



**ENEL GROUP**  
**CORPORATE GOVERNANCE GUIDELINES**

**Document approved by the Board of Directors of Enel S.p.A. at its meeting  
on December 14, 2017 and subsequently revised at its meeting on  
October 13, 2022**

**PART I**  
**GENERAL GOVERNANCE PRINCIPLES AS PILLARS**  
**OF ENEL GROUP'S STRATEGY**

\* \* \*

SECTION I – SCOPE AND IMPLEMENTATION

Article 1 – Scope and applicable regime

1.1 These Governance Guidelines set down some of the principles upon which Enel Group's corporate governance is founded and the implementation guidelines thereof, with a view to achieving its uniform application across Enel Group companies.

1.2 These Governance Guidelines while recognizing the benefits of Enel's coordination of Enel Group's strategies and plans, ensure due respect for the legal independence of Enel Subsidiaries. They do so within a framework aimed at adequately protecting the Corporate Interest of each single Subsidiary and the rights of its Stakeholders. All the above with particular regard to Conflict of Interests and Related Party Transactions.

1.3 These Governance Guidelines shall apply to Enel, all Enel Listed Subsidiaries as well as other Enel Subsidiaries with a significant presence of minority shareholders, subject to the implementation measures provided for in Article 2. In any case, the provisions of the present Part I and of Section I of Part II are applicable to all Enel Subsidiaries.

1.4 Capital letters used in these Governance Guidelines refer to the definitions included in Annexes 1 and 2, which form an integral part thereof.

## Article 2 – Implementation

2.1 Once approved by Enel's board of directors, these Governance Guidelines shall enter into force and apply to each Enel Subsidiary concerned as from the time they have been adopted by the competent governing body and shall remain in force until they are expressly repealed.

2.2 Likewise, any amendment to these Governance Guidelines, once approved by Enel's board of directors, shall enter into force and apply to each Enel Subsidiary concerned as from the time it has been adopted by the respective competent governing body.

## SECTION II – GENERAL GOVERNANCE PRINCIPLES OF THE ENEL GROUP

### Article 3 – General Principles

3.1 These Governance Guidelines are based on the following general principles:

- (1) Enel Group companies recognize the benefits of the coordination of their management at Group level based on the Group's strategies and plans as approved by the competent corporate bodies, while at the same time ensuring an appropriate protection of the Corporate Interest of each Subsidiary, the fair treatment of Enel Group companies' public and private Stakeholders and an equitable sharing between Enel Group companies of the benefits and costs arising from belonging to the Enel Group;
- (2) Enel and its Subsidiaries undertake to properly identify, prevent and solve conflicts of interests among Enel Group companies and among Enel Group companies and their respective Directors, managers, officers, and other related individuals and entities;

- (3) Enel Subsidiaries recognize Enel's role in properly coordinating Enel Group's strategies and plans, subject to Enel's regard for the independent decision-making processes of Enel Subsidiaries;
- (4) Enel Group companies undertake to arrange an Information Flows system that is adequate for the purposes of planning, oversight, risk management, consolidation of financial statements, and any other appropriate coordination activities of Enel Group's business;
- (5) Enel Group companies undertake to design adequate mechanisms to enable their governing bodies to supervise and manage their critical risks and, in particular, those arising from potential Conflicts of Interests, so that such risks can be properly identified, measured and mitigated. Specifically, the creation of "risk maps" shall be encouraged, together with the establishment of a compliance system in line with corporate governance best practices and international codes of ethics;
- (6) Enel Group companies undertake to promote transparency and awareness in implementing the general principles above.

3.2 In coordinating Enel Group's strategies and plans, Enel shall take all possible measures in order that value-generating activities and the synergies arising from the belonging to Enel Group are allocated among the Enel Group companies concerned, wherever discretion in doing so is involved, in a fair and equitable manner.

## SECTION III– INFORMATION FLOWS

### Article 4 – Information Flows

4.1 Enel Group companies shall exchange all information that is instrumental to Enel’s coordination of the Enel Group’s strategies and plans and the communication of which is not contrary to Applicable Regulations.

4.2 Information Flows are always deemed to be instrumental to Enel’s coordination of the Enel Group’s strategies and plans in the following areas: (a) planning, coordination and monitoring of Enel Group’s activities; (b) audit and risk management of Enel Group’s activities; (c) consolidation of Enel Group’s financial statements; and (d) compliance.

## **PART II**

### **DUTY OF LOYALTY AND CONFLICT OF INTERESTS**

\* \* \*

#### SECTION I – GENERAL PRINCIPLES AND DUTY OF LOYALTY

### Article 5 – General principles

5.1 The provisions in this Part establish procedures and rules of conduct with a view to (i) ensuring utmost compliance with the duty of loyalty owed by Directors of Enel Group companies and (ii) preventing situations that might negatively affect the fulfilment of the same duty.

### Article 6 – Directors’ duty of loyalty

6.1 For the purposes of the provisions in this Section, the duty of loyalty of Directors means the duty to act in good faith in the pursuit of the Corporate Interest of the company they serve.

6.2 The duty of loyalty of Directors includes, among others, and in addition to what is specifically provided for Conflict of Interests, the prohibition for each Director to:

a) make use of corporate assets or confidential corporate information to extract private benefits for himself or herself or for third parties;

b) use the corporate name, or his or her role as a Director, in order to unduly influence transactions so as to extract private benefits for himself or herself or for third parties;

c) take advantage of corporate opportunities to extract private benefits for himself or herself or for third parties;

d) derive any benefit or take any compensation from third parties, other than the company he or she serves or other companies belonging to the Enel Group, because of his or her role as a Director, except in case of common practices of courtesy; and

e) carry out activities, for his or her own account or on behalf of third parties, involving actual or potential competition with the company he or she serves. In this regard, activities carried out for other Enel Group companies are expressly excluded.

## SECTION II – REGULATION OF CONFLICT OF INTERESTS

### Article 7 – Definition of Conflict of Interests

7.1 As indicated in Annex 1, a Conflict of Interests arises where a Director has, for his or her own account or on behalf of third parties, an interest the pursuit of which might hinder the Corporate Interest of the company to which he or she owes a duty of loyalty.

7.2 The existence of a Conflict of Interests is to be assessed and ascertained taking the specific circumstances of each case into account.

## Article 8 – Special cases

8.1 A Conflict of Interests does not occur in any of the following circumstances:

a) when, considering its features, the relevant transaction is not actually capable of giving rise to a conflict between the Director's interest and the Corporate Interest of the Enel Group company he or she serves;

b) when the relevant transaction is an implementing measure of (i) strategic decisions already duly approved by the competent corporate body of the Enel Group company involved or (ii) a duly approved framework agreement, so long as in either case no discretion is involved.

8.2 Subject to Applicable Regulations, in cases other than those provided under paragraph 8.1 above, the procedure on Conflict of Interests under Article 10 below is not applicable where the Conflict arises with respect to a transaction that is jointly: (i) carried out in the ordinary course of business, (ii) concluded at standard terms, and (iii) for small amounts. In this case, the board resolution of the Enel Group company shall spell out the reasons why the transaction is in the Corporate Interest.

## Article 9 – Duty of disclosure of interests

9.1 Directors of Enel Group companies shall inform the relevant board of directors, through its chairperson, of any interest that they may have, for their own account or on behalf of third parties, in a specific transaction, specifying the nature, the terms, the origin and the extent of such interest.

9.2 The board of directors of the relevant Enel Group company, following the procedures provided for in Article 10, shall confirm whether a Conflict of Interests actually occurs.

9.3 The board of directors of Enel Group companies can activate the above mentioned procedures of its own initiative any time it is aware of any circumstances that so require.

Article 10 – Procedure to ascertain Conflict of Interests and conducts required in case of ascertained Conflict of Interests

10.1 Preliminary activities provided for under Article 9 are carried out by either (i) an advisory body composed of the heads of Administration, Finance and Control, Legal, and Audit Functions of the relevant Enel Group company or (ii) the competent committee provided for by Applicable Regulations, if any, and set up within the board of directors of the relevant Enel Group company.

10.2 Directors involved in the enquiries must provide any useful information and document requested by the advisory body or the board committee (if any) indicated in paragraph 10.1.

10.3 On the basis of the information received, the advisory body or the board committee (if any) indicated in paragraph 10.1 shall issue a report to the board of directors expressing their respective non-binding opinion on the actual existence of a Conflict of Interests.

10.4 The board of directors of the relevant Enel Group company, taking the report of the advisory body or of the board committee (if any) indicated in paragraph 10.1 into account, determines whether a Conflict of Interests actually occurs.



10.5 In the event that the board of directors of the relevant Enel Group company determines that a Conflict of Interests exists, the board itself shall resolve whether to carry out the transaction or not with the abstention of the interested Director, except in cases where Applicable Regulations require his or her participation to the board discussion and ballot.

10.6 In order to enhance the other Directors' understanding of the Conflict of Interests and the contents and implications of the transaction, the interested Director may submit to the board of directors his or her own evaluations on his or her interest in the transaction and on the Corporate Interest of the relevant Enel Group company.

### **PART III**

## **RELATED PARTY TRANSACTIONS**

\* \* \*

#### SECTION I – GENERAL PRINCIPLES ON RELATED PARTY TRANSACTIONS

##### Article 11 – Purpose of Part III of the Governance Guidelines

11.1 The present Part sets out the principles that Enel and its Listed Subsidiaries undertake to abide by in order to ensure the transparency and the substantial and procedural fairness of the RPT they enter into, whether directly or through subsidiaries.

11.2 Specifically, the present Part aims to ensure that:

- i. Enel and its Listed Subsidiaries fulfill transparency and fairness criteria when entering, whether directly or through their respective subsidiaries, into a RPT;
- ii. while complying with the provisions of the present Part, Enel and its Listed Subsidiaries at the same time abide by Applicable Regulations on RPTs;

- iii. a balance is pursued between the advantages for Enel Listed Subsidiaries stemming from their belonging to Enel Group and the protection of the various interests potentially affected by the RPT, especially, the Corporate Interest of those Subsidiaries and their minority shareholders.

#### Article 12 – Definition and scope of Related Party Transactions

12.1 A RPT shall be understood as any transfer of resources, services or obligations between Enel or its Listed Subsidiaries and a Related Party, regardless of whether for valuable consideration and of whether they enter into the transaction directly or through their respective subsidiaries.

RPTs are deemed also to include any decision on remuneration and economic benefits, in whatever form, for members of the management and control bodies and for other Executives with strategic responsibilities, unless an exemption applies in accordance with Article 14.1.

12.2 The definition of Related Party is included in Annex 2. Enel Listed Subsidiaries shall adapt this definition to their respective Applicable Regulations. The chief executive officers of Enel and its Listed Subsidiaries are empowered to update the definition of Related Party to preserve its consistency with the relevant Applicable Regulations; they shall inform their board of directors of any update at the first suitable meeting.

## SECTION II – PROCEDURES THAT GOVERN THE HANDLING OF RELATED PARTY TRANSACTIONS

### Article 13 – Procedures to approve Intragroup Transactions and Other Related Party Transactions

13.1 Both Intragroup Transactions and Other RPTs shall be approved by the board of directors of Enel and/or its Listed Subsidiaries involved, except for cases where Applicable Regulations entrust this task, taking also the size and the significance of the individual RPT into account, upon:

- the shareholders' meeting; or
- the chief executive officer; or
- the RPT Committee; or
- all or some Independent Directors.

When adopting a resolution upon a RPT, the competent body shall take the report released by the RPT Committee into account, if any such Committee exists according to Applicable Regulations. Unless otherwise provided for by Applicable Regulations, RPT Committee members with a Conflict of Interests, if any, in the RPT shall not take part in the preparation and approval of the report. The RPT Committee may avail itself of fairness opinions from one or more independent advisors of its own choice. The report shall contain the RPT Committee's reasoned opinion, at least, on the fairness and reasonableness of the terms of the transaction from the perspective of the Enel Group Listed company involved and of its shareholders other than those who are Related Parties in the transaction. The legal effects of such reasoned opinion, such as whether it is binding or not, and the report's disclosure regime, if any, are laid down by Applicable Regulations.

13.2 In order to avoid an excessive and unnecessary burden upon their respective board of directors (or upon the shareholders'

meeting, the RPT Committee, and the Independent Directors, as the case may be), Enel and/or its Listed Subsidiaries involved in RPTs shall avail themselves to the greatest possible extent of the exemptions indicated in Article 14, so long as they are consistent with Applicable Regulations.

In this context, Enel Listed Subsidiaries are especially encouraged to adopt framework resolutions pursuant to Article 14.1.

#### Article 14 – Exemptions

14.1 Subject to Applicable Regulations, Enel and/or its Listed Subsidiaries involved are exempt from the procedural requirements set out in article 13.1 in the case of:

- Small-amounts RPTs (i.e., transactions with a value lower than the thresholds identified by Applicable Regulations, if any);
- Transactions offered to all shareholders on the same terms, where equal treatment of all shareholders and protection of the Corporate Interest of Enel or its Listed Subsidiary involved is ensured;
- Transactions regarding the remuneration of Directors and other Executives with strategic responsibilities, to the extent that the remuneration is consistent with the remuneration policy (if any) approved by the competent body of Enel or its Listed Subsidiary involved and such a policy has been approved after involving a committee solely comprising non-executive Directors, the majority of whom are Independent Directors;
- Ordinary Transactions carried out at Market-equivalent or Standard Terms;
- RPTs entered into between Enel or one of its Listed Subsidiaries and their respective subsidiaries or associated



companies, provided that no other Related Party of Enel or its Listed Subsidiary involved has an interest in the subsidiary or associated company that acts as a counterparty;

- RPTs falling within framework resolutions adopted by the board of directors for one or more sets of homogeneous transactions to be carried out – by Enel or one of its Listed Subsidiaries and/or by their respective subsidiaries – with specified categories of Related Parties, provided that the framework resolutions are effective for a limited period of time, refer to sufficiently determined RPTs, and identify a maximum cumulative expected value for RPTs to be carried out during the reference period;
- RPTs to be carried out in case of urgency, subject to any further requirements according to Applicable Regulations.

14.2 Where Enel and/or its Listed Subsidiaries avail themselves of one or more of the exemptions mentioned above, their chief executive officer shall periodically report to the board of directors on the most significant RPTs carried out pursuant to paragraph 14.1. The board of directors shall assess whether the exemptions have been properly applied, entrusting in case this task to the RPT Committee (if any such Committee exists according to Applicable Regulations).

14.3 In case of Intragroup Transactions, the competent body of the Enel Listed Subsidiary involved shall assess whether any negative impact of the RPT upon the same Subsidiary's Corporate Interest is likely to be offset after giving due consideration to all of the transaction's effects and wider implications.

.....

## GENERAL DEFINITIONS

For the purposes of these Guidelines the following definitions apply:

**“Applicable Regulations”** means, in respect of Enel and each of Enel Subsidiaries, the general regulations – including laws, regulations, stock exchange listing rules and corporate governance recommendations – applicable to such entity.

**“Conflict of Interests”** means a situation where a Director has, for his or her own account or on behalf of third parties, an interest the pursuit of which might hinder the Corporate Interest of the company to which he or she owes a duty of loyalty.

**“Corporate Interest”** means the interest of a company as it emerges from the company’s business in the reference market and in the context of the group to which the company belongs, considering also the advantages deriving from the affiliation to such a group.

**“Director(s)”** means the member(s) of the board of directors or other equivalent body and those managers that have been granted the powers to manage the company in the absence of executive directors (e.g. the “general manager” or “*gerente generale*”).

**“Enel”** means Enel S.p.A., a company duly incorporated under Italian law and whose shares are listed in a regulated market. According to its bylaws, Enel provides its subsidiaries with strategic guidelines and coordination with regard to both their industrial organization and their business activities.

**“Enel Group”** means the group whose ultimate parent company is Enel. Enel Group is therefore made up by Enel and Enel Subsidiaries.

**“Enel Listed Subsidiaries”** means Enel Subsidiaries, wherever incorporated, whose shares are listed in a regulated market. When used in the singular, such definition refers to any of such companies.

**“Enel Subsidiaries”** means companies, wherever incorporated, directly or indirectly under the control of Enel. **“Control”** shall be deemed to exist, for each company, in accordance with the relevant definition in the Applicable Regulations. When used in the singular, such definition refers to any of such companies.

**“Governance Guidelines”** means the present Enel Group Corporate Governance Guidelines, whose aim is to achieve a uniform application of its provisions across Enel Group companies.

**“Independent Directors”** means non-executive directors of Enel Group companies who do not maintain, directly or indirectly or on behalf of third

parties, nor have recently maintained, any business relationships with the company they serve or with persons linked to it, of such a significance as to influence their autonomous judgment. To be considered as such, Independent Directors shall possess the relevant requisites under Applicable Regulations of the relevant jurisdiction involved.

**“Information Flows”** means the exchange of any kind of information between Enel and any Enel Subsidiary or between two or more Enel Subsidiaries, by any means or method.

**“Market-equivalent or Standard Terms”** means terms that are: a) usually applied to unrelated parties for transactions of the same nature and risk profile; or b) based on regulated tariffs or prices fixed by independent third parties; or c) applied to entities which Enel or Enel Listed Subsidiaries (or their respective subsidiaries) are otherwise legally bound to transact with at a fixed price.

**“Ordinary Transactions”** means Related Party Transactions entered into by Enel or an Enel Listed Subsidiary and/or by any of their respective subsidiaries either (a) in the ordinary course of business or (b) of a financial nature, so long as the financing needs are related to the ordinary course of business;

**“Related Party Transaction”** or **“RPT”** means Related Party Transaction(s) as defined in Part III of the Governance Guidelines. For the purpose of the provision in Part III, they are divided into:

- **“Intragroup Transactions”**, meaning RPTs between different companies of the Enel Group (i.e., between Enel and any Enel Subsidiary or between two or more Enel Subsidiaries);
- **“Other RPTs”**, meaning RPTs carried out between Enel and/or an Enel Subsidiary, on the one hand, and a related party that is neither Enel nor an Enel Subsidiary, on the other.

**“RPT Committee”** means any committee, solely comprised of Independent Directors, or, as an alternative and so long as this is consistent with the Applicable Regulations, by non-executive directors, the majority of whom are Independent Directors, in charge of expressing written reasoned opinions on RPTs.

**“Stakeholders”** means minority shareholders and other individuals or entities that are affected by the business activities of an Enel Subsidiary and/or by the context in which the latter operates.

**DEFINITION OF RELATED PARTY**

**“Related Party”**, according to IAS 24, is a person or entity that is related to the entity that is preparing its financial statements (the latter being defined hereinafter as the “reporting entity”). In particular:

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - i) has control or joint control of the reporting entity;
  - ii) has significant influence over the reporting entity; or
  - iii) is an Executive with strategic responsibilities of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - iii) both entities are joint ventures of the same third party;
  - iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
  - vi) the entity is controlled or jointly controlled by a person identified under letter (a);
  - vii) a person identified under letter (a) i) has significant influence over the entity or is an Executive with strategic responsibilities of the entity (or of a parent of the entity);
  - viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the above definition of “Related Party”, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

For Enel Listed Subsidiaries the above definition of “Related Party” – as well as the ancillary definitions indicated below – are adapted in accordance with the Applicable Regulations of their respective jurisdictions.

For the purpose of the above definition of “Related Party”, the following definitions further apply:

- **“Control”**, according to IFRS 10, is achieved when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is defined as the current ability of the investor to direct the relevant



activities of the investee based on existing substantive rights. The existence of control does not depend solely on ownership of a majority investment, but it rather arises from substantive rights that each investor holds over the investee.

Judgment is therefore required in assessing whether specific situations determine substantive rights that give the investor the power to direct the relevant activities of the investee in order to affect its returns.

For the purpose of assessing control, investor analyzes all facts and circumstances including any agreements with other investors, rights arising from other contractual arrangements and potential voting rights (*call options, warrants, put options granted to non-controlling shareholders, etc.*). These other facts and circumstances could be especially significant in such assessment when the investor holds less than a majority of voting rights, or similar rights, in the investee.

- A “subsidiary” is an entity controlled by another entity.
- “Joint control”, according to IFRS 11, is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of all the parties that share control.  
In order to determine the existence of the joint control, judgment is required in assessing rights and obligations arising from the arrangement. For this purpose, the investor considers the structure and legal form of the arrangement, the terms agreed by the parties and, when relevant, other facts and circumstances.
- A “joint venture” is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement.
- “Significant influence”, according to IAS 28, is the power to participate in the financial and operating policy decisions of the investee without having control or joint control of those policies.  
If a person or entity owns, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting rights of the investee, it is presumed to have significant influence, unless it can be clearly demonstrated otherwise.  
Conversely, if the person or entity owns, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting rights of the investee, it is presumed not to have significant influence, unless such influence can be clearly demonstrated. The presence of a person or entity in possession of substantial or majority ownership does not necessarily preclude another person or entity from having significant influence. In order to determine the existence of significant influence, judgment is required and all facts and circumstances shall be considered.  
Significant influence can usually be inferred if one or more of the following circumstances occur:
  - (a) representation on the board of directors or equivalent governing body of the investee;
  - (b) participation in policy-making processes, including participation in decisions about dividends or other corporate distributions;

- (c) material transactions between the investor and the investee;
  - (d) interchange of managerial personnel;
  - (e) provision of essential technical information.
- An “associate” is an entity in which an investor exercises significant influence but not control or joint control.
  - “Executives with strategic responsibilities”, according to IAS 24, are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.
  - “Close members of the family of a person”, according to IAS 24, are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. They include:
    - (a) that person’s children and spouse or domestic partner;
    - (b) children of that person’s spouse or domestic partner;
    - (c) dependants of that person or that person’s spouse or domestic partner.

Principles of interpretation of the above definitions  
concerning Related Parties

According to IAS 24, in considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

In jurisdictions where Regulation (EC) No. 1606/2002 is applicable, the definitions provided for in the present Annex are interpreted by reference to the set of International Accounting Standards adopted in compliance with the procedure laid down in Article 6 thereof.