



**GUIDELINES OF THE ENEL GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT
SYSTEM**

**(approved by the Board of Directors of Enel S.p.A. on November 7, 2013
and subsequently updated on February 25, 2015 and February 9, 2016)**

TABLE OF CONTENTS

1. GENERAL PRINCIPLES	3
2. ROLES, RESPONSIBILITIES, AND PROCEDURES OF COORDINATION OF THE PERSONS INVOLVED IN THE SCIGR.....	4
2.1 The Board of Directors.....	4
2.2 The Control and Risk Committee	5
2.3 The Chairman of the Board of Directors.....	7
2.4 The Director in Charge of the SCIGR.....	7
2.5 The Board of Statutory Auditors.....	8
2.6 The Head of the Audit Function	9
2.7 The second-level control system.....	10
2.8 The Executive in Charge.....	11
2.9 The Supervisory Body.....	11
2.10 The Employees of the Enel Group	11
3. IMPLEMENTATION OF THE SCIGR.....	12
3.1 Information Flows	12
3.2 Implementation procedures in the subsidiaries	12

1. GENERAL PRINCIPLES

The internal control and risk management system (“**SCIGR**”) of Enel S.p.A. (“**Enel**” or the “**Company**”) and the group it controls (the “**Enel Group**” or the “**Group**”) consists of the set of rules, procedures, and organizational entities aimed at allowing the main corporate risks within the Group to be identified, measured, managed, and monitored.

The SCIGR is an integral part of the more general organizational and corporate-governance structures adopted by the Company and the Group and is based on domestic and international best practices. In particular, the system takes into account the recommendations of the Corporate Governance Code and is consistent with the “Internal Controls – Integrated Framework” model issued by the Committee of Sponsoring Organizations of the Treadway Commission (the so-called COSO Report), which constitutes the internationally recognized benchmark for the integrated analysis and assessment of the effectiveness of the SCIGR.

An effective SCIGR contributes to corporate management consistent with the objectives determined by the Board of Directors, because it allows the major risks to be identified, assessed, managed, and monitored with regard to their ability to influence the achievement of the aforesaid objectives. In particular, the SCIGR contributes to ensuring the safeguard of corporate assets, the efficiency and effectiveness of corporate processes, the reliability of information provided to the corporate bodies and to the market, and compliance with laws and regulations, as well as with the corporate bylaws and internal procedures.

Therefore, the SCIGR plays a major role in the corporate organization, contributing to decision making that is well informed and consistent with the propensity for risk, as well as to the dissemination of appropriate information regarding risks, the law, and corporate values. In effect, the culture of control occupies a significant position on the Group’s scale of values, involving the entire corporate organization in the development and application of methods for identifying, measuring, managing, and monitoring risks.

More specifically, the SCIGR:

- provides for control actions at every operating level and clearly identifies duties and responsibilities, so as to avoid duplications of tasks and ensure coordination among the persons involved in the SCIGR itself;
- provides for the separation of duties and responsibilities among distinct organizational units or within the same, in order to prevent incompatible tasks being concentrated under common responsibilities. In particular, it ensures the necessary separation of operating and control activities, so as to prevent or – if that is not possible – attenuate conflicts of interest;
- is integrated, providing for the dissemination of a common language, the adoption of methods and instruments for measuring and assessing complementary risks, as well as information flows among the different functions with regard to the results of the tasks respectively entrusted to them;
- aims to ensure information systems that are reliable and appropriate for the reporting processes at the different levels to which control functions are entrusted;
- guarantees the traceability of the tasks of identifying, assessing, managing, and monitoring risks, ensuring over time the reconstruction of the sources and elements of information that support such tasks;
- is provided with procedures (so called “whistleblowing”), in accordance with the domestic and international best practices, allowing the company employees (as well as any third party in general) to report any irregularity or breach of the applicable laws and/or internal procedures. Such “whistleblowing” procedures are characterized by specific communication channels granting the anonymity of the reporting person;
- reveals abnormal situations that may constitute indicators of inefficiency in the systems for measuring and controlling risks;

Enel – Guidelines of internal control and risk management system

- ensures that the anomalies observed are promptly brought to the attention of appropriate levels of corporate responsibility, which are able to effectively implement suitable corrective measures.

The SCIGR consists of three distinct kinds of activities:

- “line” or “first-level” control, consisting in all the control tasks that the individual operating units or companies of the Group perform on their processes in order to ensure that operations are carried out properly. Such control tasks are entrusted to the primary responsibility of operating management and are considered an integral part of every corporate process. Thus the operating units have first-level responsibility for the process of internal control and risk management. During every day operating activity such units are entrusted with identifying, measuring, assessing, managing, and monitoring the risks deriving from ordinary corporate operations in accordance with the applicable internal procedures;
- “second-level” controls, which are entrusted to specific corporate functions and aimed at managing and monitoring typical categories of risk, including – by way merely of example – operating risks, market risks (such as commodity risk and financial risks), credit risks, strategic risks, legal risks and the risk of noncompliance;
- internal audit (“third-level” controls), aimed at checking the structure and overall functionality of the SCIGR, including by monitoring the line controls, as well as the second-level ones.

The SCIGR is subject to periodical tests and checks, taking into account the evolution of corporate operations and the situation in question, as well as both domestic and international best practices.

2. ROLES, RESPONSIBILITIES, AND PROCEDURES OF COORDINATION OF THE PERSONS INVOLVED IN THE SCIGR

The following is a list of the persons who, in their different capacities, are involved in the SCIGR, as well as the role and responsibilities entrusted to them and the coordination procedures provided for in the performance of their respective duties.

2.1 *The Board of Directors*

The role of Enel’s Board of Directors is to provide guidelines for the SCIGR and to assess its performance. More specifically, it is the duty of the Board of Directors, after consulting the Control and Risk Committee, to:

- establish the guidelines of the SCIGR, so that the main risks regarding the Company and its subsidiaries – including any risk that may affect the sustainability in a medium-long term perspective – are properly identified, as well as appropriately measured, managed and monitored, determining in addition the extent to which such risks are compatible with corporate management consistent with the established strategic objectives;
- assess – at least annually, unless unforeseen events occur that could require special investigation aimed at checking the effectiveness of controls with regard to particular situations – the adequacy of the SCIGR with respect to the characteristics of the Company and the Group and the risk profile assumed, as well as its effectiveness;
- approve – at least annually, after consulting the Board of Statutory Auditors and the Director in Charge of the SCIGR (as defined hereinafter) – the work plan prepared by the Head of the Audit Function;
- describe – in its corporate-governance report – the main features of the SCIGR and how the different subjects involved therein are coordinated, as well as to express its assessment on the adequacy of the same;
- assess – after consulting the Board of Statutory Auditors – the results set forth by the auditing firm in its management letter, if it prepares one, and in its report on the most significant questions that arose during the external audit;

Enel – Guidelines of internal control and risk management system

- approve the Compliance Program pursuant to Legislative Decree n. 231 of June 8, 2001 (“**Compliance Program**”) and the related amendments, as well as to appoint and remove the members of the Supervisory Body provided for by the aforesaid Compliance Program.

In order to ensure the proper performance of the tasks entrusted to its responsibility, the Board of Directors also:

- selects among its members:
 - one or more Directors with the task of setting up and maintaining an effective SCIGR (the “**Director in Charge of the SCIGR**”);
 - a control and risk committee with the task of assisting, after an appropriate preliminary investigation, the assessments and decisions of the Board of Directors regarding the SCIGR, as well as those regarding the approval of the periodical financial reports (the “**Control and Risk Committee**”);
- appoints and removes the Head of the Company’s Audit Function, ensures that the same is provided with the resources necessary to perform his or her duties, and determines the related compensation in accordance with corporate policies. The related resolutions are adopted by the Board of Directors on the basis of the proposals made by the Director in Charge of the SCIGR, in agreement with the Chairman of the Board of Directors (in accordance with the powers assigned to the latter), after the Control and Risk Committee has expressed a favorable opinion and after the Board of Statutory Auditors has been consulted;
- after consulting the Board of Statutory Auditors, appoints and removes the Executive in Charge of preparing Enel’s corporate accounting documents (the “**Executive in Charge**”), seeing that the latter has adequate powers and resources to perform the duties entrusted to him or her, as well as ensuring actual compliance with the administrative and accounting procedures for preparing both the stand-alone and consolidated financial statements, as well as all other financial communications prepared by the aforesaid Executive in Charge;
- examines the annual report prepared by the Supervisory Body for the implementation of the Compliance Program throughout the Group, which it receives from the Control and Risk Committee.

2.2 The Control and Risk Committee

Enel’s Control and Risk Committee has the task of assisting, with appropriate preparatory work, the assessments and decisions of the Board of Directors regarding the SCIGR, as well as those regarding the approval of the periodical financial reports.

More specifically, the Control and Risk Committee is entrusted with the following duties, which are both proposing and consultative:

- to express its opinion in the cases indicated in the paragraph 2.1. above and to carry out any additional tasks assigned it by the Board of Directors, supporting the latter in performing the activities regarding the SCIGR entrusted to the Board by the Corporate Governance Code;
- to assess – together with the Executive in Charge and after consulting the auditing firm and the Board of Statutory Auditors – whether the accounting principles are properly used and are uniform in the preparation of the periodical financial reports;
- to express opinions on specific aspects regarding the identification of the main corporate risks;
- to examine the periodical reports regarding the assessment of the SCIGR, as well as the particularly important ones prepared by the Audit Function;
- to monitor the autonomy, adequacy, effectiveness, and efficiency of the Audit Function;
- to perform the following tasks assigned to it by the Board of Directors:

Enel – Guidelines of internal control and risk management system

- to examine the aspects of the sustainability report that are significant for the purposes of the SCIGR, expressing in this regard an opinion to the Board of Directors before it approves the aforesaid report;
- to examine, together with the Corporate Governance and Sustainability Committee, the main corporate rules and procedures connected with the SCIGR that are significant for stakeholders, with particular regard to the Compliance Program the Code of Ethics, the “Zero Tolerance of Corruption” Plan, and the Human Rights Policy, submitting these documents for the approval of the Board of Directors and assessing any subsequent changes or additions;
- to report on its actions to the Board of Directors at least every six months, as well as on the adequacy of the SCIGR;
- to support, with adequate preliminary activities, the Board of Directors assessments and resolutions on the management of risks arising from detrimental facts which the Board may have become aware of;
- to submit to the Board of Directors proposals regarding changes in the Compliance Program and in the composition of the Supervisory Body of the same.

In addition, the Control and Risk Committee:

- may ask the Audit Function to perform checks on specific operating areas, informing at the same time the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors, and the Director in Charge of the SCIGR of such request, except in cases in which the request for a check regards specifically the actions of such persons;
- exchanges with the Board of Statutory Auditors information that is significant for performing its own duties;
- receives annually from the Supervisory Body specified in the Compliance Program a report on the implementation of the same within the Group, which it sends to the Board of Directors, together with any evaluations it may make.

On the other hand – like the Chairman of the Board of Directors, the Director in Charge of the SCIGR, and the Chairman of the Board of Statutory Auditors – the Chairman of the Control and Risk Committee receives:

- the periodical reports prepared by the Head of the Audit Function containing appropriate information on the tasks carried out by the latter and on the procedures with which the management of risks is conducted, as well as on compliance with the plans established to contain the same;
- the reports on particularly significant events prepared by the Head of the Audit Function; which he shares in the meetings of the Control and Risk Committee, in the presence of the Head of the Audit Function.

The Chairman of the Control and Risk Committee is also informed – at the same time as the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors – about the checks on specific operating areas and on compliance with the internal rules and procedures in carrying out corporate operations requested from the Audit Function by the Director in Charge of the SCIGR.

In order to ensure appropriate coordination among the different bodies and functions involved in the SCIGR, the Chairman of the Board of Statutory Auditors or another regular Statutory Auditor designated by him participates in the meetings of the Control and Risk Committee. However, the other regular Statutory Auditors may also participate. As a rule, moreover, the Head of the Audit Function also participates in the aforesaid meetings. The Control and Risk Committee and the Board of Statutory Auditors meet jointly whenever they consider it necessary to discuss questions of common interest, and in particular when they have to examine – in accordance with their

Enel – Guidelines of internal control and risk management system

respective duties – the procedures for the preparation and the content of the periodical financial reports.

Finally, the Chairman of the Control and Risk Committee shall report to the Board of Directors during its first available meeting on the Committee's meetings.

2.3 The Chairman of the Board of Directors

The additional functions provided for by the law, the corporate bylaws, and the Company's power structure being understood, the Chairman of the Board of Directors:

- contributes, in agreement with the Director in Charge of the SCIGR, to the submission of the proposals to the Board of Directors regarding the appointment, removal, and compensation of the Head of the Audit Function and exercises vis-à-vis the latter a supervisory role;
- is informed, at the same time as the Chairman of the Board of Statutory Auditors and the Director in Charge of the SCIGR, about the checks on specific operating areas requested from the Audit Function by the Control and Risk Committee, except in cases in which the request for a check regards specifically his own actions;
- is informed, at the same time as the Chairman of the Board of Statutory Auditors, about the checks on specific operating areas and compliance with the internal rules and procedures in carrying out corporate operations requested from the Audit Function by the Director in Charge of the SCIGR;
- receives, as do the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee, and the Director in Charge of the SCIGR:
 - the periodical reports prepared by the Head of the Audit Function containing appropriate information on the tasks performed by the latter and the procedures for conducting the management of risks, as well as on compliance with the plans established to contain the same;
 - the reports on particularly significant events prepared by the Head of the Audit Function;
- ensures that Directors and Statutory Auditors can participate, after the appointment and during the office, in the most appropriate forms, to inductions concerning, among others, the principles of correct management of risks.

2.4 The Director in Charge of the SCIGR

The Enel Director in Charge of the SCIGR is responsible for:

- ensuring that the main corporate risks are identified, taking into account the characteristics of the business carried out by the Company and its subsidiaries, and that they are periodically submitted for examination by the Board of Directors;
- implementing the guidelines established by the Board of Directors by seeing to the planning, implementation, and management of the SCIGR, the adequacy and effectiveness of which he constantly checks;
- adapting the SCIGR to the changes in operating conditions and in the legislative and regulatory situation;
- presenting, in agreement with the Chairman, proposals to the Board of Directors regarding the appointment, removal, and compensation of the Head of the Audit Function, ensuring that the latter is provided with adequate resources for the performance of his responsibilities;
- managing, by virtue of the powers granted him by the Board of Directors, the functional relationship of the Head of the Audit Function, it being understood that the latter reports

Enel – Guidelines of internal control and risk management system

directly to the Board of Directors and that the Chairman of the Board of Directors exercises a supervisory role on the same;

- examining the work plan prepared by the Head of the Audit Function and transmitting his related evaluations to the Board of Directors before they approve the aforesaid plan;
- requesting, whenever appropriate, the Audit Function to perform checks on specific operating areas and on compliance with the internal rules and procedures in carrying out corporate operations, at the same time informing the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee, and the Chairman of the Board of Statutory Auditors;
- reporting promptly to the Board of Directors with regard to problems and critical situations observed while performing his duties or that in any case have come to his attention, so that the Board can take the appropriate measures.

In addition, the Director in Charge of the SCIGR:

- is informed, at the same time as the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors, about the checks on specific operating areas requested from the Audit Function by the Control and Risk Committee, except in cases where the request for a check specifically regards his own actions;
- receives, as do the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee, and the Chairman of the Board of Statutory Auditors:
 - the periodical reports prepared by the Head of the Audit Function containing appropriate information on the tasks performed by the latter and the procedures for conducting the management of risks, as well as on compliance with the plans established to contain the same;
 - the reports on particularly significant events prepared by the Head of the Audit Function.

2.5 The Board of Statutory Auditors

As part of the duties assigned to it by the law, including its capacity as the Committee for Internal Control and Auditing pursuant to Legislative Decree n. 39 of January 27, 2010, and in accordance with the recommendations of the Corporate Governance Code with regard to checking the effectiveness of the SCIGR, the Board of Statutory Auditors oversees:

- the observance of the law and the corporate bylaws;
- the observance of the principles of correct administration;
- the effectiveness of the SCIGR;
- the process of financial reporting;
- the appropriateness of the Company's organizational structure with regard to the aspects of authority, the internal control system, and the administrative-accounting system, as well as the latter's reliability in correctly representing operating facts;
- the external audit of the annual and consolidated accounts, as well as the independence of the auditing firm;
- the procedures for concretely implementing the corporate governance rules provided for by the Corporate Governance Code, which Enel states it observes;
- the appropriateness of the instructions issued by Enel to its subsidiaries for the latter to furnish the information necessary to ensure that the Company correctly fulfills the reporting obligations provided for by the law.

In performing the aforesaid duties, the Board of Statutory Auditors:

- is consulted by the Board of Directors when the latter:

Enel – Guidelines of internal control and risk management system

- approves the work plan prepared by the Head of the Audit Function;
- evaluates the results stated by the auditing firm in its management letter, if it prepares one, and in its report on the most significant questions that arose during the external audit;
- appoints, removes, and determines the compensation of the Head of the Audit Function, as well as when it ascertains whether the latter has the appropriate resources for the performance of his responsibilities;
- may ask the Audit Function to perform checks on specific operating areas or corporate transactions;
- exchanges with the Control and Risk Committee information that is significant for the performance of its own duties.

In addition, the Chairman of the Board of Statutory Auditors:

- is informed, at the same time as the Chairman of the Board of Directors, about the checks on specific operating areas and compliance with the internal rules and procedures in carrying out corporate transactions requested from the Audit Function by the Director in Charge of the SCIGR;
- is informed, at the same time as the Chairman of the Board of Directors and the Director in Charge of the SCIGR, about the checks on specific operating areas requested from the Audit Function by the Control and Risk Committee;
- receives, as do the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee, and the Director in Charge of the SCIGR:
 - the periodical reports prepared by the Head of the Audit Function containing appropriate information on the actions carried out by the latter and the procedures with which the management of risks is conducted, as well as on compliance with the plans established to contain the same;
 - the reports on particularly significant events prepared by the Head of the Audit Function;

which he shares in the meetings of the Board of Statutory Auditors, in the presence of the Head of the Audit Function.

Finally, in order to ensure appropriate coordination among the different bodies and functions involved in the SCIGR, it is also prescribed that:

- it being understood that the Board of Statutory Auditors participates in the meetings of the Board of Directors, the Chairman of the Board of Statutory Auditors (or another regular Statutory Auditor designated by him) participate in the meetings of the Control and Risk Committee; however, the other regular Statutory Auditors may also participate;
- as a rule, the Head of the Audit Function participates in the meetings of the Board of Statutory Auditors;
- the Board of Statutory Auditors and the Control and Risk Committee meet jointly whenever they consider it necessary to discuss questions of common interest, and in particular when they have to examine – in accordance with their respective duties – the preparation procedures and the content of the periodical financial reports.

2.6 The Head of the Audit Function

The Audit Function is entrusted with the general oversight of the structure and functionality of the SCIGR.

Specifically, the Head of the Audit Function:

Enel – Guidelines of internal control and risk management system

- prepares at least annually the audit plan – based on a structured process of analysis and identification of the priorities of the main risks – to submit for examination by the Director in Charge of the SCIGR and the Board of Statutory Auditors and subsequently for approval by the Board of Directors;
- monitors – both continually and with regard to specific necessities, and in accordance with the international standards – the functioning and effectiveness of the SCIGR through the audit plan and the performance of specific, unplanned checks;
- performs specific checks, whenever he considers it appropriate or at the request of the Board of Directors, the Control and Risk Committee, the Director in Charge of the SCIGR, or the Board of Statutory Auditors;
- reports directly to the Board of Directors and is not responsible for any operating area. His position in the power structure being understood, the Board of Directors has entrusted the Director in Charge of the SCIGR with the task of managing the functional relationship of the Head of the Audit Function;
- has direct access to all the information useful for performing his duties;
- prepares periodical reports containing appropriate information on his actions and the procedures for the management of risks, as well as on compliance with the plans established for containing the same. The periodical reports contain an assessment of the adequacy of the SCIGR;
- promptly prepares reports on particularly significant events;
- transmits his periodical reports and those on particularly significant events to the Chairmen of the Board of Statutory Auditors, the Control and Risk Committee, and the Board of Directors, as well as to the Director in Charge of the SCIGR;
- checks, as part of the audit plan, the reliability of the information systems, including the accounting systems.

2.7 The second-level control system

In accordance with the provisions of the law and following the domestic and international best practices, the Enel Director in Charge of the SCIGR identifies the corporate functions to which the second-level controls are entrusted and of which he avails himself to identify, measure, manage, and monitor the main risks connected with the Group's operations.

The Company's authority to adapt the control structure to operating necessities, as well as to align it with the pro-tempore regulatory requirements in force being understood, the main corporate entities currently assigned by the Director in Charge of the SCIGR to the second-level controls are:

- the Planning and Management Control Unit, tasked with monitoring the Company's and the Group's operating and economic-financial performance, as well as with the control and management of the process of authorization of expenses regarding the investments proposed by the different business units and with checking the progress of the same; such Unit also ensures the process of identifying, quantifying, analyzing, prioritizing, reporting, and monitoring of the strategic and business risks;
- the Risk Control Unit, which ensures the effective implementation at the Group level of the process of identifying, quantifying, analyzing, prioritizing, reporting, and controlling the financial, commodity and credit risks, as well as the coherence and the homogeneity at the Group level in the implementation of policies and procedures aimed at ensuring the compliance with the financial regulation (concerning the trading of financial instruments or aimed at guaranteeing the transparency and integrity of the markets), also through the coordination with the specific Group's committee (the so-called "Financial Regulation Committee");

Enel – Guidelines of internal control and risk management system

- the Group Risk Committee, chaired by the Chief Executive Officer of the Company, who is in charge of the approval of the policies and the limits of the Group and of each Region/Country/Business Line for the financial, commodity and credit risks, as well as of the authorization of the possible exceeding of the abovementioned limits beyond certain established thresholds. Furthermore, such Committee also defines the guidelines for the management of the mentioned risks, identifying the appropriate actions following extraordinary or significant transactions, particularly complex or critical situations, or transactions in new markets, products, or instruments of risks mitigation. The Committee also carries out the analysis of the main aspects of the Group's overall exposure to financial, credit, or commodity risks, supervising the related management and control activities.

2.8 The Executive in Charge

The Executive in Charge, whose duties are performed as part of the second-level controls, is responsible by law for devising and implementing an appropriate internal control system regarding financial reporting at the Company and Group level and, to such end, establishes appropriate administrative and accounting procedures for the preparation of the stand-alone and consolidated financial statements, as well as all of Enel's other financial communications.

The Executive in Charge issues a declaration that accompanies the corporate documents and communications released to the market regarding financial information, including interim information, and certifies that it corresponds to what is recorded in the Company's documents and account books. Together with the Chief Executive Officer, the Executive in Charge also issues a declaration with regard to the stand-alone financial statements, the consolidated financial statements, and Enel's half-year financial report concerning the appropriateness and actual application of the aforesaid administrative and accounting procedures during the period to which such accounting documents refer, as well as the reliability of the data contained therein and their accordance with the accounting principles concerned.

After consulting the Board of Statutory Auditors, Enel's Board of Directors appoints and removes the Executive in Charge and ensures that the latter has at his disposal adequate powers and resources to perform the duties assigned him by law, as well as that the aforesaid administrative and accounting procedures are actually observed.

2.9 The Supervisory Body

The Company's Board of Directors has adopted a Compliance Program pursuant to Legislative Decree n. 231 of June 8, 2001, which introduced into the Italian legal system a regime of administrative (but in fact legal) liability with respect to companies for several kinds of crimes committed by their directors, executives, or employees in the interest or to the benefit of the companies themselves. The Supervisory Body is the entity entrusted with overseeing the functioning and observance of the Compliance Program and seeing to its updating. The roles and duties of the Supervisory Body, as well as the information flows that concern it, are specified in the Compliance Program, to which the reader is referred.

2.10 The Employees of the Enel Group

All the employees of the Enel Group, each in his or her own capacity, must contribute to ensuring that the SCIGR performs effectively, informing the person to whom they report of any significantly problematic situation they notice, so that the same is reported to the Audit Function, even availing themselves of specially dedicated channels.

3. IMPLEMENTATION OF THE SCIGR

3.1 Information Flows

In order to enable the different persons involved in the SCIGR to perform appropriately the role entrusted to them within this system, special information flows – suitably coordinated in terms of their content and timing – have been established among the different control levels and the relevant management and control bodies.

In addition to the coordination procedures mentioned in section 2 above, special information flows are established between the corporate functions assigned to the second- and third-level controls. Specifically, the heads of the second-level control functions inform the Head of the Audit Function of the critical issues discovered in performing their duties that could be of interest for the checks entrusted to the Audit Function. On the other hand, the Head of the Audit Function informs the heads of the other control functions of any inefficiencies, weak points, or irregularities discovered during the checks performed regarding specific areas or matters entrusted to such functions.

3.2 Implementation procedures in the subsidiaries

As part of its activity of management and coordination, Enel adopts a unified system of internal control and risk management within the Group, which makes possible the actual control of both the strategic choices of the Group as a whole and the managerial balance of its individual components. In order to ensure the appropriate functioning of the SCIGR, the subsidiaries must therefore adhere to the present guidelines in establishing and maintaining their own systems of internal control and risk management.

In accordance with the autonomy and independence that characterizes their actions, the board of directors or the equivalent body of each subsidiary thus adopts the most appropriate procedures for implementing the present guidelines, taking into account the size, the complexity of the business, and the specific risk profile of the company concerned, as well as of the related regulatory context.