



**PROCEDURE FOR**  
**TRANSACTIONS WITH RELATED PARTIES**  
**IN FORCE UNTIL JUNE 30<sup>TH</sup>, 2021**

**(PURSUANT TO ARTICLE 2391-BIS OF THE ITALIAN CIVIL CODE AND CONSOB  
REGULATION ADOPTED WITH RESOLUTION No. 17221/2010, AS  
SUBSEQUENTLY AMENDED AND INTEGRATED)**

**Document approved by the Board of Directors of Enel S.p.A. at its meeting on November 9, 2010 (following the opinion issued by the Committee of Independent Directors at its meeting on November 2, 2010) and subsequently revised at its meeting on June 16, 2011 (following the opinion issued by the Related Parties Committee at its meeting on June 7, 2011) and at its meeting on December 18, 2012 (upon proposal of the Related Parties Committee at its meeting on September 27, 2012) and at its meeting on January 23, 2014 (upon proposal of the Related Parties Committee at its meeting on December 19, 2013)**

## ARTICLE 1

### *Scope of application*

- 1.1. The present Procedure (as defined herein), adopted pursuant to Article 2391-*bis* of the Italian Civil Code and the Related Parties Regulation (as defined herein), establishes the rules that shall govern the approval and execution by Enel S.p.A., directly or through subsidiaries, of transactions with related parties, in order to ensure the transparency and both the substantial and procedural correctness of such transactions.

## ARTICLE 2

### *Definitions*

- 2.1 For the purposes of this Procedure:
- a) **“Advisory Board”**: means the committee composed of the heads of Enel’s Audit, Administration, Finance and Control, and Legal and Corporate Affairs Departments in charge of solving the cases provided under Articles 3.2 and 13.3, subsection c) of the present Procedure;
  - b) **“Independent Directors”**: means those Enel’s Directors deemed independent by the Company pursuant to the Self-regulation Code;
  - c) **“Unrelated Directors”**: means those Enel’s Directors other than the counterparty of a specific Transaction and its Related Parties;
  - d) **“Self-regulation Code”**: means the Self-regulation Code for listed companies, approved in March 2006 by the Committee for Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A., as subsequently amended and integrated;
  - e) **“Related Parties Committee”** or **“Committee”**: means the committee indicated in the following Article 5;
  - f) **“Market-equivalent or Standard Terms”**: means those terms which are similar to those usually applied to unrelated parties for transactions of the same nature, entity and risk, or which are based on regulated tariffs or fixed prices, or applied to entities with which Enel (or companies which are directly and/or indirectly controlled by Enel) is legally bound to transact at fixed price;

- g) **“Enel”** or the **“Company”**: means Enel S.p.A.;
- h) **“Enel Group”**: means all those companies which fall within the consolidation perimeter of Enel;
- i) **“Related Party/Parties Transaction/s”** or **“Transaction/s”**: means any transfer of resources, services or obligations between Enel (or companies which are directly and/or indirectly controlled by Enel) and one or more Related Parties, regardless of whether for valuable consideration. By way of example, but not comprehensively, the following transactions shall be considered Related Parties Transactions:
- acts disposing of movable or immovable assets, even gratuitously;
  - the provision of works, services and supplies;
  - granting or obtaining loans and guarantees;
  - mergers, spin-off by incorporation or strictly non proportional spin-off, if carried out with Related Parties;
  - any decision regarding the allocation of any kind of remuneration and economic benefits, to the members of the Board of Directors and/or to the regular Statutory auditors of Enel, as well as the executives with strategic responsibilities of companies of the Enel Group;
  - any other act concerning rights connected with assets;
- j) **“Transactions for Small Amounts”**: means the Transactions with an amount or equivalent-value below the thresholds provided in the following Article 13.2;
- k) **“Transactions of Major Importance”**: means the Transactions in which, at least one of the following relevance indexes, applicable depending on the specific Transaction, is greater than the 5% threshold:
- (i) equivalent-value relevance ratio: it is the ratio between the equivalent of the Transaction and the net equity drawn from the latest published consolidated balance sheet of the Company or, if greater, the capitalization of the Company at the end of the last trading day included in the period covered by the latest published periodical accounting document;

- (ii) asset relevance ratio: it is the ratio between the total assets of the entity in the Transaction and the total assets drawn from the latest published consolidated balance sheet of the Company;
  - (iii) liabilities relevance ratio: it is the ratio between the total liabilities of the acquired entity and the total assets drawn from the latest published consolidated balance sheet of the Company;
  - l) **“Transactions of Minor Importance”**: means the Related Parties Transactions other than Transactions of Major Importance and Transactions for Small Amounts;
  - m) **“Regular Transactions”**: means the Transactions carried out in the course of the regular business and related financial activity of the Company and/or of the companies which are included in the consolidated balance sheet prepared by Enel;
  - n) **“Related Parties”**: means those parties provided in the following Article 3;
  - o) **“Procedure”**: means the present procedure for Transactions with Related Parties, adopted by Enel pursuant to general principles set forth in the Related Parties Regulation;
  - p) **“Issuers’ Regulation”**: means the Regulation adopted by Consob with Resolution No. 11971 of May 14, 1999 as subsequently amended and integrated;
  - q) **“Related Parties Regulation”**: means the regulation providing rules for transactions with related parties adopted by Consob with Resolution No. 17221 of March 12, 2010 as subsequently amended and integrated;
  - r) **“Unrelated Shareholders”**: means those persons having the right to vote, other than the counterparty in a particular Transaction and the Related Parties to both the counterparty in a particular transaction or to the Company itself;
  - s) **“Consolidated Financial Act”** means Legislative Decree No. 58 of February 24, 1998 as subsequently amended and integrated.
- 2.2 Terms which are not specifically defined in the present Procedure shall have the same meaning provided in the Related Parties Regulation.

## ARTICLE 3

### *Identification of Related Parties*

- 3.1 For the purposes of the present Procedure by Enel's Related Parties shall be meant:
- a) the parties that, directly and/or indirectly through controlled companies, trust companies, or intermediary parties (which are also to be considered related parties):
    - i) control<sup>(1)</sup> Enel;
    - ii) are controlled by Enel;
    - iii) share the same controlling party with Enel;
    - iv) own such a large equity interest in Enel that they may exercise a significant influence<sup>(2)</sup> on the latter;
    - v) jointly control<sup>(3)</sup> Enel;
  - b) the companies affiliated<sup>(4)</sup> with Enel;
  - c) the joint ventures<sup>(5)</sup> in which Enel participates;
  - d) the Directors and regular Statutory Auditors of Enel, as well as the executives with strategic responsibilities of companies of the Enel Group and of the entity which controls Enel<sup>(6)</sup>;

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<sup>(1)</sup> Pursuant to Annex 1 of the Related Parties Regulation, control "*is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities*". It is assumed that control exists when an entity owns, directly and/or indirectly, more than half of the voting rights of an entity, unless it can be clearly demonstrated the contrary.

<sup>(2)</sup> Pursuant to Annex 1 of the Related Parties Regulation, significant influence "*is the power to participate in the determination of financial and operating policies of an entity without having control*". Significant influence may be gained through share ownership, statute provisions or agreements and it is presumed if the person owns, directly and/or indirectly, at least 20% of the voting rights which can be exercised at the general meeting of the investee, unless it can be clearly demonstrated the contrary.

<sup>(3)</sup> Pursuant to Annex 1 of the Related Parties Regulation, joint control "*is the contractually agreed sharing of control over any economic activity*".

<sup>(4)</sup> Pursuant to Annex 1 of the Related Parties Regulation, "*an associated company is an entity, even without legal personality, as in the case of a partnership, in which a shareholder exercises significant influence but not control or joint control*".

<sup>(5)</sup> Pursuant to Annex 1 of the Related Parties Regulation, a joint venture is "*a contractual arrangement whereby two or more parties undertake an economic activity subject to joint control*".

<sup>(6)</sup> Pursuant to Annex 1 of the Related Parties Regulation, executives with strategic responsibilities are "*those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling activities*" of Enel. For the purposes of the present Procedure by executives with strategic responsibilities of companies of the Enel Group shall be meant those who report directly to the Chief Executive Officer of Enel and that, taken into account the functions they carry out in the Enel Group, have been expressly identified as executives with strategic responsibilities by the Chief Executive Officer of Enel and are accordingly recorded in the specific register set forth under Article 4.

- e) the close relatives<sup>(7)</sup> of the persons specified in item a) or d);
  - f) the parties subject to the control, even in a joint form, or to the significant influence of one of the persons specified in item d) or e) or in which the latter hold, directly or indirectly, a significant share, but not less than 20%, of voting rights;
  - g) the supplementary, collective or individual, Italian or foreign, pension funds, set up for the employees or executives of Enel or any party related to Enel.
- 3.2 The Advisory Board shall resolve the cases in which the identification of a related party is disputed on the basis of the relative definition in paragraph 3.1. If, after the assessment of the Advisory Board, the identification of a related party remains controversial, such assessment shall be submitted to the Related Parties Committee by the Advisory Board.
- 3.3 Pursuant to Article 4, paragraph 2, of the Related Parties Regulation, the Company has decided to extend the application of the present Procedure to the executives with strategic responsibilities of companies of the Enel Group identified pursuant to the present Article 3, taking into account the functions they carry out within the Group.

## **ARTICLE 4**

### *Register of Related Parties*

- 4.1 Enel shall set up a special register in which Related Parties, identified pursuant to the preceding Article 3, are entered into. The foregoing Register is divided into the following two sections:
- Register Section for Companies/Legal Persons;
  - Register Section for Natural Persons and persons related to them.
- 4.2 The setting up and updating of the Register of Related Parties are made:
- by the Enel's Legal and Corporate Affairs Department, as far as concerns the Register Section for Companies/Legal Persons and the

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<sup>(7)</sup> Pursuant to Annex 1 of the Related Parties Regulation, by close relatives of a person shall be considered “those family members who may be expected to influence or be influenced by, the interested person in their relationship with Enel. They may include: i) the spouse not legally

part of the Register Section for Natural Persons regarding Directors, regular Statutory Auditors of Enel, and executives with strategic responsibilities of the entity controlling Enel, as well as those individuals related to them;

- by the Enel's Human Resources and Organization Department, as far as concerns the part of the Register Section for Natural Persons regarding executives with strategic responsibilities of companies of the Enel Group and persons related to them.

4.3 The head of the competent department shall (i) inform, in writing, any Director and Regular Statutory Auditor of Enel, as well as the executives with strategic responsibilities of companies of the Enel Group or of the entity which controls Enel, that they have been entered into the register, and (ii) at the same time, request the submission of the information regarding the close relatives, the entities in which they or their close relatives have control, even jointly, or significant influence or own a significant stake, not lower than 20%, of the voting rights, as indicated under the preceding Article 3.1.

4.4 Directors and regular Statutory Auditors of Enel, as well as executives with strategic responsibilities of companies of the Enel Group or of the entity that controls Enel shall promptly notify the competent department of any relevant change in order to identify their related parties. In any case, the departments indicated in the preceding Article 4.2 shall update the register at least each six months.

## **ARTICLE 5**

### *Related Parties Committee*

5.1 The Related Parties Committee is composed of at least three Independent Directors appointed by resolution of the Board of Directors, that identifies also the Chairman of the Committee.

5.2 The Committee's duties are provided by the applicable laws and regulations and by the present Procedure. The Committee may propose

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*separated and the partner; ii) the children and dependants of the subject, of the spouse not legally separated or of the partner".*

to the Board of Directors amendments and integrations to the present Procedure.

- 5.3 The operation of the Committee is ruled by a special organizational regulation approved by the Board of Directors, available on the Company's website.

## **ARTICLE 6**

### *Procedures for Transactions of Major Importance attributed to the Board of Directors*

- 6.1 Enel's Board of Directors approves the Transactions of Major Importance following the previous reasoned favourable opinion of the Related Parties Committee. Such opinion indicates, clearly and comprehensively, the Committee's assessments on the interest of Enel in the completion of the Transaction, as well as the convenience and the substantial fairness of the relative conditions.

The opinion of the Committee is considered:

- a) favourable, when it indicates that the Committee fully shares the Transaction;
- b) favourable but subject to certain conditions, when it indicates that the Committee fully shares the Transaction provided that specific comments, indicated in the same opinion, are implemented. In this case the Board of Directors may approve the Transaction without being necessary for the Committee to issue a new opinion, provided that the comments of the Committee are implemented when the Transaction is completed or executed;
- c) negative, when it contains comments, even on a single aspect of the Transaction, except if the opinion itself expresses nonetheless a favourable indication as to the completion of the Transaction. In the latter case, the opinion shall indicate the reasons why the comments made do not jeopardize the entire assessment about the interest of the Company on the completion of the Transaction as well as on the convenience and the substantial correctness of its underlying terms.



- 6.2 The Chief Executive Officer of Enel, through the Legal and Corporate Affairs Department, shall provide the Related Parties Committee, promptly – and, in any case within the day following the date in which the Board of Directors of Enel has been informed for first time – complete and adequate information regarding each Transaction of Major Importance, as well as any updates thereof it shall deem necessary and/or proper and, in any case, at least on a quarterly basis. Information flows shall regard, in particular, the nature of the relationship, the main terms and conditions of the Transaction, the timing expected for its execution, the assessment process which has been followed, the reasons underlying the Transaction, as well as the possible risks for Enel and its subsidiaries.
- 6.3 The Related Parties Committee, or one or more of its delegated members, may require information and make comments to the Chief Executive Officer of Enel and to those persons in charge of the negotiations or the inquiry regarding aspects which are subject to the information flows provided under Paragraph 6.2, as well as require any other information deemed to be useful for the assessment of the Transaction. In any case the information required shall be provided to the Committee.
- 6.4 In the exercise of its duties, the Related Parties Committee may avail itself, at the expense of Enel, of the assistance of one or more experts of its choice, identified from among persons of proven professionalism and expertise on the subject matters of the Transaction, whose independence and lack of conflicts of interest shall be verified by the Committee.
- 6.5 The Related Parties Committee issues its opinion, in general, at least 5 days before the meeting of the Board of Directors of Enel convened for the approval of the Transaction of Major Importance and within the same term it submits the same opinion to the Legal and Corporate Affairs Department of Enel.
- 6.6 If one or more of the members of the Related Parties Committee is related with regard to a specific Transaction of Major Importance, the equivalent measures provided under the following Article 10 shall apply. For this purpose, the members of the Related Parties Committee shall

promptly inform the Legal and Corporate Affairs Department of Enel about the existence of any possible situations of relationship regarding each specific Transaction under negotiation. In case of adoption of equivalent measures, the provisions of the present Article shall apply to the persons/entities identified pursuant to the following Article 10.

- 6.7 In general the Legal and Corporate Affairs Department of Enel shall provide the members of the Board of Directors and the Board of Statutory Auditors with adequate information regarding the Transactions of Major Importance, including the Committee's opinion, at least 4 days before the meeting of the Board of Directors of Enel convened for the approval of such Transactions.
- 6.8 In case the Related Parties Committee issues a negative opinion, the Board of Directors of Enel, if set forth in the bylaws of the Company, may submit the Transaction of Major Importance to the ordinary Shareholders' Meeting for its authorization. The Shareholders' Meeting, without prejudice to the majorities required by law, bylaws and provisions applicable in cases of conflicts of interest, approves its resolution with the favourable vote of at least half of the voting Unrelated Shareholders. In any case, the completion of the Major Importance Transaction is prevented only if the Unrelated Shareholders present at the Shareholders' Meeting represent at least 10% of the share capital with voting rights.
- 6.9 Minutes of the resolutions with which the Board of Directors of Enel approves the Transactions of Major Importance shall bear adequate reasons about the interest of Enel in the completion of the Transactions and the convenience and substantial correctness of their relevant terms.
- 6.10 The Chief Executive Officer of Enel in the periodical report set up pursuant to Article 20.4 of the Company's bylaws, provides the Board of Directors and the Board of Statutory Auditors, at least quarterly, with specific information regarding the execution of Transactions of Major Importance.

## **ART. 7**

### *Procedures for Transactions of Major Importance attributed to the Shareholders' Meeting*

- 7.1 In case of Transactions of Major Importance attributed to the Shareholders' Meeting of Enel by law or the company's bylaws, the phases of negotiations, inquiry and approval of the proposal of resolution to be submitted to the Shareholders' Meeting are ruled by the provisions provided in Article 6.
- 7.2 The proposal of resolution to be submitted to the Shareholders' Meeting of Enel may be approved by the Board of Directors even if the Related Parties Committee issued a negative opinion. In this case, the Shareholders' Meeting – if provided by the Company's bylaws and without prejudice to the majorities required by law, bylaws and provisions applicable in cases of conflicts of interest - approves its resolutions with the favourable vote of at least half of the voting Unrelated Shareholders. In any case, the completion of the Major Importance Transaction is prevented only if the Unrelated Shareholders present at the Shareholders' meeting represent at least 10% of the share capital with voting rights.
- 7.3 The Chief Executive Officer of Enel, in the periodical report set up pursuant to Article 20.4 of the Company's bylaws, provides the Board of Directors and the Board of Statutory Auditors, at least quarterly, with specific information regarding the execution of Transactions of Major Importance, approved or authorized by the Shareholders' Meeting pursuant to the present Article.

## **ARTICLE 8**

### *Procedures for Transactions of Minor Importance attributed to the Board of Directors or delegated bodies*

- 8.1 The Board of Directors of Enel or the competent delegated body approves the Transactions of Minor importance following the non binding reasoned opinion of the Related Parties Committee on the interest of

Enel in the completion of the Transaction, as well as on the convenience and substantial correctness of its relevant terms.

- 8.2 If the relationship exists with the competent delegated body or, with a Related Party through him, the latter shall refrain from the completion of the Transaction and vest the delegating body with the matter.
- 8.3 The Chief Executive Officer of Enel or the proposing function, through the Legal and Corporate Affairs Department, shall provide the Related Parties Committee, in reasonable advance and, in any case, in general, at least 10 days before the date for the issue of the opinion pursuant to the following Paragraph 8.5, with complete and adequate information about each Transaction of Minor Importance, providing any appropriate updates thereof. Information flows shall regard, in particular, the nature of the relationship, the main terms and conditions of the Transaction, the timing expected for its execution, the assessment process which has been followed, the reasons underlying the Transaction, as well as the possible risks for Enel and its subsidiaries.
- 8.4 In the exercise of its duties, the Related Parties Committee may avail itself, at the expense of Enel, of the assistance of one or more experts of its choice, identified from among persons of proven professionalism and expertise on the subject matters of the Transaction, whose independence and lack of conflicts of interest shall be verified by the Committee itself. The present Procedure does not define a specific maximum amount for the expenses incurred in relation to services rendered by independent experts.
- 8.5 The Related Parties Committee issues its opinion, in general, at least 5 days before the meeting of the Board of Directors of Enel convened for the approval of the Transaction of Minor Importance or, if the approval of the Transaction falls within the competence of a delegated body, at least 3 days before the date expected for the approval of the Transaction by the delegated competent body. Within the same terms, the Committee shall submit the opinion to the Legal and Corporate Affairs Department of Enel.
- 8.6 If one or more of the members of the Related Parties Committee is related with regard to a specific Transaction of Minor Importance, the

equivalent measures provided under the following Article 10 shall apply. For this purpose, the members of the Related Parties Committee shall promptly inform the Legal and Corporate Affairs Department of Enel about the existence of any possible situations of relationship regarding each specific Transaction under negotiation. In case of adoption of equivalent measures, the provisions of the present Article shall apply to the persons/entities identified pursuant to the following Article 10.

- 8.7 In general at least 4 days before the meeting of the Board of Directors of Enel convened for the approval of Transactions of Minor Importance - or, if the approval of the Transactions is attributed to a delegated body, at least 2 days before the date expected for the approval of the Transactions by the competent body - the Legal and Corporate Affairs Department of Enel shall provide the members of the Board of Directors and the Board of Statutory Auditors – or, respectively, the competent delegated body - with adequate information documentation regarding Transactions of Minor Importance, including the Committee's opinion.
- 8.8 Minutes of the resolutions with which the Board of Directors of Enel approves the Transactions of Minor Importance – or the decisions of the competent delegated body - shall bear adequate reasons about the interest of Enel in the completion of the Transactions and the convenience and substantial correctness of their underlying terms.
- 8.9 The Chief Executive Officer of Enel, in the periodical report set up pursuant to Article 20.4 of the Company's bylaws, provides the Board of Directors and the Board of Statutory Auditors, at least quarterly, with specific information regarding the execution of Transactions of Minor Importance.
- 8.10 Without prejudice to the application of the disclosure obligations provided under Article 114, subsection 1 of the Consolidated Financial Act, within 15 days after the close of each quarter of the financial year, Enel shall make available to the public, at the registered office and in the manner set out in Title II, Chapter I of the Issuers' Regulations, a document containing the indication of the counterparty, the object and the consideration of the Transactions of Minor Importance approved in the reference quarter in case of a negative opinion of the Related Parties

Committee and the reasons why it was deemed suitable not to share that opinion. Within the same terms, the opinion shall be made available to the public attached to the information document or on the Company's website.

## **ARTICLE 9**

### *Procedures for Transactions of Minor Importance attributed to the Shareholders' Meeting*

- 9.1 In case of Transactions of Minor Importance attributed to the Shareholders' Meeting of Enel by law or by the company's bylaws, the phases of inquiry and approval of the proposal of resolution to be submitted to the Shareholders' Meeting are ruled by the provisions under Article 8.
- 9.2 The Chief Executive Officer of Enel, in the periodical report set up pursuant to Article 20.4 of the Company's bylaws, provides the Board of Directors and the Board of Statutory Auditors, at least quarterly, with specific information regarding the execution of Transactions of Minor Importance, approved or authorized by the Shareholders' Meeting pursuant to the present Article.

## **ART. 10**

### *Equivalent Measures*

- 10.1 If one or more members of the Related Parties Committee are Related Party with regard to a specific Transaction, both of Major and Minor Importance, the following equivalent measures shall be adopted, in the indicated order:
- (i) if, within the Committee, remain at least three unrelated Independent Directors, the opinion set forth under Articles 6, 8 and 11 of the present Procedure is issued by a board composed of such Directors and chaired by the Chairman, if he is one of such Directors, or, otherwise, by the oldest member. Meetings are valid if the majority of the members of the foregoing board is present. The

opinion is issued with resolution adopted by the absolute majority of the members present at the meeting; in case of a tie, the vote of the person chairing the meeting shall prevail;

- (ii) if, within the Committee, remain two unrelated Independent Directors, the opinion set forth under Articles 6, 8 and 11 of the present Procedure is issued with resolution adopted by such Directors unanimously;
- (iii) if, within the Committee, remains only one unrelated Independent Director, the opinion set forth under Articles 6, 8 and 11 of the present Procedure is issued, with resolution adopted by the majority of its members, by a board composed of such member of the Committee and the two oldest Independent Directors who are unrelated;
- (iv) if the measures provided under the previous items (i), (ii) and (iii) cannot be applied, the opinion set forth under Articles 6, 8 and 11 of the present Procedure is issued by the Board of Statutory Auditors;
- (v) if the measures provided under the previous items (i), (ii), (iii) and (iv) cannot be applied, the opinion set forth under Articles 6, 8 and 11 of the present Procedure is issued by an expert identified by the Board of Directors from among persons of proven professionalism and expertise on the subject matters of the Transaction, whose independence and lack of conflicts of interest shall be verified by the same Board.

## **ARTICLE 11**

### *Transactions carried out through controlled companies*

11.1 Those Related Parties Transactions carried out by companies directly and/or indirectly controlled by Enel which fall within one of the following categories shall be previously assessed by the Board of Directors of Enel or by the competent delegated body, following a non binding reasoned opinion of the Related Parties Committee:

- a) atypical or unusual transactions, by which is meant ones that because of their significance/importance, nature of the

counterparties, their object, the way in which the transfer price is determined, the timing of the events (proximity to the closing of the financial year) may give rise to doubts with regard to the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguard of the Company's assets, or the protection of minority shareholders of Enel;

- b) transactions whose equivalent-value exceeds € 10 millions, with the exception of those transactions excluded from the scope of application of the present Procedure.

The opinion of the Related Parties Committee indicates the assessments made by the Committee on the interest of Enel – and of the companies directly or indirectly controlled by Enel, which are concerned – in the completion of the Transactions and on the convenience and substantial correctness of their relevant terms;

- 11.2 If the relationship regards the competent delegated body of Enel, or a Related Party through him, he shall refrain from any assessment about the execution of the Transaction by companies directly and/or indirectly controlled by Enel, vesting the delegating body with such assessment.
- 11.3 The Chief Executive Officer of Enel and/or of the involved controlled company, through the Legal and Corporate Affairs Department, shall provide the Related Parties Committee, in reasonable advance and in any case, in general, at least 10 days before the date for the issue of the opinion pursuant to the following Paragraph 11.5, with complete and adequate information about each of the Related Parties Transactions provided under the preceding Paragraph 11.1, providing any appropriate updates thereof. Information flows shall regard, in particular, the nature of the relationship, the main terms and conditions of the Transaction, the timing expected for its execution, the assessment process which has been followed, the reasons on which the Transaction is based, as well as the possible risks for Enel and its subsidiaries.
- 11.4 In the exercise of its duties, the Related Parties Committee may avail itself, at the expense of Enel, of the assistance of one or more experts of its choice, identified from among persons of proven professionalism and



expertise on the subject matters of the Transaction, whose independence and lack of conflicts of interest shall be verified by the Committee itself.

- 11.5 The Related Parties Committee issues its opinion, in general, at least 5 days before the meeting of the Board of Directors of Enel convened for the assessment of the Transaction or, if a delegated body is responsible for the Transaction, at least 3 days before the date expected for the assessment of the Transaction by the competent delegated body. Within the same terms the Committee shall submit the opinion to the Legal and Corporate Affairs Department of Enel.
- 11.6 If one or more of the members of the Related Parties Committee is related with regard to a specific Related Parties Transaction referred to under Paragraph 11.1, the equivalent measures provided under the preceding Article 10 shall apply. For this purpose, the members of the Related Parties Committee shall promptly inform the Legal and Corporate Affairs Department of Enel about the existence of their possible situations of relationship regarding each specific Transaction under negotiation. In case of adoption of equivalent measures, the provisions of the present Article shall apply to the persons/entities identified pursuant to Article 10.
- 11.7 In general, at least 4 days before the meeting of the Board of Directors of Enel convened for the assessment of the Transaction - or, if a delegated body is responsible for the Transaction, at least 2 days before the date expected for the assessment of the Transaction by the competent delegated body - the Legal and Corporate Affairs Department of Enel shall provide the members of the Board of Directors and the Board of Statutory Auditors – or, respectively, the competent delegated body - with adequate information documentation regarding the Transaction, including the Committee's opinion.
- 11.8 Minutes of the resolutions with which the Board of Directors of Enel expresses a positive assessment about the completion of the Transactions carried out by companies directly and/or indirectly controlled by Enel falling within one of the categories indicated under Paragraph 11.1 – or if a delegated body is responsible for the transaction – the decisions of the latter shall bear adequate reasons about the

interest of Enel, and of the companies directly and/or indirectly controlled by Enel which are concerned, in the completion of the Transactions, as well as the convenience and substantial correctness of its relevant terms.

11.9 The Board of Directors of Enel receives adequate information about the execution of the Related Parties Transactions on which it has expressed its evaluation pursuant to the present Article. The foregoing information is provided to the Board of Directors and the Board of Statutory Auditors of Enel in the periodical report prepared by the Chief Executive Officer - pursuant to Article 20.4 of the Company's bylaws – regarding the activity carried out, the general performance of the management and its foreseeable evolution, as well as the most relevant transactions carried out by Enel and by the companies directly and/or indirectly controlled by Enel.

11.10 If, notwithstanding the negative opinion of the Related Parties Committee, the Board of Directors of Enel or the competent delegated body expresses a positive assessment about the completion of Transactions by companies directly and/or indirectly controlled by Enel falling within one or more of the categories indicated under the preceding Paragraph 11.1, the disclosure obligation set forth under the preceding Article 8.10 shall apply.

## **ARTICLE 12**

### *Framework-resolutions*

12.1 For the purposes of the present Procedure, the Company may adopt framework-resolutions for series of homogeneous Transactions to be carried out by the Company, directly or through companies directly and/or indirectly controlled, with certain categories of Related Parties, which shall be determined by the Board of Directors of Enel. In this case, framework-resolutions shall:

- a) not be effective for more than a year;
- b) refer to sufficiently determined Related Parties Transactions, reporting at least the expected maximum amount of Transactions to

be performed during the reference period and the reasons for the expected conditions.

- 12.2 Framework-resolutions are adopted pursuant to the provisions under the preceding Articles 6 and 8, according to the expected maximum amount of Transactions falling within the scope of the framework-resolution, cumulatively considered.
- 12.3 The Chief Executive Officer of Enel in the periodical report prepared pursuant to Article 20.4 of the Company's bylaws, provides the Board of Directors and the Board of Statutory Auditors, at least quarterly, with complete information regarding the state of implementation of the framework-resolutions.
- 12.4 Upon approval of a framework-resolution by the Board of Directors, Enel shall publish an information document pursuant to Article 5 of the Related Parties Regulation, whenever the foreseeable maximum amount of Transactions to be performed during the reference period indicated in the framework-resolution exceeds one of the thresholds identified under the preceding Article 2.1, subsection k) for Transactions of Major Importance.
- 12.5 Provisions set forth under the preceding Articles 6, 8 and 11 shall not apply to each Related Parties Transaction completed in the implementation of a framework-resolution.

### **ARTICLE 13**

#### *Transactions excluded from the scope of application of the present Procedure*

- 13.1 The provisions of the present Procedure shall not apply to the resolutions adopted by the Shareholders' Meeting pursuant to Article 2389, paragraph one, of the civil code, regarding compensations for the members of the Board of Directors of Enel, and to resolutions adopted by the Shareholders' Meeting pursuant to Article 2402 of the civil code, regarding compensations for the members of the Board of Statutory Auditors of Enel.
- 13.2 The provisions of the present Procedure shall not apply to the Transactions for Small Amounts, by which shall be meant those

Transactions characterized by an amount, or an equivalent value below the following thresholds:

- a) € 50.000 accumulated on an annual basis, for Transactions carried out with Directors, regular Statutory Auditors of Enel, executives with strategic responsibilities of companies of the Enel Group or of the entity that controls Enel and/or subjects related to them pursuant to the preceding Article 3.1, subsections e) and f);
- b) € 100.000 accumulated on an annual basis, for Transactions carried out with the supplementary, collective or individual, Italian or foreign, pension funds, set up for the employees or executives of Enel or of any party related to the latter;
- c) € 1.000.000 accumulated on an annual basis, for Transactions carried out with the Related Parties referred to under Article 3.1, subsections a), b) and c).

13.3 Without prejudice to the obligations relating to periodical financial information referred to under Article 5, paragraph 8, of the Related Parties Regulation, the provisions of the present Procedure shall also not apply to:

- a) compensation plans based on financial instruments approved by the Shareholders' Meeting of Enel pursuant to Article 114-*bis* of the Consolidated Financial Act and its executive operations;
- b) resolutions other than those indicated under the preceding Paragraph 13.1, in relation to the remuneration of Enel's Directors holding a special office, together with the remuneration of executives with strategic responsibilities of companies of the Enel Group, provided that:
  - (i) Enel has adopted a remuneration policy;
  - (ii) in the definition of the remuneration policy, a committee consisting solely of non-executive directors - the majority of whom shall be independent - has been involved;
  - (iii) a report illustrating the remuneration policy has been submitted for approval or advisory vote of the Shareholders' Meeting of Enel;

- (iv) the remuneration awarded is consistent with this policy;
- c) Regular Transactions completed at Market-equivalent or Standard Terms. With this regard, the Advisory Board shall resolve the cases in which the regular nature of the Transaction is disputed. Should the regular nature of the Transaction remain controversial after the analysis of the Advisory Board, the relative assessment is attributed by the Advisory Board to the Related Parties Committee.

If the foregoing hypothesis of exclusion applies, without prejudice to the information obligations set forth under Article 114, paragraph 1, of the Consolidated Financial Act, Enel shall in any case:

- (i) notify Consob, within 7 days from the approval of the Transaction by the competent body (or, if the competent body resolves to submit a contract proposal, within 7 days from the point at which the contract, even preliminary, is drawn up according to the applicable rules), of the counterparty, the object, the consideration of the Transactions that benefited from the exclusion from the information obligation under Article 5 of the Related Parties Regulation, as they individually exceed one of the thresholds indicated at Article 2.1, subsection k) for Transactions of Major Importance;
- (ii) indicate, in the interim management report and annual report, within the information provided under Article 5, paragraph 8, of the Related Parties Regulation, which Transactions, that are subject to the information obligation provided under the foregoing disposition, have been completed benefitting from the exclusion provided under the present subsection c).

The Related Parties Committee receives on an annual basis adequate information, prepared according to periodic financial reports, about Regular Transactions with related parties carried out at Market-equivalent or Standard Terms within the Enel Group during the reference period.

- d) Transactions with or between companies controlled, even jointly, by Enel, as well as Transactions with companies affiliated with Enel, provided that in the controlled or affiliated companies that are

counterparties to the Transaction no significant interests (as defined herein) of other Enel's Related Parties exist.

For the purposes of the present Procedure, by significant interest shall be meant any interest of patrimonial nature which is able to provide Enel with incentives in order to complete (or make others complete) a Transaction that is unfavorable to Enel, but favourable to one of its controlled or affiliated companies.

By way of example, and notwithstanding the need to make an assessment on a case by case basis, a significant interest (as defined above) may be deemed existent if: (i) a Director or an executive with strategic responsibilities both of Enel and of the controlled or affiliated company with which the Transaction is carried out, benefits from incentive plans based on financial instruments (or, in any case, from variable remuneration) dependent on the accomplishment of performance goals of the controlled or affiliated company; or (ii) the entity which controls Enel has, at the same time, a stake in the controlled or affiliated company which is counterparty to the Transaction, if such stake has an effective importance, in weighted terms, higher than the effective importance of the stake that the same Related Party owns, directly and/or indirectly, in Enel.

On the contrary, the interests that derive from mere sharing of one or more Directors or executives with strategic responsibilities among Enel and its controlled or affiliated companies shall not be considered as significant.

- 13.4 In cases of urgency, if expressly set forth in the Company's bylaws, Related Parties Transactions that are not attributed to the Shareholders' Meeting of Enel by law or bylaws, may be completed by the Board of Directors or by the competent delegated body (except from, with regard to the latter, the ipotesis set forth under Paragraph 8.2) notwithstanding the provisions of Articles 6 and 8 – and without prejudice to the information obligations provided under Article 5 of the Related Parties Regulation – provided that:

- a) if the Transactions fall under the responsibility of the Chief Executive Officer of Enel, the Chairman of the Board of Directors is informed of the reasons of urgency prior to the closing of the Transactions;
- b) the foregoing Transactions are subsequently, without prejudice to their effectiveness, subject to non-binding resolution of the first valid ordinary Shareholders' Meeting of Enel;
- c) the Board of Directors of Enel which convenes the Shareholders' Meeting pursuant to the previous subsection b), prepares a report containing a detailed indication of the reasons for urgency. The Board of Statutory Auditors of Enel reports to the Shareholders' Meeting pursuant to the previous subsection b) its assessment on the existence of the reasons for urgency;
- d) the report and the assessments referred to in subsection c) are made available to the public at least 21 days before the date fixed for the Shareholders' Meeting at the registered office of Enel and in the manner set out in Title II, Chapter I of the Issuers' Regulation;
- e) within the day immediately after the Shareholders' Meeting, Enel makes available to the public in the manner set out in Title II, Chapter I of the Issuers' Regulation, information on voting results, with particular regard to the number of total votes cast by Unrelated Shareholders.

13.5 The Company does not avail itself of the possibility, provided under Article 11, paragraph 5 of the Related Parties Regulation, to exclude the application of the provisions set forth in Articles 7 and 9 for the Transactions attributed to the Shareholders' Meeting of Enel by law or the Company's bylaws and that shall be completed in case of urgency related to corporate crisis.

13.6 The cases of exclusion provided in the present Article shall also apply to Transactions carried out through controlled companies referred to in the preceding Article 11.

## **ARTICLE 14**

### *Final provisions*

- 14.1 In order to ensure coordination with the administrative and accounting procedures pursuant to Article 154-*bis* of the Consolidated Financial Act, the periodical information regarding Transactions of Major Importance, Transactions of Minor Importance and Transactions carried out through controlled companies referred to in Articles 6.10, 7.3, 8.9, 9.2 and 11.9 are also submitted to Enel's manager charged with preparing the financial reports.
- 14.2 The Board of Directors of Enel assesses periodically, and at least every three years, whether to review the present Procedure taking into account, among others, the effectiveness in its enforcement and the amendments to the ownership structure of the Company that might have occurred. The amendments to the present Procedure are approved by the Board of Directors following the opinion of the Related Parties Committee.
- 14.3 The Board of Statutory Auditors monitors the compliance with the general principles set out in the Related Parties Regulation, as well as with the present Procedure and reports to the Shareholders' Meeting of the Company pursuant to Article 153 of the Consolidated Financial Act.
- 14.4 The present Procedure is available to the public on the Company's website and is indicated, by reference to the latter's website, in the annual report on operations; its provisions shall enter into force as from January 1<sup>st</sup>, 2011.
- 14.5 To the extent not expressly regulated in the present Procedure, the provisions of laws and regulations in force shall apply.