxiliary motors used in the production and distribution of electricity. Other direct emissions of equivalent CO₂ come from SF₆ leakages into the atmosphere, which occur mainly in the context of electricity distribution and secondarily in power generation plants.

Enel's average TSR vs average TSR of EUROSTOXX Utilities Index - EMU over the three years 2021-2023	Enel's TSR equal to 100% of Index's TSR	Enel's TSR equal to 110% of Index's TSR	Enel's TSR higher than or equal to 115% of Index's TSR
Multiplier	Target 130% ⁽¹³⁾	Over I 150%	Over II 280% ⁽¹⁴⁾

The objective linked to ROACE will be measured on the basis of the performance scale set forth below (with linear interpolation). For performances under the target (whose measure is in line with the forecasts of the Strategic Plan for 2021-2023), no incentive will be awarded.

Cumulative ROACE for the three years 2021-2023	ROACE equal to 34.4%	ROACE equal to 34.9%	ROACE higher than or equal to 35.4%
Multiplier	Target 130% ⁽¹³⁾	Over I 150%	Over II 280% ⁽¹⁴⁾

The objective concerning the ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity will be measured on the basis of the performance scale set forth below (with linear interpolation). For performances under the target (whose measure is in line with the forecasts of the Strategic Plan for 2021-2023), no incentive will be awarded.

Renewable sources net consolidated installed capacity / Total net consolidated installed capacity at the end of 2023	Renewable sources capacity equal to 64.3% of the total capacity	Renewable sources capacity equal to 64.4% of the total capacity	Renewable sources capacity higher than or equal to 64.6% of the total capacity
Multiplier	Target 130% ⁽¹³⁾	Over I 150%	Over II 280% ⁽¹⁴⁾

The objective concerning GHG Scope 1 grams emissions per kWh equivalent produced by the Enel Group will be measured on the basis of the performance scale set forth below (with linear

interpolation). For performances under the target (whose measure coincides with the one indicated in the Strategic Plan for 2021-2023), no incentive will be awarded.

GHG Scope 1 emissions (data in gCO _{2eq} /kW h _{eq}) in 2023 ⁽¹⁵⁾	GHG Scope 1 emissions equal to 148 gCO _{2eq} /kW h _{eq}	GHG Scope 1 emissions equal to 144 gCO _{2eq} /kW h _{eq}	GHG Scope 1 emissions lower than or equal to 140 gCO _{2eq} /kW h _{eq}
Multiplier	Target 130% ⁽¹³⁾	Over I 150%	Over II 280% ⁽¹⁴⁾

The objective concerning the percentage of women in management succession plans ⁽¹⁶⁾ will be measured on the basis of the performance scale set forth below (with a linear interpolation between the different thresholds). If the performance does not reach the target, no incentive will be assigned.

Percentage of women in management succession plans at the end of 2023	Percentage of women equal to 45%	Percentage of women equal to 47%	Percentage of women higher than or equal to 50%
Multiplier	Target 130% ⁽¹³⁾	Over I 150%	Over II 280% ⁽¹⁴⁾

It should be noted that the ESG component of the performance objectives has a total weight of 25% and therefore takes into account the increasingly marked attention of the financial community to these issues, with particular emphasis in this case on the fight against climate change. It should be noted that both the performance objectives linked to the fight against climate change are aimed at strengthening the link between the long-term variable remuneration and the Strategic Plan for 2021-2023, that promotes the implementation of a business model sustainable in the long period. The new performance objective concerning the representation of women in the managerial succession plans is aimed at supporting women's growth at managerial levels and ensuring a fair representation of gender in the basis supplying these plans.

⁽¹³⁾ For the beneficiaries of the LTI Plan 2021, other than the Chief Executive Officer/General Manager, it is provided for the disbursement of 100% of the awarded base amount once the target level is reached.

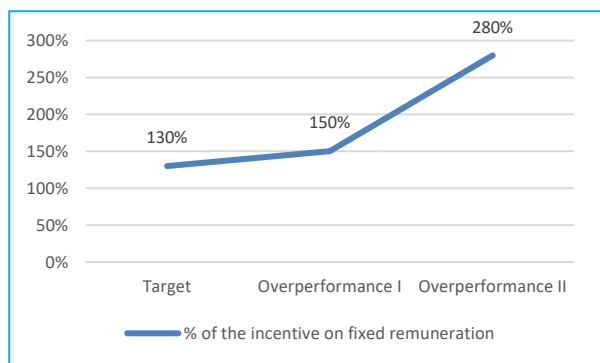
⁽¹⁴⁾ For the beneficiaries of the LTI Plan 2021, other than the Chief Executive Officer/General Manager, it is provided for the disbursement of 180% of the awarded base amount once the second overperformance level is reached.

⁽¹⁵⁾ In the context of the final assessment of the objective related to GHG Scope 1 emissions in 2023, it will be considered any

negative impact of possible new laws, regulations and guidelines and/or amendments thereto on (i) the shutdown of nuclear power plants, the shutdown and/or the gas conversion of thermoelectric power plants according to scheduled timings, as well as on (ii) the energy concessions of Enel Group companies, its subsidiaries and joint operations.

⁽¹⁶⁾ A managerial position is defined as a role characterized by a high degree of professionalism, autonomy and decision-making power that carries out its functions in order to promote, coordinate and manage the achievement of business objectives.

Upon the achievement of the target, it is envisaged the disbursement of 130% ⁽¹³⁾ of the base amount, whereas upon the achievement of an over-performance, it is envisaged the disbursement of a sum equal to 150% (at Over I level) or to 280% ⁽¹⁴⁾ (at Over II level) of the base amount with regard to each objective (with linear interpolation), as indicated here below.



Therefore, if, for example:

- all the objectives were to reach the target level, the disbursable remuneration would amount to 130% of the fixed remuneration (and the incentive would be assigned (i) as for 100% of the fixed remuneration, in shares and (ii) as for the other 30%, in cash, as specified below);
- the only objective achieved was the TSR, at a level equal to the target, the disbursable remuneration would amount to 65% of the fixed remuneration (and the incentive would be entirely assigned in shares, as specified below);
- all the objectives were to reach the Over I level, the disbursable remuneration would amount to 150% of the fixed remuneration (and the incentive would be assigned (i) as for 100% of the fixed remuneration, in shares, and (ii) as for the other 50%, in cash, as specified below);
- all the objectives were to reach the Over II level, the disbursable remuneration would amount to 280% of the fixed remuneration (and the incentive would be assigned (i) as for 100% of the fixed remuneration, in shares, and (ii) as for the other 180%, in cash, as specified below).

Incentive disbursement method

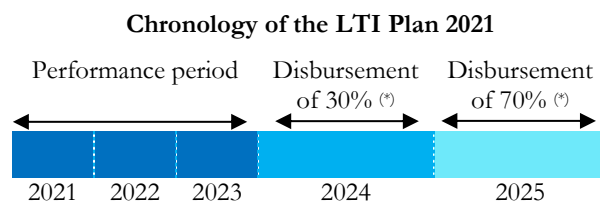
LTI Plan 2021 envisages an incentive consisting of a share-based component, which may be joined – depending on the level of achievement of the objectives – by a monetary component.

In particular, it is envisaged that a 100% of the base amount is assigned in Enel shares, whose number is determined while awarding the LTI Plan 2021 on the basis of the arithmetical mean of Enel's daily VWAP ⁽¹⁷⁾ detected on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. in the three-month period preceding the beginning of the performance period (*i.e.*, October 1 – December 31, 2020). The share-based component, awarded free of charge, is disbursed, subject and proportionally to the achievement of the performance objectives, (i) as for 30%, in the first financial year following the end of the three-year performance period, and (ii) as for the remaining 70%, in the second financial year following the end of the three-year performance period. Therefore, until 100% of the base amount (which is equal to 100% of the fixed remuneration) is reached, the incentive is entirely disbursed in Enel shares previously purchased by the Company. It should be noted that no lock-up obligation relating to the shares assigned is provided.

The monetary component is calculated as the difference between the amount determined in the final assessment of the Plan – which can reach up to 280% of the base amount for the Chief Executive Officer/General Manager – and the proportion of incentive to be assigned in shares. Even the monetary component is to be disbursed, subject and proportionally to the achievement of the performance objectives, (i) as for 30%, in the first financial year following the end of the three-year performance period, and (ii) as for the remaining 70%, in the second financial year following the end of the three-year performance period.

Payment deferral

The disbursement of a significant portion of the long-term variable remuneration (equal to 70% of the total for both the share-based and the monetary component) is therefore deferred to the second financial year after the relevant three-year period of the LTI Plan 2021 performance objectives (“deferred payment”).



^(*) In the event of achievement of the performance objectives.

⁽¹⁷⁾ Index calculated considering the weighted average price for the traded volumes, within a trading day, excluding opening and closing auctions, block trades and market cross trades.

Clawback and *malus*

The Company is entitled to claim back the variable remuneration (both short-term and long-term) paid (or may withhold any deferred long-term variable remuneration), if such remuneration has been paid or calculated on the basis of data which subsequently proved to be clearly erroneous.

Further information about the LTI Plan 2021

For further information on the LTI Plan 2021, please refer to the Information Document published pursuant to Article 84-*bis*, paragraph 1, of the Regulation adopted by CONSOB with Resolution No. 11971 of May 14, 1999 and available on the Company's website (www.enel.com).

2.4.6 Rules on the termination of the relationships

End-of-term indemnity

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, for an overall amount of Euro 3,040,000 gross, in line with the provisions of European Commission's Recommendation No. 385 of April 30, 2009; such indemnity replaces and derogates the treatments due pursuant to the law and the national collective employment contract for executives of companies which produce goods and services. It is provided that such indemnity shall be paid only in the event of (i) revocation or non-renewal of the directorship relationship and/or dismissal without just cause pursuant to Article 2119 of the Italian Civil Code ("Just Cause"); or (ii) resignation of the person in question from the directorship and/or executive relationship due to a Just Cause. The indemnity will not be due if, after the termination of the directorship relationship (and the consequent termination of the executive relationship), the involved person will be hired or appointed in a similar or higher position in a state-owned company. No end-of-term indemnity for the Chief Executive Officer/General Manager linked to cases of variation in Enel's ownership structures ("change of control") is envisaged, also as a result of a takeover bid.

Non-competition agreement

It is envisaged that the Chief Executive Officer/General Manager irrevocably grants the Company, pursuant to Article 1331 of the Italian Civil Code and for a consideration equal to a gross amount of Euro 500,000 (to be paid in three annual instalments equal to Euro 166,667 gross each), with the right to activate a non-competition agreement. Should the Company exercise such option right, the person involved undertakes to refrain from engaging in, for a period of one year following the termination of the directorship and executive relationships, regardless of the reason – either personally or indirectly through a third party, individual or entity – any activity, even on an occasional or gratuitous basis, in competition with, or in favor of, entities that operate in competition with the Enel Group at the time of the termination of the aforesaid relationships, throughout the entire territory of Italy, France, Spain, Germany, Chile and Brazil. If the Company exercises such option right, it will pay to the person in question, within the 15 days following the end of the term of such obligations (in other words, upon the expiry of one year from the termination of the directorship and executive relationships), a consideration equal to one-year fixed remuneration and the average short-term variable remuneration effectively accrued during the mandate, net of the consideration already paid for the granting of the option right (*i.e.*, a maximum amount of Euro 3,300,000 gross). It is envisaged that the breach of the non-competition agreement results in the non-payment of the above-mentioned amount or its reimbursement (jointly with the amount paid by the Company as consideration for the right to activate the non-competition agreement), whether Enel has learnt of such breach after the payment. Such breach, furthermore, triggers the duty to indemnify the damage, which amount has been agreed between the parties as equal to the double of the total value of the non-competition agreement (without prejudice to the Company's right to take action to obtain the exact performance of the agreement itself).

It should be noted that the overall maximum amount granted to the Chief Executive Officer/General Manager, in case of occurrence of the circumstances previously illustrated, for i) severance indemnity, ii) option right and iii) non-competition agreement is lower than the two years amount of fixed and variable short-term remuneration ⁽¹⁸⁾.

⁽¹⁸⁾ Considering the incentive paid in case of over-performance for the quota relating to the short-term variable remuneration.

Effects caused by the termination of the relationships on short-term variable remuneration for 2021

In the event of termination of the directorship and, therefore, managerial relationship (since the termination of the office as Chief Executive Officer also entails the termination of the office as General Manager), the short-term variable remuneration is conventionally fixed to an extent equal to the average of the amounts granted for its office to the person concerned over the last two years, and is determined *pro rata temporis* (i.e., from January 1, until the date of termination of the above-mentioned relationships).

Effects caused by the termination of the relationships on the LTI Plan 2021 and on other Long-Term Incentive Plans currently in force

Please find below the regulation of the LTI Plan 2021 and the other Long-Term Incentive Plans currently in force relating the Chief Executive Officer/General Manager and the other beneficiaries of these incentive plans in the event of termination or cancellation of the directorship and/or employment relationship, including due to retirement.

(A) Regulation of LTI Plan 2021 and the 2018, 2019 and 2020 Long-Term Incentive Plans should the achievement of the performance objectives already be verified

In the event of termination of the directorship relationship of the Chief Executive Officer of Enel (and, therefore, also of the managerial relationship as General Manager) due to expiry of the term of office, with no simultaneous renewal of the same, as well as in the event of retirement or contractual expiry of fixed-term employment relationships, the accrued incentive not yet paid shall be disbursed to the beneficiary.

In the event of termination of the directorship relationship of the Chief Executive Officer of Enel (and, therefore, also of the managerial relationship as General Manager) or of termination of the open-ended or fixed-term employment relationship for voluntary resignation, without just cause, or revocation or dismissal for just cause or justified personal reason, the beneficiary of the plan shall lose all rights, with the consequence that the accrued incentive not yet paid shall be considered immediately and automatically extinguished, without any right to compensation or indemnity of any kind in favour of the same beneficiary.

(B) Regulation of the LTI Plan 2021 and the 2019 and 2020 Long-Term Incentive Plans should the achievement of the performance objectives not yet be verified

If, before the end of the performance period, the termination of the directorship relationship of the Chief Executive Officer of Enel occurs (and, therefore, also the managerial relationship as General Manager terminates) due to the expiry of the mandate with no simultaneous renewal of the same, or in the event of retirement or contractual expiry of fixed-term employment relationships, the beneficiary, should the performance objectives be reached, shall maintain the right to the assignment of the accrued incentive. It remains understood that, in this case, the final assessment of the incentive shall be made *pro rata temporis* until the date of termination of the directorship and/or employment relationship.

In the event of termination of the directorship relationship of the Chief Executive Officer of Enel (and, therefore, also of the managerial relationship as General Manager) or of termination of the open-ended or fixed-term employment relationship for voluntary resignation, without just cause, or revocation or dismissal for just cause or justified personal reason, the beneficiary of the plan shall lose all rights, with the consequence that the assignment of the incentive plan shall immediately lose any effectiveness, without any right to compensation or indemnity whatsoever in favour of the relevant beneficiary.

(C) Regulation of the Long-Term Incentive Plan 2017 should the achievement of the performance objectives already be verified

In the event of retirement or contractual expiry of fixed-term employment relationships, the cash equivalent representing the incentive not yet paid shall be disbursed to the beneficiary.

In the event of termination of the employment relationship due to voluntary resignation, with or without just cause, or dismissal for just cause or justified personal reason, the beneficiary of the plan shall lose all rights, with the consequence the accrued incentive not yet paid shall be considered immediately and automatically extinguished, without any right to compensation or indemnity of any kind in favour of the same beneficiary.

2.4.7 Non-monetary benefits

The policy of non-monetary benefits provides that Enel undertakes to: (i) enter into a specific insurance policy to cover the risk of death or permanent disability resulting from an injury or disease; and (ii) adopt protective measures in the event of judicial or administrative proceedings related to the office of Chief Executive Officer/General Manager, as well as to the other offices (if any) held in subsidiaries or affiliated companies or in third companies or legal entities (when the office has been held on behalf of or for the interest of the Group), except in cases of wilful misconduct or gross negligence established by final judgment or acts clearly committed to the detriment of the Company. Enel also undertakes to enter into an insurance policy aimed at ensuring to the person in question a social security and pension benefits that are similar to what he would have received, with reference to both the fixed portion and the short-term variable portion of the directorship relationship, had such relationship been considered equivalent to an executive relationship.

In line with the treatment granted to the Company's executives, it is also envisaged: (i) the payment by Enel of contributions to the supplementary pension fund and for supplementary health care as well as (ii) the availability of a company car, also for personal use.

It should be noted that the continuation of the above-mentioned non-monetary benefits, or the subscription of advisory agreements in favor of the Chief Executive Officer/General Manager for the period after the termination of office, are not envisaged.

2.5 Non-executive Directors

With regard to non-executive Directors, the policy – as indicated in paragraph 2.1 above – provides that their remuneration consists solely of a fixed remuneration (approved by the ordinary Shareholders' Meeting pursuant to Article 2389, paragraph 1, of the Italian Civil Code, and Article 23.1 of the corporate 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 (pursuant to Article 21.3 of the corporate bylaws) upon proposal of the Nomination and Compensation Committee and subject to the opinion of the Board of Statutory Auditors, in line with Recommendation No. 29 the Corporate Governance Code.

The remuneration policy for 2021 has been defined taking into account the outcomes of the benchmark analysis that the independent advisor Mercer carried out with reference to the office of (i) non-executive Director and (ii) member of one of the Committees established within the Board of Directors of Enel; in this last respect, it should be noted that the analysis was carried out by separately examining the positioning of the remuneration envisaged for the participation in each of the abovementioned Committees with respect to the Peer Group.

Based on such analysis, the fixed remuneration granted to the non-executive Directors for 2020 financial year in relation to the participation in Board activities, equal to Euro 80,000 gross per year, is within the median of the Peer Group; should the attendance fees – paid by some of the panel's companies – also be considered, the aforesaid remuneration is between the first quartile and the median of the Peer Group.

With regard to the remuneration for participation in each of the Committees established within the Board of Directors (*i.e.*, as of the date of this report, the Control and Risk Committee, the Nomination and Compensation Committee, the Related Parties Committee and the Corporate Governance and Sustainability Committee) for 2020 financial year it was established as follows:

- gross annual compensation for the Chair 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 meeting

In establishing the above-mentioned remuneration, the Board of Directors also set – still with reference to 2020 financial year – a maximum limit to the total amount that may be paid to each Director for his/her participation in the above-mentioned Committees, providing that such amount may not, under any circumstances, exceed the limit of Euro 70,000 gross per year.

The benchmark analysis carried out by Mercer showed the following positioning for each of the Board Committees.

Control and Risk Committee

The remuneration of the Chair and the other members of such Committee falls between the first quartile and the median of the Peer Group; even taking into account the attendance fees paid by Enel and some companies of the panel, this position remains unchanged.

Nomination and Compensation Committee

The remuneration of the Chair and of the other members of such Committee falls between the first quartile and the median of the Peer Group; even taking into account the attendance fees paid by Enel and some companies of the panel, this position remains unchanged.

Related Parties Committee

With respect to this Committee, it should be noted that it was only possible to carry out the benchmark analysis with respect to two companies of the Peer Group which - like Enel - have established a committee with competences exclusively referred to the matter of transactions with related parties. The analysis showed that the remuneration of the Chair and the other members of such Committee is below the average; even taking into account the attendance fee paid by Enel, this position remains unchanged.

Corporate Governance and Sustainability Committee

The remuneration of the Chair falls within the first quartile, while the remuneration of the other members of the Committee falls between the first quartile and the median of the Peer Group; both the above-mentioned remuneration falls between the first quartile and the median of the Peer Group if the attendance fees paid by Enel and some of the companies of the panel is also taken into account.

The Board of Directors, upon proposal of the Nomination and Compensation Committee, even though it deemed necessary – in view of the outcomes of the benchmark analyses and taking into account the recommendations of the Italian Corporate Governance Committee – to evaluate the drafting of a proposal for an increase in the remuneration of the non-executive Directors (especially with regard to the participation in the Board Committees) has lastly deemed to postpone the definition of such proposal until next year, in order to express in this way its sensitivity for the protracted negative social and economic effects caused by the COVID-19 pandemic.

Therefore, it has been deemed appropriate to leave unchanged for 2021 the above-mentioned remuneration structure for participation of non-executive Directors to the activities of both the Board and the Committees established within the Board of Directors.

Lastly, it should be noted that no discretionary bonuses for non-executive Directors are envisaged in relation to their participation in the activities of the Board and/or Board Committees; furthermore, no non-monetary benefits, nor the conclusion of advisory agreements in their favour for the period after the termination of office are envisaged.

2.6 Members of the Board of Statutory Auditors

The Shareholders' Meeting of May 16, 2019, in electing the members of the Board of Statutory Auditors for the 2019-2021 mandate, has determined as follows the related remuneration pursuant to Article 2402 of the Italian Civil Code and Article 25.1 of the corporate bylaws:

- gross annual remuneration for the Chair of the Board of Statutory Auditors: Euro 85,000;
- gross annual remuneration for the other regular Statutory Auditors: Euro 75,000.

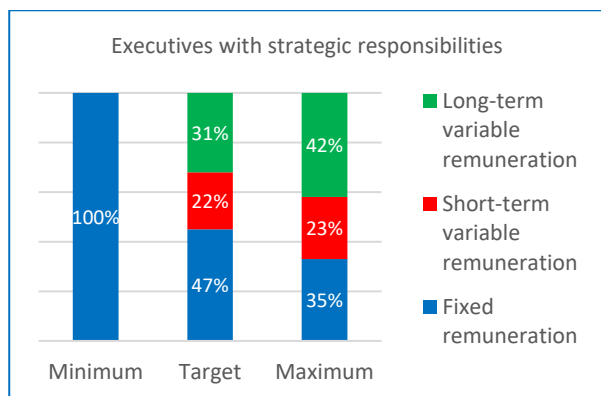
It should be noted that, during the preparation of the remuneration policy for 2021, the Board of Statutory Auditors – also taking into account the recommendations in this regard by the Italian Corporate Governance Committee – requested the independent advisor Mercer to carry out a further benchmark analysis in order to ensure the adequacy of the above-mentioned remuneration. The outcomes of this analysis are provided in the Report of the Board of Statutory Auditors to the Shareholders' Meeting called for the approval of the 2020 financial statements, drafted in accordance with Article 153 of the Consolidated Financial Act and concerning the supervisory activities carried out.

Lastly, it should be noted that no discretionary bonuses for the regular members of the Board of Statutory Auditors are envisaged in relation to the performance of their activities; furthermore, no non-monetary benefits, nor the conclusion of advisory agreements in their favour for the period after the termination of office are envisaged.

2.7 Executives with strategic responsibilities

2.7.1 Remuneration structure and pay mix

With regard to the Executives with strategic responsibilities, the remuneration policy provides that the related compensation structure consists of (i) a fixed component, (ii) a short-term variable component and (iii) a long-term variable component, as subdivided below:



2.7.2 Fixed remuneration

The fixed remuneration (RAL) 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.

2.7.3 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 assignments and responsibilities for each of them and it represents, in average, at the target level, 52% of the fixed remuneration. In particular, the short-term variable component is granted subject to the achievement of objective and specific annual targets, based upon the strategic plan and jointly identified by the “Administration, Finance and Control” Function and the “People and Organization” Function. Such targets include (i) economic-financial targets, in line with the strategic targets of the Group as a whole and among the individual Functions / Business Lines / Regions / Countries (*e.g.*: ordinary consolidated net income and the reduction of operating expenses, as well as the assignment of specific targets for the individual Functions / Business Lines / Regions/ Countries), and (ii) technical and/or project-based targets.

It should also be noted that the measurement of the short-term variable remuneration (MBO) may concretely vary, according to the level of achievement of performance objectives, from a minimum level (equal to 80% of the target level, below which the bonus is set to zero) up to a maximum level (predetermined and linked to the event of over-performance connected to the objectives assigned, for a value between 120% and 150% of the target level) which is different depending on the specific national contests and on the business where the Group is operating.

2.7.4 Long-term variable remuneration

The long-term variable remuneration consists of the participation in the LTI Plan 2021, which is described in detail in paragraph 2.4.5 of this report and may range from zero up to a maximum of 126% of the annual fixed remuneration of Executives with strategic responsibilities, based upon the level of achievement of three-year performance objectives characterizing the Plan.

Therefore, if, for example:

- all the objectives were to reach the target level, the disburseable remuneration would amount to 70% of the fixed remuneration (and the incentive would be assigned (i) as for 35% of the fixed remuneration, in shares and (ii) as for the remaining 35%, in cash, as illustrated below);
- the only objective achieved was the TSR, at a level equal to the target, the disburseable remuneration would amount to 35% of the fixed remuneration (and the incentive would be entirely disbursed in shares, as illustrated below);
- all the objectives were to reach the Over I level, the disburseable remuneration would amount to 105% of the fixed remuneration (and the incentive would be assigned (i) as for 35% of the fixed remuneration, in shares and (ii) as for the remaining 70%, in cash, as illustrated below);
- all the objectives were to reach the Over II level, the disburseable remuneration would amount to 126% of the fixed remuneration (and the incentive would be disbursed (i) as for 35% of fixed remuneration, in shares and (ii) as for the remaining 91%, in cash, as illustrated below).

Please note that the performance objectives of some managers (and, therefore, also of the Executive with strategic responsibilities) are different from Enel's performance targets, in order to ensure the compliance with the applicable laws and to take in account the relevant activities carried out.

Incentive disbursement methods

LTI Plan 2021 envisages for all its beneficiaries – and therefore even for Executives with strategic responsibilities – an incentive consisting of a share-based component, which may be joined – depending on the level of achievement of the objectives – by a monetary component.

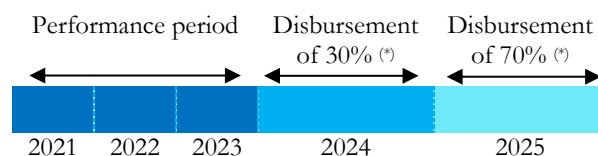
In particular, for all the beneficiaries other than the Chief Executive Officer/General Manager, it is envisaged that 50% of the base amount is assigned in Enel shares, whose number is determined while awarding the LTI Plan 2021 on the basis of the arithmetical mean of Enel's daily VWAP detected on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. in the three-month period preceding the beginning of the performance period (*i.e.*, October 1 – December 31, 2020). The share-based component, awarded free of charge, is disbursed, subject and proportionally to the achievement of the performance objectives, (i) as for 30%, in the first financial year following the end of the three-year performance period, and (ii) as for the remaining 70%, in the second financial year following the end of the three-year performance period. Therefore, until 50% of the base amount (which is equal to 35% of the fixed remuneration) is reached, the incentive is entirely assigned in Enel shares previously purchased by the Company. It should be noted that no lock-up obligation related to the shares assigned is provided.

The monetary component is calculated as the difference between the amount determined in the final assessment of the Plan – which can reach up to 180% of the base amount for beneficiaries other than the Chief Executive Officer/General Manager – and the proportion of incentive to be disbursed in Enel shares. Even the monetary component is to be disbursed, subject and proportionally to the achievement of the performance objectives, (i) as for 30%, in the first financial year following the end of the three-year performance period, and (ii) as for the remaining 70%, in the second financial year following the end of the three-year performance period.

Payment deferral

The payment of a significant portion of the long-term variable remuneration (equal to 70% of the total for both the share-based and the monetary component) is therefore deferred to the second financial year after the relevant three-years period of the objectives of the LTI Plan 2021 (“*deferred payment*”).

Chronology of the LTI Plan 2021



(*) In the event of achievement of the performance objectives.

Clawback and *malus* clause

The Company is entitled to claim back the variable remuneration (both short-term and long-term) paid (or may withhold any deferred long-term variable remuneration), if such remuneration has been paid or calculated on the basis of data which subsequently proved to be clearly erroneous.

Further information about the LTI Plan 2021

For further information on the LTI Plan 2021, please refer to the Information Document published pursuant to Article 84-*bis*, paragraph 1, of the Regulation adopted by CONSOB with Resolution No. 11971 of May 14, 1999 and available on the Company's website (www.enel.com).

2.7.5 Rules on termination of the relationship

Duration of employment contract and notice period

Usually, 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 national collective contract without prejudice to previous individual agreements still in force as of the date of this report.

In particular, Italian law and the Italian collective bargaining agreement for executives of companies producing goods and services provide that open-ended agreements cannot be terminated by the employer – unless there is a just cause – without the following notice period, the terms of which are established based on the years of seniority in the company: (i) 6 months' notice for executives up to six years' seniority; (ii) 8 months' notice for executives up to ten years' seniority; (iii) 10 months' notice for executives up to fifteen years' seniority; (iv) 12 months' notice for a number of years' seniority exceeding 15.

The resigning executive shall give to the employer a notice up to one third of the above-mentioned notice to be given. Should the executive receive a notice of termination the latter shall be entitled to terminate the employment relationship, either at the beginning or during the notice period, without any indemnity obligation arising upon the same executive for the unfulfilled notice period.

In the event of termination of the employment relationship upon the Company's initiative and without the application of the notice period, a number of months' pay, from a minimum of 6 to a maximum of 12, is payable, depending on the years of service indicated above. Such monthly payments are calculated by adding to the fixed remuneration the fringe benefits and the average short-term variable remuneration paid in the last three years.

For an illustration of the rules applicable in Spain in the event of termination of the employment relationship please refer to Endesa's "*Política de Remuneraciones de los Consejeros*" published on such Company's website (www.endesa.com).

Effects caused by the termination of the relationship on short-term variable remuneration for 2021

Short-term variable remuneration for 2021 shall be paid to the beneficiary provided that, at the time of the relevant payment, the employment relationship has not been terminated, unless otherwise agreed between the parties at the time of the termination.

Should the termination of the employment relationship be caused by disciplinary dismissal or dismissal for just cause, the beneficiary shall also no longer be entitled to the right to the short-term variable remuneration already paid in the calendar year in which the disciplinary proceedings began, or the dismissal was completed. The short-term variable remuneration already paid shall, therefore, be returned or recovered, also by offsetting it against the compensation due at the time of the termination of the employment relationship, without prejudice to the potential re-allocation following the outcome of a final judgment declaring the unlawfulness of the dismissal.

Effects caused by the termination of the relationship on the LTI Plan 2021 and on the other Long-Term Incentive Plans in force

For an overview of the regulation governing the LTI Plan 2021 and the other Long-Term Incentive Plans in force applicable to the Directors with strategic responsibilities (as well as to the other beneficiaries) in the event of termination or cancellation of the employment relationship, including retirement, please refer to paragraph 2.4.6 of this report.

Non-competition agreements

Non-competition agreements are not usually envisaged in the event of termination of the employment relationship, notwithstanding prior individual agreements still in force at the date of this report. For an overview of the rules applicable in Spain, please refer to Endesa's "*Política de Remuneraciones de los Consejeros*" published on such Company's website (www.endesa.com).

2.7.6 Non-monetary benefits

The non-monetary benefits policy envisages: (i) the assignment of a company car also for personal use; (ii) the entering into insurance policies to cover the risk of death or permanent disability resulting from injury or disease; (iii) the payment by Enel of contributions for the supplementary pension fund and for the supplementary healthcare in accordance with the terms set out in the applicable employment contract.

It should be noted that the continuation of the above-mentioned non-monetary benefits, or the conclusion of advisory agreements in favour of Directors with strategic responsibilities for the period after the termination of the employment relationship, are not envisaged.

SECTION II: REPRESENTATION OF ITEMS WHICH COMPRISE THE REMUNERATION AND COMPENSATIONS PAID DURING 2020 FINANCIAL YEAR

3.1 Compensations referred to 2020

Please find here below detailed information on the compensation – determined on an accruals basis – due for 2020 financial year to the members of the Board of Directors and of the Board of Statutory Auditors, to the General Manager and to the Executives with strategic responsibilities. These compensations have been determined in compliance with the remuneration policy relating to the same 2020 financial year, approved with binding vote by the ordinary Shareholders' Meeting held on May 14, 2020. In establishing how to implement such policy, the Company has also taken into account the wide appreciation shown by Shareholders for the contents of the second section of the Report on the remuneration policy for 2020 and compensations paid in 2019 during the same ordinary Shareholders' Meeting of May 14, 2020, when approximately 97% of the share capital represented therein expressed a non-binding vote in favor in this regard.

The economic treatment for the Chair of the Board of Directors appointed by the ordinary Shareholders' Meeting held on May 14, 2020 includes the remuneration and the attendance fees for the possible participation in the committees established within the Board of Directors of the Company, as well as the remuneration possibly due for participating in the boards of directors of Enel's non-listed subsidiaries and/or affiliated companies and/or non-listed companies or entities of interest for the Group, that thus shall be waived or repaid to Enel itself. Thus, the remuneration due to the Chair does not comprehend and, therefore, may be combined with, the compensation possibly due to the same as member of the boards of directors of Enel's listed subsidiaries, in consideration of the burden of the required commitment and the responsibilities deriving from such office.

The economic treatment for the Chief Executive Officer/General Manager includes the compensations (if any) due to him for participating in the boards of directors of Enel's subsidiaries and/or affiliated companies, that thus shall be waived or repaid to Enel itself.

- **Fixed Remuneration**

The fixed remuneration of the Chair of the Board of Directors and of the Chief Executive Officer/General Manager appointed as a result of the ordinary Shareholders' Meeting held on May 14, 2020 has been approved (pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and Article 23.2 of the corporate bylaws), by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, subject to the opinion of the Board of Statutory Auditors. Such remuneration absorbs the base compensation assigned to the persons involved, on the basis of the abovementioned Shareholders' Meeting resolution (pursuant to Article 2389, paragraph 1, of the Italian Civil Code and Article 23.1 of the corporate bylaws), in their capacity as members of the Board of Directors.

The compensation of non-executive Directors appointed by the ordinary Shareholders' Meeting held on May 14, 2020 has been approved by the same meeting (pursuant to Article 2389, paragraph 1, of the Italian Civil Code, and Article 23.1 of the corporate bylaws) as well as, for the Directors who are also members of one or more Board Committees, by the Board of Directors (pursuant to Article 21.3 of the corporate bylaws) upon proposal of the Nomination and Compensation Committee and heard the opinion of the Board of Statutory Auditors.

- **Short-term variable compensation**

The Board of Directors, upon proposal of the Nomination and Compensation Committee, has verified the achievement by the Chief Executive Officer/General Manager of a level equal to 85 points out of 100 on the *performance* scale used to set the amount of short-term variable remuneration, that is equal to 127.5% of the fixed remuneration, in compliance with the remuneration policy for 2020 (see paragraph 1.2.4 of the Report on the remuneration policy for 2020 and compensations paid in 2019). The chart below indicates the level of achievement of each performance objective.

Performance objectives assigned to the Chief Executive Officer/General Manager	Maximum score	Points assigned
Ordinary consolidated net income	35	35
Group Opex	20	20
Funds from operations/Consolidated net financial debt	15	15
COVID-19 emergency management: average daily accesses recorded in the period March-December 2020 to the ten main IT applications used within the Enel Group compared to the period January-February 2020	15	15
Reduction of the 2020 <i>vs.</i> 2019 work-related accident frequency index and concomitant reduction of the number of fatal accidents in the relevant period	15	0
Total assessment	85% of the short-term variable remuneration (equal to 127.5% of the fixed remuneration)	

In the table below are illustrated, for each performance objective, the exact values set for the different levels of the performance scale and the relative final assessment, as well as the pay-out associated to each level.

Performance objectives assigned to the CEO/GM	Access threshold	Target objective	Maximum objective	Achieved performance	Access threshold payout	Target payout	Maximum payout	Achieved payout
Ordinary consolidated net income	5,250 €Mln	5,350 €Mln	5,410 €Mln	5,456 € Mln (*)	17.5%	35%	52.5%	52.5%
Group Opex	8,280 €Mln	8,120 €Mln	8,040 €Mln	7,879 €Mln (**)	10%	20%	30%	30%
Funds from operations/ Consolidated net financial debt	24.4%	24.9%	25.2%	25.7% (***)	7.5%	15%	22.5%	22.5%
COVID-19 emergency management: average daily accesses recorded in the period March-December 2020 to the ten main IT applications used within the Enel Group compared to the period January-February 2020	80%	84%	88%	107%	7.5%	15%	22.5%	22.5%
Reduction of the 2020 vs 2019 work-related accident frequency index (FI) and concomitant reduction of the number of fatal accidents in the relevant period	Work-related accident frequency index (FI) <= 0.80 and fatal accidents 2020 <= of the Group's average fatal accidents in the years 2017-2019	FI <= 0.78 and the same objective for the reduction of the number of fatal accidents in 2020 provided for the access threshold	FI <= 0.76 and the same objective for the reduction of the number of fatal accidents in 2020 provided for the access threshold	FI = 0.46 Objective to reduce the number of fatal accidents in the reporting period not achieved (****)	7.5%	15%	22.5%	0%
Total Payout					50%	100%	150%	127.5%

(*) In application of the rules established for the final assessment of the various objectives concerning the short-term variable remuneration of the Chief Executive Officer/General Manager, the ordinary consolidated net income for 2020 (equal to Euro 5,197 million) has been adjusted to take into account the evolution of exchange rates compared to budget and Argentine hyperinflation (+Euro 259 million).

(**) In application of the regulation established for the final assessment of the various objectives concerning the short-term variable remuneration of the Chief Executive Officer/General Manager, the Group Opex for 2020 (equal to Euro 7,521 million) has been adjusted to take into account (i) the impact of the different scope of consolidation compared to the budget (+Euro 5 million), as well as (ii) the evolution of exchange rates compared to the budget and the Argentine hyperinflation (+Euro 353 million).

(***) In application of the regulation established for the final assessment of the various objectives concerning the short-term variable remuneration of the Chief Executive Officer/General Manager, the Funds from Operations for 2020 have been adjusted by Euro +0.63 billion and the Net financial debt has been adjusted by Euro +1.88 billion to take into account the impact of the different scope of consolidation and of extraordinary transactions compared to the budget, the evolution of exchange rates compared to the budget and the Argentine hyperinflation.

(****) It should be noted that, against the objective of limiting fatal accidents to no more than 7, during 2020 there were 9 fatal accidents that involved Enel Group employees and contractors.

With regard to both the Chair in office until the ordinary Shareholders' Meeting held on May 14, 2020 and the Chair appointed by said Meeting, no short-term variable remuneration is envisaged.

The short-term variable component of the remuneration payable to the Executives with strategic responsibilities has been paid on the basis of the performance of each of them in relation to the different objectives assigned.

- Long-term variable compensation

The Board of Directors, upon proposal of the Nomination and Compensation Committee, has verified the achievement, in the level specified in the table below, of the performance targets provided for by the LTI Plan 2018 in which were involved both the Chief Executive Officer/General Manager and the Executives

with strategic responsibilities, and has therefore provided for the disbursement, respectively, of 216% of the base amount awarded to the Chief Executive Officer/General Manager, and of 156% of the base amount awarded to Executives with strategic responsibilities in relation to the Plan itself, in accordance with the provisions of the remuneration policy for 2018 (see Paragraphs 1.2.3 and 1.2.5 of the Remuneration Report 2018).

Performance objectives assigned to the beneficiaries of the LTI Plan 2018 (CEO/GM)	Access threshold	Target objective	I Over objective	II Over objective	Achieved performance	Access threshold payout	Target payout	I Over payout	II Over payout	Achieved payout
Average Enel TSR vs average TSR of Index EUROSTOXX Utilities – EMU over the three years 2018-2020	Between 90% and 100%	Between 100% and 110%	Between 110% and 115%	More than 115%	159%	25%	50%	75%	140%	140%
Cumulative return on average capital employed (ROACE) over the three years 2018-2020	36.4%	37.5%	38.0%	38.6%	37.7%	20%	40%	60%	112%	48%
CO ₂ emissions (data in gCO ₂ /kWh _{eq}) produced by the Group in 2020	<=380	<=350	<=340	<=330	211	5%	10%	15%	28%	28%
Total Payout						50%	100%	150%	280%	216%

Performance objectives assigned to the beneficiaries of the LTI Plan 2018 (Executives with strategic responsibilities)	Access threshold	Target objective	I Over objective	II Over objective	Achieved performance	Access threshold payout	Target payout	I Over payout	II Over payout	Achieved payout
Average Enel TSR vs average TSR of Index EUROSTOXX Utilities – EMU over the three years 2018-2020	Between 90% and 100%	Between 100% and 110%	Between 110% and 115%	More than 115%	159%	25%	50%	75%	90%	90%
Cumulative Return on average capital employed (ROACE) over the three years 2018-2020	36.4%	37.5%	38.0%	38.6%	37.7%	20%	40%	60%	72%	48%
CO₂ emissions (data in gCO₂/kWh_{eq}) produced by the Group in 2020	<=380	<=350	<=340	<=330	211	5%	10%	15%	18%	18%
Total Payout						50%	100%	150%	180%	156%

With regard to both the Chair in office until the ordinary Shareholders' Meeting of May 14, 2020 and the Chair appointed by the latter no long-term variable remuneration is envisaged.

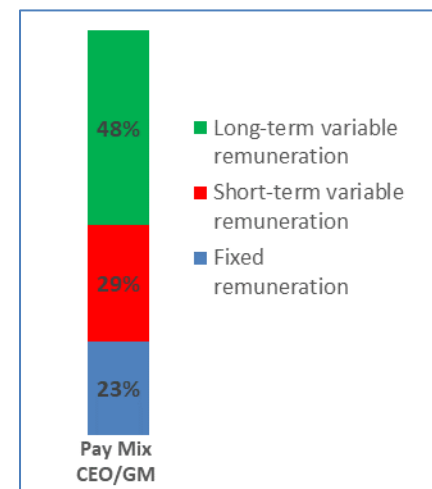
- Contribution of compensation accrued in 2020 to the Company's long-term results

The performance objectives for the variable remuneration of the Chief Executive Officer/General Manager and Executives with strategic responsibilities accrued in the 2020 financial year are consistent with the Group's sustainable growth strategies, aimed at the creation of a shared value for all stakeholders through the decarbonization of electricity generation, the boost to electrification of consumption and the use of platforms as an enabling and generating factor for business. These objectives have contributed to align managerial action to the Group's strategies, supporting the creation of long-term value in terms of both financial growth and factors considered relevant in the field of Environmental, Social and Governance ("ESG"). In this regard, it should be noted in particular how the commitment to the fight against climate change, which characterizes the Group's strategy, has benefited over the years from a gradual but decisive acceleration, which has allowed, with regard to the objective concerning the reduction of CO₂ emissions of the Group in 2020, to significantly exceed the maximum level of the expected performance.

The confidence that the market has in Enel's long-term value creation associated with the Group's strategies is shown by a performance of Enel's title recorded in the three-year period 2018-2020 in terms of Total Shareholders Return (TSR) significantly higher compared to the one of the reference index (*i.e.*, EUROSTOXX Utilities).

- Pay-mix of the compensation accrued by the Chief Executive Officer/General Manager in 2020

The following chart shows the pay mix of the compensation accrued in 2020 by the Chief Executive Officer/General Manager, taking into account the fixed component and the short-term and long-term variable component of remuneration shown in columns 1 (fixed compensation) and 3 (non-equity variable compensation – Bonuses and other incentives) of Table 1 of this Section.



It should be noted that the other members of the Board of Directors and the Statutory Auditors in office in 2020 accrued in such financial year a compensation consisting only of the fixed component, as shown in Table 1 of this Section.

- Competitive positioning on the relevant market

It should be noted that the ordinary Shareholders' Meeting of May 14, 2020 approved with binding vote the remuneration policy for 2020, adopted by the Board of Directors, upon proposal of the Nomination and Compensation Committee, on April 2, 2020 and amended and supplemented on April 29, 2020. For the purposes of preparing the remuneration policy for 2020, the Nomination and Compensation Committee has considered the outcomes of a benchmark analysis relating to the remuneration of the Chair of the Board of Directors, the Chief Executive Officer/General Manager and the non-executive Directors of Enel for the 2017-2019 mandate carried out by the independent advisor Willis Towers Watson.

For the purposes of the aforementioned analysis, it was taken into consideration a European Utilities Peer Group ⁽¹⁹⁾ and an Italian Peer Group ⁽²⁰⁾. In particular,

⁽¹⁹⁾ The European Utilities Peer Group was composed of European companies operating in the utilities market, selected not only because of business similarity, but also on the basis of dimensional criteria. The following companies belonged to this panel: Centrica, EDF, EDP, Engie, E.ON, Fortum, Iberdrola, Innogy, National Grid, Naturgy, Orsted, RWE, Uniper.

⁽²⁰⁾ The Italian Peer Group was composed of companies that, as Enel, belonged to the FTSE MIB index, selected because of dimensional criteria and/or the business internationalization level and/or for the direct or indirect significant shareholding held by the Ministry of Economy and Finance. The following companies belonged to this panel: Assicurazioni Generali, Atlantia, Eni,

in light of the outcomes of this analysis, the remuneration policy for 2020 has provided for a slight increase in the remuneration of the Chair of the Board of Directors and the Chief Executive Officer/General Manager compared to what was provided for the 2017-2019 mandate, also considering Enel's positioning in terms of size, international leanings and capitalization with respect to the companies included in the Italian Peer Group and in the European Utilities Peer Group ⁽²¹⁾.

Illustrated below are the key components of the economic treatment for the Chair of the Board of Directors and the Chief Executive Officer/General Manager for 2020, along with their relevant positioning compared to the relevant market, determined considering the benchmark analysis carried out by the independent advisor Mercer – that supported the Company in defining the remuneration policy for 2021 – with regard to a specific Peer Group, whose composition is described in detail in paragraph 1.3 of this report. It is also illustrated the positioning for 2020 of the economic treatment for the Executives with strategic responsibilities with respect to the relevant market.

Chair of the Board of Directors

In defining Chair's economic treatment for 2020, the Board of Directors, upon proposal of the Nomination and Compensation Committee, has considered the outcome of the benchmark analysis carried out by Willis Towers Watson and also evaluated the following circumstances:

- the Enel's Chair, in line with the powers traditionally delegated to him, holds a non-executive role and, furthermore, substantially fulfills the role of guarantor of the Group's corporate governance;
- the analysis of the Group's governance highlights a very articulated organizational framework, with several listed companies characterized by minorities heterogeneity and the existence of a large number of supervisory authorities. In this context, the Chair's role as guarantor of the Group's corporate governance is particularly important.

Consequently, it has been deemed appropriate to grant to the Chair a remuneration for 2020 composed only by the fixed component, equal to Euro 500,000 gross per year, which – considering the benchmark analysis carried out by Mercer based on the documentation published for the 2020 AGM season – is in line with the third quartile of the Peer Group, if only the remuneration paid for this role by the companies included in the panel is considered. If, on the other hand, the additional compensation that some companies pay to their respective non-executive chairpersons for participation in board committees is also considered, the fixed remuneration of the Chair of Enel's Board of Directors – which does not envisage such additional compensation – falls between the median and the third quartile of the Peer Group.

Chief Executive Officer/General Manager

In defining Chief Executive Officer/General Manager's economic treatment for 2020, the Board of Directors, upon proposal of the Nomination and Compensation Committee and on the basis of the outcome of the benchmark analysis carried out by Willis Towers Watson, has deemed appropriate to apply the following changes compared to the treatment for the 2017-2019 mandate:

- the fixed remuneration has been raised from Euro 1,470,000 gross per year to Euro 1,520,000 gross per year, with an increase of 3.4%. Considering the above-mentioned benchmark analysis carried out by Mercer, the amount of the fixed remuneration is in line within the third quartile of the Peer Group;
- the short-term variable remuneration (i) has been confirmed at the target level equal to 100% of the fixed remuneration and (ii) has been raised from 120% to 150% of the fixed remuneration upon the achievement of the maximum performance level. Considering the above-mentioned benchmark analysis carried out by Mercer, the overall annual remuneration (constituted by fixed remuneration and short-term variable remuneration) is positioned, both at the target level and at the maximum performance level, between the median and the third quartile of the Peer Group;

Intesa Sanpaolo, Leonardo, Pirelli, Poste Italiane, Prysmian, Saipem, SNAM, Terna, TIM, Unicredit.

⁽²¹⁾ In particular, on the basis of 2018 consolidated financial reports, Enel – which operates in more than 30 countries on 5 continents – significantly outperformed in terms of size (both for revenues and number of employees) and international leanings of its activities almost all companies

included both in the Italian Peer Group and in the European Utilities Peer Group. Furthermore, at the end of October 2019 (*i.e.* at the time the benchmark analysis was carried out by the independent advisor Willis Towers Watson), Enel's capitalization was significantly higher than that of the companies belonging to both these Peer Groups.

- the long-term variable remuneration has been (i) raised from 100% to 130% of the fixed remuneration at target level, and (ii) confirmed at 280% of the fixed remuneration, upon the achievement of the maximum performance level. In the light of the above-mentioned benchmark analysis carried out by Mercer, the Total Direct Compensation (constituted by fixed remuneration and long and short-term variable remuneration) is also positioned, both at the target level and at the maximum performance level, between the median and the third quartile of the Peer Group.

Executives with strategic responsibilities

With reference to the Executives with strategic responsibilities, the total remuneration results to be, compared to the relevant benchmark (“2020 Mercer Executive Remuneration Guides – Western Europe”, which analyzed the remuneration of executives in 1,342 European companies), between the market median and the third quartile.

- Comparison of the annual variation (i) of remuneration of Directors, of Statutory Auditors and of the General Manager of Enel, (ii) of the results of the Group and (iii) of the average gross annual remuneration of the Group’s employees

In line with the national legislation implementing Directive (EU) 2017/828 (which amended Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement), the following chart shows the comparative information between the variation recorder in the financial years 2019 and 2020 with regard to (i) the total remunerations accrued by Directors, Statutory Auditors and General Manager of Enel, (ii) the results achieved by the Group, expressed in terms of ordinary EBITDA and Ordinary net income, and (iii) the average gross annual remuneration of the employees of the Group (other than Enel’s Chief Executive Officer/General Manager).

In particular, this chart – with the exception of what is shown in the footnote for the Chief Executive Officer/General Manager of the Company– shows the compensations accrued by Directors, Statutory Auditors and the General Manager of Enel in the financial years 2019 and 2020 as reported in the column “Total” of Table 1, respectively, (i) of the Second Section of the Report on the remuneration policy for 2020 and compensations paid in 2019 and (ii) of the Second Section of this report.

The average gross annual remuneration of the Group’s employees is calculated as the ratio between the amount shown under “Wages and salaries” – to which the amount of the medium and long-term incentive plans of the item “Post-employment and other long-term benefits” has been added – and the average number of the Group’s employees reported in the Consolidated Annual Financial Statement for the financial years 2019 and 2020. In this regard it should be noted that, in order to neutralize the exchange rate effect and thus make the information comparable, the item “Wages and salaries” and the amount of medium and long-term incentive plans included in the Consolidated Annual Financial Statement for the 2019 financial year has been adjusted; in particular, the average exchange rate on December 31, 2020 used for the item “Wages and salaries” included in the Consolidated Annual Financial Statement for the 2020 financial year has been applied to these figures.

Lastly, it should be noted that the chart below represents both for 2019 and 2020, along with the average gross annual remuneration of the Group’s employees, also the ratio between this amount and the total remuneration accrued by the Chief Executive Officer/General Manager of Enel (“pay ratio”). For the purposes of full disclosure, the same ratio is also shown with reference only to the fixed component of these remunerations.

Directors, Statutory Auditors and General Manager of Enel			
First name and Last name	Office	2020	2019
Michele Alberto Fabiano Crisostomo	Chair of the BoD Appointed on May 14, 2020	€ 319,715	N.A.
Variation		N.A.	
Francesco Starace	CEO and GM In office during 2019 and 2020	€ 6,862,482 (of which: € 1,502,568 fixed compensation; € 5,113,200 short-term and long-term variable compensation; € 80,047 non-monetary benefits; € 166,667 other compensations)	€ 6,530,424 ⁽¹⁾ (of which: € 1,470,000 fixed compensation; € 4,821,600 short-term and long-term variable compensation; € 77,124 non-monetary benefits; € 161,700 other compensations)
Variation		+5%	

Directors, Statutory Auditors and General Manager of Enel			
First name and Last name	Office	2020	2019
Cesare Calari	Director In office during 2019 and 2020	€ 140,759	€ 129,000
Variation		+9%	
Costanza Esclapon de Villeneuve	Director Appointed on May 14, 2020	€ 85,896	N.A.
Variation		N.A.	
Samuel Georg Friedrich Leupold	Director Appointed on May 14, 2020	€ 80,896	N.A.
Variation		N.A.	
Alberto Marchi	Director Appointed on May 14, 2020	€ 90,497	N.A.
Variation		N.A.	
Mariana Mazzucato	Director Appointed on May 14, 2020	€ 83,896	N.A.
Variation		N.A.	
Mirella Pellegrini	Director Appointed on May 14, 2020	€ 82,896	N.A.
Variation		N.A.	
Anna Chiara Svelto	Director In office during 2019 and 2020	€ 142,448	€ 143,000
Variation		0%	
Barbara Tadolini	Chair of the Board of the Statutory Auditors Appointed on May 16, 2019	€ 85,000	€ 53,329
Variation		+59%	

Directors, Statutory Auditors and General Manager of Enel			
First name and Last name	Office	2020	2019
Romina Guglielmetti	Regular Statutory Auditor In office during 2019 and 2020	€ 75,000	€ 75,000
Variation		0%	
Claudio Sottoriva	Regular Statutory Auditor Appointed on May 16, 2019	€ 75,000	€ 47,055
Variation		+59%	
Directors who terminated their office			
First name and Last name	Office	2020	2019
Maria Patrizia Grieco	Chair of the BoD In office until May 14, 2020	€ 172,653	€ 459,310
Variation		-62%	
Alfredo Antoniozzi	Director In office until May 14, 2020	€ 48,262	€ 129,000
Variation		-63%	
Alberto Bianchi	Director In office until May 14, 2020	€ 50,262	€ 138,808
Variation		-64%	
Paola Girdinio	Director In office until May 14, 2020	€ 56,262	€ 140,000
Variation		-60%	
Alberto Pera	Director In office until May 14, 2020	€ 59,541	€ 140,000
Variation		-57%	

Directors, Statutory Auditors and General Manager of Enel			
First name and Last name	Office	2020	2019
Angelo Taraborrelli	Director In office until May 14, 2020	€ 57,951	€ 150,000
Variation		-61%	

Group results	2020	2019
Ordinary EBITDA (data in million €)	€ 17,940	€ 17,905
Variation	0%	
Ordinary net income (data in million €)	€ 5,197	€ 4,767
Variation	+9%	

	2020	2019
Average gross annual remuneration of Group's employees	€ 47,047 (of which: € 43,042 fixed compensation; € 4,005 variable compensation)	€ 45,782 (of which: € 40,739 fixed compensation; € 5,043 variable compensation)
Variation	+3%	
<i>Pay Ratio</i> - Ratio between the total remuneration of Enel's CEO/GM and the average gross annual remuneration of the Group's employees	146x (35x fixed compensation)	143x (36x fixed compensation)

- (1) In order to ensure the comparability of the total compensation accrued by the Chief Executive Officer/General Manager of Enel in 2019 and 2020 – in the light of certain clarifications introduced in the meanwhile in the reference legislation and described below – the amount indicated in the above-mentioned chart and referred to 2019 (equal to Euro 6,530,424) differs from the amount shown in the “Total” column of Table 1 of the Second Section of the Report on the remuneration policy for 2020 and compensations paid in 2019, equal to Euro 5,486,430. In particular, the compensation accrued in 2019 by Enel's Chief Executive Officer/General Manager – shown in the above-mentioned chart solely on an accrual basis in the amount of Euro 6,530,424 – is composed of: (i) the fixed remuneration, equal to Euro 1,470,000; (ii) the short-term variable remuneration, equal to Euro 1,764,000; (iii) the long-term variable remuneration, equal to Euro 3,057,600 and related to the LTI Plan 2017, whose performance

period ended in 2019; (iv) non-monetary benefits, equal to Euro 77,124; (v) other compensations, equal to Euro 161,700. In particular, it should be noted that the above-mentioned amount relating to the long-term variable remuneration does not coincide with the amount shown in Table 1 of the second section of the Report on the remuneration policy for 2020 and compensations paid in 2019 since that Table takes into account the partially deferred disbursement of the remuneration and therefore includes 70% of the long-term variable remuneration related to the LTI Plan 2016 and 30% of the long-term variable remuneration related to the LTI Plan 2017 paid in 2020, for a total amount of Euro 2,013,606. The need to carry out the above-mentioned reconciliation is due to the regulatory changes introduced in the CONSOB Issuers' Regulation with the Authority's Resolution No. 21623 of December 10, 2020 which has provided that the variable remuneration shall be measured exclusively on an accruals basis, thus not taking into account the possible deferral of the disbursement of part of it.

3.2 Overall shareholders' return (for every 100 Euro invested on January 1, 2020)

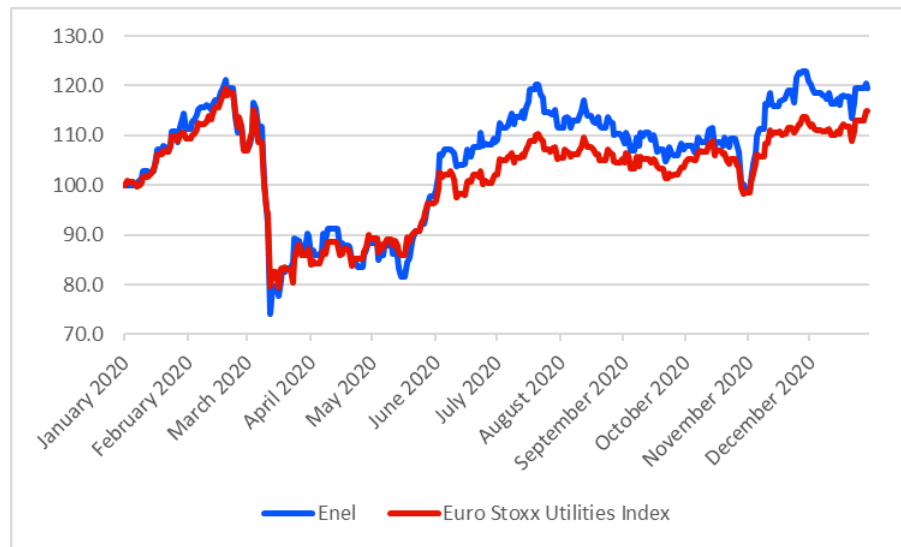


Table 1: Compensations paid to the members of the Board of Directors, the Board of Statutory Auditors, to the General Manager and to Executives with strategic responsibilities

The following chart sets forth compensations referred to 2020, determined on an accrual basis, due to Directors, Regular Statutory Auditors, the General

Manager and Executives with strategic responsibilities, in compliance with Annex 3A, Table 7-bis, of CONSOB Issuers' Regulation. This chart 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	Period during which office was held	Expiration date of the office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity for severance /termination of employment relationship
						Bonuses and other incentives	Profit sharing					
(I) Compensations in the company that drafts the financial statements (in Euro)												
Michele Alberto Fabiano Crisostomo ⁽¹⁾	Chair	05/2020-12/2020	Approval of 2022 financial statements	315,574 ^(a)	-	-	-	4,141 ^(b)	-	319,715	-	-
Francesco Starace ⁽²⁾	CEO/GM	01/2020-12/2020	Approval of 2022 financial statements	1,502,568 ^(a)	-	5,113,200 ^(b)	-	80,047 ^(c)	166,667 ^(d)	6,862,482	680,433	-
Cesare Calari ⁽³⁾	Director	01/2020-12/2020	Approval of 2022 financial statements	80,000 ^(a)	60,759 ^(b)	-	-	-	-	140,759	-	-
Costanza Esclapon de Villeneuve ⁽⁴⁾	Director	05/2020-12/2020	Approval of 2022 financial statements	50,492 ^(a)	35,404 ^(b)	-	-	-	-	85,896	-	-
Samuel Georg Friedrich Leupold ⁽⁵⁾	Director	05/2020-12/2020	Approval of 2022 financial statements	50,492 ^(a)	30,404 ^(b)	-	-	-	-	80,896	-	-
Alberto Marchi ⁽⁶⁾	Director	05/2020-12/2020	Approval of 2022 financial statements	50,492 ^(a)	40,005 ^(b)	-	-	-	-	90,497	-	-
Mariana Mazzucato ⁽⁷⁾	Director	05/2020-12/2020	Approval of 2022 financial statements	50,492 ^(a)	33,404 ^(b)	-	-	-	-	83,896	-	-
Mirella Pellegrini ⁽⁸⁾	Director	05/2020-12/2020	Approval of 2022 financial statements	50,492 ^(a)	32,404 ^(b)	-	-	-	-	82,896	-	-
Anna Chiara Svelto ⁽⁹⁾	Director	01/2020-12/2020	Approval of 2022 financial statements	80,000 ^(a)	62,448 ^(b)	-	-	-	-	142,448	-	-

Barbara Tadolini ⁽¹⁰⁾	Chair of the Board of Statutory Auditors	01/2020-12/2020	Approval of 2021 financial statements	85,000 ^(a)	-	-	-	-	-	85,000	-	-
Romina Guglielmetti ⁽¹¹⁾	Regular Statutory Auditor	01/2020-12/2020	Approval of 2021 financial statements	75,000 ^(a)	-	-	-	-	-	75,000	-	-
Claudio Sottoriva ⁽¹²⁾	Regular Statutory Auditor	01/2020-12/2020	Approval of 2021 financial statements	75,000 ^(a)	-	-	-	-	-	75,000	-	-
Directors who terminated their office during 2020												
Maria Patrizia Grieco ⁽¹³⁾	Former Chair	01/2020-05/2020	Approval of 2019 financial statements	165,984 ^(a)	-	-	-	6,669 ^(b)	-	172,653	-	-
Alfredo Antoniozzi ⁽¹⁴⁾	Former Director	01/2020-05/2020	Approval of 2019 financial statements	29,508 ^(a)	18,754 ^(b)	-	-	-	-	48,262	-	-
Alberto Bianchi ⁽¹⁵⁾	Former Director	01/2020-05/2020	Approval of 2019 financial statements	29,508 ^(a)	20,754 ^(b)	-	-	-	-	50,262	-	-
Paola Girdinio ⁽¹⁶⁾	Former Director	01/2020-05/2020	Approval of 2019 financial statements	29,508 ^(a)	26,754 ^(b)	-	-	-	-	56,262	-	-
Alberto Pera ⁽¹⁷⁾	Former Director	01/2020-05/2020	Approval of 2019 financial statements	29,508 ^(a)	30,033 ^(b)	-	-	-	-	59,541	-	-
Angelo Taraborrelli ⁽¹⁸⁾	Former Director	01/2020-05/2020	Approval of 2019 financial statements	29,508 ^(a)	28,443 ^(b)	-	-	-	-	57,951	-	-
(I) Sub-total				2,779,126	419,566	5,113,200	-	90,857	166,667	8,569,416	680,433	-
(II) Compensations from subsidiaries and affiliated companies (in Euro)												
Maria Patrizia Grieco ⁽¹⁹⁾	Director Endesa S.A.	01/2020-12/2020	Approval of 2021 financial statements	208,746 ^(a)	-	-	-	-	-	208,746	-	-
(II) Sub-total				208,746	-	-	-	-	-	208,746	-	-
(III) Total				2,987,872	419,566	5,113,200	-	90,857	166,667	8,778,162	680,433	-

Notes:

(1) Michele Alberto Fabiano Crisostomo – Chair of the Board of Directors

- (a) Fixed remuneration approved, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, having heard the Board of Statutory Auditors, and accrued *pro rata temporis* for the period starting from the date of the acceptance of office. Such remuneration includes the compensation approved for the members of the Board of Directors by the ordinary Shareholders' Meeting of May 14, 2020, as well as the compensation and the attendance fees due for participation in the Committees established within the same Board of Directors. **It should be noted that an amount equal to Euro 47,340 was withheld from the accrued compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Benefits related to: (i) the company car for mixed use (personal and business) on the basis of the value subject to pension contributions and taxes, as provided under the ACI tables; (ii) insurance policies covering the risk of death or permanent disability resulting from an accident or disease; (iii) Enel's contributions for supplementary health care.

(2) Francesco Starace – Chief Executive Officer/General Manager

- (a) Fixed emolument approved, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors upon proposal submitted by the Nomination and Compensation Committee and having heard the Board of Statutory Auditors, of which Euro 696,311 pertains to the office of Chief Executive Officer and Euro 806,257 pertains to the office of General Manager. The amount of this compensation is the one fixed by the Board of Directors for the 2017-2019 mandate, with reference to the office held in the period between January 1, 2020 and May 14, 2020, and the one fixed for the 2020-2022 mandate, with reference to the office held in the period between May 15, 2020 and December 31, 2020. Such remuneration includes the compensation approved for the members of the Board of Directors by the ordinary Shareholders' Meeting, as well as the compensations for the offices held at Enel's affiliates and/or subsidiaries, which are waived or repaid to the same Enel. **It should be noted that an amount equal to Euro 110,000 was withheld from the fixed compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Variable remuneration: (i) short-term component for the office of Chief Executive Officer equal to Euro 892,500 (highlighted in the chart) and for the office of General Manager equal to Euro 1,045,500 (highlighted in the chart), established by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, following the verification performed, at the meeting held on March 18, 2021, on the level of achievement of the annual objectives for 2020, impartial and specific, that had been assigned to the person involved by the Board itself; (ii) long-term component relating to the LTI Plan 2018 and equal to Euro 3,175,200 (highlighted in the chart), of which 30%, equal to Euro 952,560, disburseable in 2021, and the remaining 70% equal to Euro 2,222,640, deferred to 2022. It should be noted that as a result of certain regulatory changes introduced by CONSOB Issuers' Regulation with the Authority's Resolution No. 21623 of December 10, 2020 in implementation of Legislative Decree No. 49 of May 10, 2019, the long-term variable remuneration is measured solely on an accruals basis, thus without taking into account the deferral of the disbursement of part of it; therefore, the table does not show any component of long-term variable remuneration relating to the LTI Plan 2017, equal to Euro 3,057,600, of which 30%, equal to Euro 917,280, disbursed in 2020 (already shown in the corresponding table in the Report on the remuneration policy for 2020 and compensations paid in 2019) and the remaining 70% equal to Euro 2,140,320, disburseable in 2021, which would have been shown in this Table on the basis of the criteria set out in the previous Consob reference regulation.
- (c) Benefits related to: (i) the company car awarded for mixed use (on the basis of the value subject to pension contributions and taxes, as provided under the ACI tables); (ii) the insurance policies covering the risk of death or permanent disability resulting from an accident or disease; (iii) the contributions borne by Enel for the supplementary Pension Fund for the group's executives; (iv) the contributions borne by Enel for *ASEM - Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (Supplementary Healthcare Association for Executives in the Energy and Multi-services Sector).
- (d) Amount paid, for year 2020, in exchange for the right (option) granted to Enel for the activation of a non-competition agreement.

(3) Cesare Calari – Independent Director

- (a) Fixed remuneration approved in the same amount by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the office held in the period between January 1, 2020 and May 13, 2020, and by the ordinary Shareholders' Meeting of May 14, 2020, with reference to the office held in the period between May 14, 2020 and December 31, 2020. **It should be noted that an amount equal to Euro 7,574 was withheld from the compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Compensations, including the related attendance fees, for participation in the Control and Risk Committee as Chair from June 10, 2020 (for an amount of Euro 22,803), in the Nomination and Compensation Committee (for an amount of Euro 30,579) and in the Related Parties Committee (for an amount of Euro 7,377, until May 14, 2020).

(4) Costanza Esclapon de Villeneuve – Independent Director

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 14, 2020, paid *pro rata temporis* from the date of acceptance of the office. **It should be noted that an amount equal to Euro 7,574 was withheld from the compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Compensations, including the related attendance fees, for participation – starting from June 10, 2020 – in the Nomination and Compensation Committee (for an amount of Euro 17,202) and the Corporate Governance and Sustainability Committee (for an amount of Euro 18,202).

(5) Samuel Georg Friedrich Leupold – Independent Director

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 14, 2020, paid *pro rata temporis* from the date of acceptance of the office. **It should be noted that an amount of Euro 7,600 was withheld from the compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Compensations, including the related attendance fees, for participation – starting from June 10, 2020 – in the Control and Risk Committee (for an amount of Euro 17,202) and the Related Parties Committee (for an amount of Euro 13,202).

(6) Alberto Marchi – Independent Director

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 14, 2020, paid *pro rata temporis* from the date of acceptance of the office. **It should be noted that an amount of Euro 7,574 was withheld from the compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Compensations, including the related attendance fees, for participation – starting from June 10, 2020 – in the Nomination and Compensation Committee as Chair from June 10, 2020 (for an amount of Euro 22,803) and in the Control and Risk Committee (for an amount of Euro 17,202).

(7) Mariana Mazzucato – Independent Director

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 14, 2020, paid *pro rata temporis* from the date of acceptance of the office. **It should be noted that an amount of Euro 7,574 was withheld from the compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Compensations, including the related attendance fees, for participation – starting from June 10, 2020 – in the Related Parties Committee (for an amount of Euro 15,202) and the Corporate Governance and Sustainability Committee (for an amount of Euro 18,202).

(8) Mirella Pellegrini – Independent Director

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 14, 2020, paid *pro rata temporis* from the date of acceptance of the office. **It should be noted that an amount of Euro 7,574 was withheld from the compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Compensations, including the related attendance fees, for participation – starting from June 10, 2020 – in the Control and Risk Committee (for an amount of Euro 17,202) and the Related Parties Committee (for an amount of Euro 15,202).

(9) Anna Chiara Svelto – Independent Director

- (a) Fixed remuneration approved to the same extent by the ordinary Shareholders' Meeting held on May 4, 2017, with reference to the office held in the period between January 1, 2020 and May 13, 2020, and by the ordinary Shareholders' Meeting of May 14, 2020, with reference to the office held in the period between May 14, 2020 and December 31, 2020. **It should be noted that an amount of Euro 7,574 was withheld from the compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**
- (b) Compensations, including the related attendance fees, for participation in the Related Parties Committee as Chair (for an amount of Euro 31,869), the Nomination and Compensation Committee (for an amount of Euro 17,202, from June 10, 2020) and in Control and Risk Committee (for an amount of Euro 13,377, until May 14, 2020).

(10) Barbara Tadolini – Chair of the Board of Statutory Auditors

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 16, 2019.

- (11) **Romina Guglielmetti – Regular Statutory Auditor**
 (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 16, 2019.
- (12) **Claudio Sottoriva – Regular Statutory Auditor**
 (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 16, 2019.
- (13) **Maria Patrizia Grieco – Former Chair of the Board of Directors who terminated her office on May 14, 2020**
 (a) Fixed remuneration approved, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, after having received the Related Parties Committee's opinion and having heard the Board of Statutory Auditors. This remuneration, paid *pro rata temporis* for the period from January 1, 2020 to the date of termination of office, includes the compensation approved for the members of the Board of Directors by the ordinary Shareholders' Meeting of May 4, 2017, as well as the compensations and the attendance fees due for participation in Committees established within the Board of Directors. Such compensation also includes remuneration for the offices held at non-listed Enel's subsidiaries and/or affiliates, which are waived or repaid to the same Enel.
 (b) Benefits related to: (i) insurance policies covering the risk death or permanent disability resulting from an accident or disease; (ii) social contribution payments to be made by Enel with respect to *ASEM - Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (Supplementary Healthcare Association for Executives in the Energy and Multi-services Sector).
- (14) **Alfredo Antoniozzi – Former independent Director who terminated his office on May 14, 2020**
 (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 4, 2017, paid *pro rata temporis* until the date of termination of office.
 (b) Compensations, including the related attendance fees, for participation in the Corporate Governance and Sustainability Committee (for an amount of Euro 11,377) and the Related Parties Committee (for an amount of Euro 7,377).
- (15) **Alberto Bianchi – Former independent Director who terminated his office on May 14, 2020**
 (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 4, 2017, paid *pro rata temporis* until the date of termination of office.
 (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 13,377) and the Related Parties Committee (for an amount of Euro 7,377).
- (16) **Paola Girdinio – Former independent Director who terminated her office on May 14, 2020**
 (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 4, 2017, paid *pro rata temporis* until the date of termination of office.
 (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 13,377) and the Control and Risk Committee (for an amount of Euro 13,377).
- (17) **Alberto Pera – Former independent Director who terminated his office on May 14, 2020**
 (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 4, 2017, paid *pro rata temporis* until the date of termination of office.
 (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee as Chair from January 16, 2020 (for an amount of Euro 16,656) and the Control and Risk Committee (for an amount of Euro 13,377).
- (18) **Angelo Taraborrelli – Former independent Director who terminated his office on May 14, 2020**
 (a) Fixed remuneration approved by the ordinary Shareholders' Meeting of May 4, 2017, paid *pro rata temporis* until the date of termination of office.
 (b) Compensations, including the related attendance fees, for participation in the Control and Risk Committee as Chair (for an amount of Euro 17,066) and the Corporate Governance and Sustainability Committee (for an amount of Euro 11,377).
- (19) **Maria Patrizia Grieco – Director of Endesa S.A.**
 (a) Fixed remuneration approved by the Board of Directors of Endesa S.A. including the attendance fees for the participation in the meetings of the Board itself.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
First name and last name	Office	Period during which office was held	Expiration date of the office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity for severance, termination of employment relationship
						Bonus and other incentives	Profit sharing					
(I) Compensations in the company that drafts the financial statements (in Euro)												
-	Executives with strategic responsibilities ⁽¹⁾	-	-	2,943,755	-	5,009,994	-	231,134 ⁽²⁾	90,541 ⁽³⁾	8,275,424	506,903	-
(II) Compensations from subsidiaries and affiliates (in Euro)												
-	Executives with strategic responsibilities ⁽¹⁾	-	-	4,442,783	-	6,853,020	-	871,172 ⁽²⁾	3,752 ⁽³⁾	12,170,727	489,584	-
(III) Total				7,386,538 ⁽⁴⁾	-	11,863,014	-	1,102,306 ⁽²⁾	94,293 ⁽³⁾	20,446,151	996,487	-

Notes:

- (1) The data set forth in the chart include all persons who, during the financial year 2020, held the role of Executive with Strategic Responsibilities (for an overall number of 12 positions).
- (2) Benefits related to: (i) the company car awarded for mixed use (personal and business, on the basis of the value subject to pension contributions and taxes, as provided under the ACI tables); (ii) the insurance policies executed in favor of Executive with strategic responsibilities covering the risk of death or permanent disability resulting from an accident or disease; (iii) the contributions borne by the belonging companies for the supplementary Pension Fund for the Group's executives; and (iv) the contributions borne by the belonging companies for Supplementary Healthcare Assistance (*Assistenza Sanitaria Integrativa*).
- (3) Compensations related to the additional remuneration treatment for expatriates and residents in districts other than that of the place of work.
- (4) **It should be noted that a total amount of Euro 464,000 was withheld from the fixed compensation as a donation intended to support solidarity initiatives to cope with the COVID-19 emergency.**

Table 2: Incentive plans based on financial instruments, other than stock options, for the members of the Board of Directors, the General Manager and the Executives with strategic responsibilities

Board of Directors, the General Manager and the Executives with strategic responsibilities, determined on an accrual basis and in compliance with Annex 3A, Table 7-bis, of CONSOB Issuers' Regulation.

The following chart sets forth compensations deriving from incentive plans based on financial instruments, other than stock options, for the members of the

			Financial instruments awarded in previous financial years, not vested during the financial year		Financial instruments awarded during the financial year					Financial instruments vested during the financial year and not assigned	Financial instruments vested during the financial year and assignable		Financial instruments accrued for the financial year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
First name and last name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at awarding date (Euro)	Vesting period	Awarding date	Market price at awarding date (Euro)	Number and type of financial instruments	Number and type of financial instruments	Value on accrual date	Fair Value (Euro)
Francesco Starace	Chief Executive Officer - General Manager	LTI 2019 (May 16, 2019) ⁽¹⁾	No. 216,094 shares of Enel S.p.A.	Three-year period 2019-2021 ⁽²⁾									584,123
		LTI 2020 (May 14, 2020) ⁽³⁾			No. 221,852 shares of Enel S.p.A.	1,637,268	Three-year period 2020-2022 ⁽⁴⁾	September 17, 2020 ⁽⁵⁾	7.380				96,310

			Financial instruments awarded in previous financial years, not vested during the financial year	Financial instruments awarded during the financial year						Financial instruments <i>vested</i> during the financial year and not assigned	Financial instruments <i>vested</i> during the financial year and assignable		Financial instruments accrued for the financial year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
First name and last name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at awarding date (Euro)	Vesting period	Awarding date	Market price at awarding date (Euro)	Number and type of financial instruments	Number and type of financial instruments	Value on accrual date	Fair Value (Euro)
-	Executives with Strategic Responsibilities ⁽⁶⁾												
(I) Compensations in the company that drafts the financial statements		LTI 2019 (May 16, 2019) ⁽¹⁾	No. 165,608 shares of Enel S.p.A.	Three-year period 2019-2021 ⁽²⁾									447,654
		LTI 2020 (May 14, 2020) ⁽³⁾			No. 136,481 shares of Enel S.p.A.	1,007,230	Three-year period 2020-2022 ⁽⁴⁾	September 17, 2020 ⁽⁵⁾	7.380				59,249
(II) Compensations from subsidiaries and affiliates		LTI 2019 (May 16, 2019) ⁽¹⁾	No. 148,956 shares of Enel S.p.A.	Three-year period 2019-2021 ⁽²⁾									402,642
		LTI 2020 (May 14, 2020) ⁽³⁾			No. 200,273 shares of Enel S.p.A.	1,478,015	Three-year period 2020-2022 ⁽⁴⁾	September 17, 2020 ⁽⁵⁾	7.380				86,942
(III) Total			530,658		558,606	4,122,513							1,676,920

⁽¹⁾ The date refers to the Enel's Shareholders' Meeting that approved the LTI Plan 2019.

⁽²⁾ The right to disbursement of the incentive accrues subject to the achievement of performance objectives, the verification of which is expected to take place at the time of the approval of the Enel Group's Consolidated Financial Statements as of December 31, 2021.

⁽³⁾ The date refers to the Enel's Shareholders' Meeting that approved the LTI Plan 2020.

⁽⁴⁾ The right to disbursement of the incentive accrues subject to the achievement of performance objectives, the verification of which is expected to take place at the time of the approval of the Enel Group's Consolidated Financial Statements as of December 31, 2022.

⁽⁵⁾ The date is referred to the Enel's Board of Directors' meeting which approved modalities and timings for the awarding to beneficiaries of the LTI Plan 2020.

⁽⁶⁾ The chart includes data referring to all persons who, during the financial years 2019 and 2020, held the role of Executive with strategic responsibilities (for an overall number of 11 positions), with the exception of one Executive with strategic responsibilities who in 2019 and 2020 has benefited of an *ad hoc* plan that does not provide for the awarding of Enel shares.

Table 3: Monetary incentive plan for the members of the Board of Directors, the General Manager and the Executives with strategic responsibilities

and the Executives with strategic responsibilities, determined on an accrual basis and in compliance with Annex 3A, Table 7-*bis*, of CONSOB Issuers' Regulation.

The following chart sets forth compensations arising from the monetary incentive plans for the members of the Board of Directors, the General Manager

A	B	(1)	(2)			(3)			(4)
Last name and first name	Office	Plan	Bonus for the year			Bonus for past years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Disbursable/Disbursed	Deferred	Deferral period	No longer disbursable	Disbursable/disbursed	Still deferred	
Francesco Starace	Chief Executive Officer / General Manager	MBO 2020 ⁽¹⁾	€ 1,938,000	-	-	-	-	-	-
		LTI 2018 ⁽²⁾	€ 3,175,200 ⁽³⁾	-	-	-	-	-	-
Total			€ 5,113,200	-	-	-	-	-	-
A	B	(1)	(2)			(3)			(4)
Last name and first name	Office	Plan	Bonus for the year			Bonus for past years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Disbursable/Disbursed	Deferred	Deferral period	No longer disbursable	Disbursable/disbursed	Still deferred	
--	Executives with strategic responsibilities								
(I) Compensations in the company that drafts the financial statements		MBO 2020	€ 1,976,580	-	-	-	-	-	-
		LTI 2018 ⁽²⁾	€ 3,033,414 ⁽⁴⁾	-	-	-	-	-	-
(I) Sub-total			€ 5,009,994	-	-	-	-	-	-
(II) Compensations from subsidiaries and affiliates		MBO 2020	€ 2,629,571	-	-	-	-	-	-
		LTI 2018 ⁽²⁾	€ 4,223,449 ⁽⁵⁾	-	-	-	-	-	-
(II) Sub-total			€ 6,853,020	-	-	-	-	-	-
(III) Total			€ 11,863,014	-	-	-	-	-	-

Notes:

- (1) The 2020 MBO was assigned to the Chief Executive Officer/General Manager with resolution adopted by Enel's Board of Directors on February 27, 2020.
- (2) The procedure for the assignment of the LTI Plan 2018 was finalized with the approval of the regulation governing the functioning of the Plan itself by Enel's Board of Directors on July 31, 2018.
- (3) The table shows the total long-term variable remuneration related to the LTI Plan 2018, of which 30%, equal to Euro 952,560, will be disbursed in 2021, and the remaining 70%, equal to Euro 2,222,640, will be disbursed in 2022, as these disbursements are not subject to further conditions.
- (4) The table shows the total long-term variable remuneration related to the LTI Plan 2018, of which 30%, equal to Euro 910,024, will be disbursed in 2021, and the remaining 70%, equal to Euro 2,123,390, will be disbursed in 2022, as these disbursements are not subject to further conditions.
- (5) The table shows the total long-term variable remuneration related to the LTI Plan 2018, of which 30%, equal to Euro 1,267,035, will be disbursed in 2021, and the remaining 70%, equal to Euro 2,956,414, will be disbursed in 2022, as these disbursements are not subject to further conditions.

3.3 Long-Term Incentive Plan 2019

With reference to the Long-Term Incentive Plan 2019 approved by Enel's Shareholders' Meeting on May 16, 2019, the Board of Directors, on November 12, 2019, upon proposal of the Nomination and Compensation Committee, resolved on the modalities and timings for the awarding of shares to the relevant beneficiaries. In implementation of such resolution, No. 198 beneficiaries (*i.e.*, the Chief Executive Officer/General Manager of Enel, as well as No. 11 Executives with strategic responsibilities and No. 186 managers ⁽¹⁾ of Enel and its subsidiaries) have been identified and have been awarded with overall No. 1,538,547 ⁽²⁾ Enel shares, which will be disbursed subject to and in proportion to the achievement of the performance objectives at the end of the three-year performance period, to the extent and timings defined by the same Long-Term Incentive Plan 2019.

It is reminded that the Long-Term Incentive Plan 2019 envisages the following performance objectives: (i) Enel's average TSR compared to the average TSR of the EUROSTOXX Utilities – EMU Index over the three years 2019-2021 (weight 50%); (ii) Return on average capital employed (ROACE) cumulative over the three

years 2019-2021 (weight 40%); (iii) CO₂ grams emissions per kWh equivalent produced by the Group in 2021 (weight 10%).

Notwithstanding the contribution to the corporate strategies ensured by the overall remuneration mechanisms, including the measures envisaged by the remuneration policy for 2021 (described in the first section of this document), it should be noted that the targets of the performance objectives of the Long-Term Incentive Plan 2019 of managerial nature ⁽³⁾, also in the light of the changes occurred in the scenario, are not fully aligned with those envisaged by the 2021-2023 Strategic Plan, which significantly innovated the Group's strategies. In particular, the 2021-2023 Strategic Plan is more challenging in terms of the volume of investments and decarbonization objectives than the similar Plans approved in previous years. On the other hand, the targets envisaged in the Long-Term Incentive Plan 2019 remain linked to those envisaged in the Strategic Plan existing at the time of their approval.

For further information on the Long-Term Incentive Plan 2019, please refer to the Information Document published on the Company's website (www.enel.com).

- (1) It should be noted that, as of December 31, 2020, the "other managers" who are beneficiaries of the LTI Plan 2019 became 184.
- (2) As of December 31, 2020, due to the variations in the scope of the managers beneficiaries, the number of shares potentially awardable became equal to 1,529,182.
- (3) Therefore, with specific regard to ROACE and CO₂ grams emissions per equivalent kWh produced by the Group.

3.4 Long-Term Incentive Plan 2020

With reference to the Long-Term Incentive Plan 2020 approved by Enel's Shareholders' Meeting on May 14, 2020, the Board of Directors, on September 17, 2020, upon proposal of the Nomination and Compensation Committee, resolved on the modalities and timings for the awarding of shares to the relevant beneficiaries. In implementation of such resolution, No. 202 beneficiaries (*i.e.*, the Chief Executive Officer/General Manager of Enel, as well as No. 11 Executives with strategic responsibilities and No. 190 managers of Enel and its subsidiaries) have been identified and have been awarded with overall No. 1,635,307 Enel shares, which will be disbursed subject to and in proportion to the achievement of the performance objectives at the end of the three-year performance period, to the extent and timings defined by the same Long-Term Incentive Plan 2020.

It is reminded that the Long-Term Incentive Plan 2020 envisages the following performance objectives: (i) Enel's average TSR compared to the average TSR of the EUROSTOXX Utilities – EMU Index over the three years 2020-2022 (weight 50%); (ii) Return on average capital employed (ROACE) cumulative over the three years 2020-2022 (weight 25%); (iii) Renewable sources net consolidated installed capacity / Total net consolidated installed capacity (15%); (iv) CO₂ grams emissions per kWh equivalent produced by the Group in 2022 (weight 10%).

Notwithstanding the contribution to the corporate strategies ensured by the overall remuneration mechanisms, including the measures envisaged by the remuneration policy for 2021 (described in the first section of this document), it should be noted that the targets of the performance objectives of the Long-Term

Incentive Plan 2020 of managerial nature ⁽¹⁾, also in the light of the changes occurred in the scenario, are not fully aligned with those envisaged by the 2021-2023 Strategic Plan, which significantly innovated the Group's strategies. In particular, the 2021-2023 Strategic Plan is more challenging in terms of the volume of investments and decarbonization objectives than the similar Plans approved in previous years. On the other hand, the targets envisaged in the Long-Term Incentive Plan 2020 remain linked to those envisaged in the Strategic Plan existing at the time of their approval.

For further information on the Long-Term Incentive Plan 2020, please refer to the Information Document published on the Company's website (www.enel.com).

(1) Therefore, with specific regard to ROACE, the ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity, and CO₂ grams emissions per equivalent kWh produced by the Group.

3.5 Shareholdings held by members of the Board of Directors and of the Board of Statutory Auditors, the General Manager and Executives with strategic responsibilities

The following chart sets forth the shares in Enel and its subsidiaries held by the members of the Board of Directors and of the Board of Statutory Auditors, by the General Manager and by 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, based

on the communications received and on the information gathered from the persons involved.

The data related to the Executives with strategic responsibilities are provided on an aggregate basis, in compliance with Annex 3A, Table 7-ter, of CONSOB Issuers' Regulation.

The chart is filled out only with reference to the persons who held, during the 2020, 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 shares are held	Number of shares held at the end of 2019	Number of shares purchased in 2020	Number of shares sold in 2020	Number of shares held at the end of 2020	Title of possession
Members of the Board of Directors							
Starace Francesco	Chief Executive Officer/ General Manager	Enel S.p.A.	513,451 ⁽¹⁾	158,005	84,855	586,601 ⁽²⁾	Ownership
		Endesa S.A.	10	-	-	10	Ownership
Calari Cesare	Director	Enel S.p.A.	4,104	-	-	4,104	Ownership
Pellegrini Mirella	Director	Enel S.p.A.	-	153 ⁽³⁾	153 ⁽³⁾	0	Ownership
Directors who terminated their office during 2020							
Girdinio Paola	Director	Enel S.p.A.	784 ⁽⁴⁾	-	-	784 ⁽⁴⁾	Ownership
Pera Alberto	Director	Enel S.p.A.	-	5,000 ⁽⁵⁾	-	5,000 ⁽⁵⁾	Ownership
Taraborrelli Angelo	Director	Enel S.p.A.	-	25,000	-	25,000	Ownership
Members of the Board of Statutory Auditors							
-	-	-	-	-	-	-	-
Executives with strategic responsibilities							
No. 12 positions	Executives with strategic responsibilities	Enel S.p.A.	208,915 ⁽⁶⁾ (*)	14,069	19,290	203,694 ⁽⁷⁾	Ownership
		Endesa S.A.	4,884 ^(*)	6,000	-	10,884	Ownership

⁽¹⁾ Of which 293,831 personally and 219,620 by his spouse.

⁽²⁾ Of which 366,981 personally and 219,620 by his spouse.

⁽³⁾ Shareholding entirely held by her spouse.

⁽⁴⁾ Of which 392 personally and 392 by her spouse.

⁽⁵⁾ Of which 500 personally and 4,500 by his spouse.

⁽⁶⁾ Of which 201,583 personally and 7,332 by the spouse.

⁽⁷⁾ Of which 196,362 personally and 7,332 by the spouse.

(*) It should be noted that the number of shares is referred to the shareholdings held at the end of 2019 by those who during 2020 financial year, also for a fraction of the year, have been Executives with strategic responsibilities.