



**REPORT ON THE REMUNERATION POLICY FOR 2020 AND  
COMPENSATIONS PAID IN 2019**

(approved by the Board of Directors of Enel S.p.A. on April 2 ~~– April 29~~, 2020)

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

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## Report on the remuneration policy and compensations paid

### Letter from the Chairman of the Nomination and Compensation Committee

In my capacity as Chairman of the Nomination and Compensation Committee (the “**Committee**”), I am pleased to present Enel’s report on the remuneration policy for 2020 and compensations paid in 2019.

The Committee, composed of Directors Alberto Bianchi, Cesare Calari e Paola Girdinio, in addition to the Chairman, has prepared and submitted to the Board of Directors a remuneration policy for 2020 aimed at strengthening the interests of the top management be aligned with the main target of creating sustainable value for Shareholders over the medium/long-term, as well as at attracting, motivating and retaining the resources having the most adequate professional skills in order to manage successfully the Company and its Group, in line with the provisions set forth for listed companies by the Italian Corporate Governance Code (edition July 2018).

In defining the 2020 remuneration policy set out in the first section of this report, the Committee has taken into account the best national and international practices and the indications resulting from the favorable vote of the Shareholders’ Meeting held on May 16, 2019 on the remuneration policy for 2019.

The Committee also examined and duly considered the benchmark analysis regarding the remuneration treatment of the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors of Enel for 2017-2019 mandate. Such analysis was carried out by the independent advisor Willis Towers Watson taking into consideration the data resulting from the documentation published for the 2019 AGM season by issuers included in two different peer groups, one of which composed of European companies operating in the utilities market, selected not only because of business similarity, but also on the basis of dimensional criteria (“European Utilities Peer Group”), and the other one composed of companies belonging to the FTSE MIB Index (“Italian Peer Group”), selected because of dimensional criteria and/or the business internationalization level and/or for the direct or indirect significant shareholding held by the Ministry of Economy and Finance <sup>(1)</sup>. This analysis has shown that the remuneration of the Chairman of the Board of Directors and the Chief

Executive Officer/General Manager due for 2019 does not fully reflect the high standing of Enel in terms of size, international leanings and capitalization with respect to companies included both in the European Utilities Peer Group and in the Italian Peer Group, as described in detail in the first section of this report. Similarly, with regard to non-executive Directors, the benchmark analysis has outlined the grounds for an increase in their remuneration, both for participation in Board activities and for participation in the Board Committees.

In view of such elements, the Committee has deemed to introduce in the remuneration policy for 2020 an increase in the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager, as described below.

As for the remuneration treatment of the Chairman of the Board of Directors, which includes only the fixed component, it has been envisaged – compared to 2019 – an increase in the related amount from Euro 450,000 to Euro 500,000 gross per year, also in order to adequately reflect the role this figure is entrusted with in relation to the corporate governance of a Group which includes 14 companies with shares listed in 8 countries on 3 continents, characterized by minorities’ heterogeneity and the presence of a large number of supervisory authorities.

With regard to the remuneration treatment of the Chief Executive Officer/General Manager, it has been increased – compared to 2019 – as follows: *(i)* from Euro 1,470,000 to Euro 1,520,000 gross per year, as for the fixed remuneration; *(ii)* from 120% to 150% of the fixed remuneration, as for the short-term variable remuneration at the maximum performance level; *(iii)* from 100% to 130% of the fixed remuneration, as for the long-term variable remuneration at the target level. These changes allow to achieve a more adequate positioning of both the overall remuneration and its individual components with respect to the reference peers, as well as to pursue a further alignment of the pay mix to market best practices, especially with regard to the increase in the weight of the long-term variable component at target level.

However, the Committee, considering the emergency related to the COVID-19 outbreak and taking into account its economic and social

<sup>(1)</sup> For the composition of each peer group reference is made to paragraph 1.1.3 of the first section of this report.

consequences, invited the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and all top management of Enel Group to identify the most appropriate ways to implement forms of personal and shared solidarity in order to allocate part of their remuneration to relieve the state of suffering caused by the COVID-19 epidemic.

The Chief Executive Officer/General Manager and the top management reporting directly to him therefore accepted the Committee's invitation and undertook to donate an amount corresponding to a two months remuneration, equal to the lockdown period imposed in Italy in response to the ongoing health crisis (equivalent to about 15% of annual remuneration), in support of solidarity initiatives aimed at facing the COVID-19 emergency. A similar commitment has been undertaken by the candidate for the office of Chairman of the Board of Directors, whose election has been proposed by the shareholder Ministry of Economy and Finance when filing its slate of candidates for the office of Director in view of the Shareholders' Meeting of May 14, 2020.

Yet in view of the socio-economic consequences of the COVID-19 outbreak, the Committee also refrained from proposing an increase in the remuneration of non-executive Directors, although – as mentioned above – the benchmark analysis gave reasons for doing so.

The Committee has also evaluated Moreover, in order to take into account the opportunity rapid global spread of further strengthening the contribution of COVID-19 epidemic starting from March 2020, the remuneration policy to Committee deemed appropriate that the implementation of the Strategic Plan for 2020-2022 of Enel Group and commitment to the creation of ensuring safety in workplaces and economic recovery based on sustainable value for the Company and its Shareholders. In this view, it has been introduced into investment plans is appropriately reflected in management's objectives, through the introduction of new sustainability objectives in the short-term variable remuneration of the Chief Executive Officer/General Manager and in the 2020 Long-Term Incentive Plan.

In particular, with regard to the short-term variable remuneration of the Chief Executive Officer/General Manager, it has been introduced a new performance objective represented by the ratio between the net consolidated installed capacity of renewable sources and, with a weight equal to 15% out of the total net consolidated installed capacity. With the introduction of such objective, aimed at ensuring the pursuit measuring the effectiveness of the actions taken by the Enel Group to deal with the ongoing health emergency. More specifically, this

objective measures the ability of the same Group to manage the company operations remotely ensuring service continuity and excellent levels of operational efficiency. Furthermore, considering that – in the new scenario imposed by the current health emergency – ensuring safety in workplaces takes on an even more important role, it has been deemed appropriate to increase from 10% to 15% the weight of the decarbonization strategy announced by Enel Group objective related to safety out of the total. Therefore, the overall weight of the objectives of environmental sustainability and protection of human capital objectives within the short-term variable remuneration of the Chief Executive Officer/General Manager reaches 2530%.

The Committee has then deemed appropriate to maintain in the 2020 Long-Term Incentive Plan the changes introduced in the 2019 Long-Term Incentive Plan – regarding the provision of a significant share-based component of the incentive, as well as the alignment of the access threshold to such incentive to the target level of each performance objective – considering the significant appreciation expressed in this regard by Shareholders at the Meeting held on May 16, 2019.

After the appropriate in-depth analyses, the The Committee has deemed also evaluated the opportunity of further strengthening the contribution of the remuneration policy to confirm, still with reference the implementation of the Strategic Plan for 2020-2022 of Enel Group and to the creation of sustainable value for the Company and its Shareholders, confirming the target of sustainable development that underlies the entire Plan. Particularly, the Committee believes that – within the scenario caused by the COVID-19 outbreak – the economic recovery of the countries in which the Group operates will be focused on sustainable development, of which investments in renewable energy will be a fundamental driver.

In this perspective, it has been introduced into the 2020 Long Term-Incentive Plan a new performance objective represented by the ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity. On the other hand, the other performance objectives remain unchanged, but their weights are partially changed due to the inclusion of the abovementioned objective. Specifically, the long-term variable compensation remuneration of the top management, is linked to the following performance objectives, measured during the 2020-2022 time frame: (i) the trend of Enel's average TSR as compared with the average TSR of Index EUROSTOXX Utilities – EMU, with a total weight equal to 50%; (ii) the Return on Average Capital Employed ("ROACE"),

with a total weight equal to ~~40%~~; ~~(iii) 25%~~; ~~(iii) ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity, with a total weight equal to 15%~~; ~~(iv) CO<sub>2</sub> emissions per equivalent KWh produced by the Enel Group, with total weight equal to 10%. With this regard, it should be noted the confirmation of the last mentioned objective linked to Environmental, Social and Governance (ESG) issues. Therefore, the overall weight of sustainability objectives reaches 25%, with an increase of 15% compared to the LTI Plan 2019, in line with Enel Group's Strategic Plan for 2020-2022 and also with the increasingly marked attention of the financial community to issues linked to the ESG Environmental, Social and Governance aspects, with particular emphasis on the fight against climate change.~~

Lastly, the Committee has deemed appropriate to explain, more and more transparently and analytically, the reasoning and the evaluations carried out by the Board of Directors, upon prior preliminary analysis of the same Committee, in order to determine the remuneration treatment of the top Management and non-executive Directors for 2020. In this respect, a specific examination is described both (i) in the first section of this report, with regard to the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors for 2020, and (ii) in the second section of this report, with regard to the remuneration of the top Management for the 2017-2019 mandate.

In conclusion, the Committee considers that the remuneration policy for financial year 2020 takes into appropriate consideration both the outcomes of the above-mentioned benchmark analysis and the policies of the major proxy advisors as well as of the institutional investors in Enel's share capital. Such remuneration policy (i) on the one hand, provides for the alignment of the remuneration treatment of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager to the relevant peers, considering Enel's positioning compared to these latter in terms of size, international leaning and capitalization, and (ii) on the other hand, further contributes to the pursuit of the business and sustainability objectives set out in the Strategic Plan for 2020-2022. Lastly, it should be noted that this policy duly takes into account the socio-economic consequences of the emergency related to the COVID-19 outbreak, as highlighted above.

Rome, April 2 – ~~April 29~~, 2020

## Introduction

This report, approved by the Board of Directors on April 2, 2020, and amended and supplemented on April 29, 2020, upon proposal submitted by the Nomination and Compensation Committee, is divided into two sections:

- (i) the first section describes the remuneration policy adopted by Enel S.p.A. (“**Enel**” or the “**Company**”) for the members of the Board of Directors, the General Manager and the Executives with strategic responsibilities, with reference to the financial year 2020 and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, for the members of the Board of Statutory Auditors;
- (ii) the second section provides for a detailed disclosure on the compensations relating to the financial year 2019 – determined on an accrual basis – due to the above-mentioned persons on the basis of the remuneration policy adopted for such financial year and in execution of previous individual agreements.

In accordance with Article 123-*ter* of Legislative Decree of February 24, 1998 No. 58 (the “**Consolidated Financial Act**”), (i) the first section is subject to the binding resolution of the ordinary Shareholders’ Meeting called for the approval of the financial statements as of December 31, 2019, while (ii) the second section is subject to the non-binding resolution of the same Shareholders’ Meeting.

The report also provides for information on the shareholdings held in Enel and in its subsidiaries by members of the Board of Directors and of the Board of Statutory Auditors, by the General Manager and by the Executives with strategic responsibilities, as well as their spouses who are not legally separated and their underage children, whether such shareholdings are held directly or indirectly through subsidiaries, trusts or agents.

This report is made available to the public at Enel’s registered office (located in Rome, at Viale Regina Margherita No. 137), on the Company’s website ([www.enel.com](http://www.enel.com)) and on the authorized storage mechanism called “eMarket Storage” ([www.emarketstorage.com](http://www.emarketstorage.com)).

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

The remuneration policy of Enel for 2020, described in detail in the first section of this report, has been approved on April 2, 2020, and amended and supplemented on April 29, 2020 by the Board of Directors, upon proposal of the Nomination and Compensation Committee. This policy is aimed at (i) attracting, motivating and retaining those resources that possess the most suitable professional skills to successfully manage the company, (ii) stimulating the achievement of the strategic targets and the company's sustainable growth, as well as (iii) aligning the interests of the management with the main goal of creation of sustainable value for Shareholders in the medium-long term and (iv) promoting the corporate values and mission.

In drafting the remuneration policy for 2020, the Nomination and Compensation Committee has taken into account the recommendations set forth under the July 2018 edition of the Italian Corporate

Governance Code (the “**Corporate Governance Code**”), national and international best practices, the indications resulting out the favorable vote of the Shareholders' Meeting held on May 16, 2019 on 2019 remuneration policy, as well as the outcomes of a benchmark analysis regarding the remuneration treatment of the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors of Enel for 2017-2019 mandate carried out by the independent advisor Willis Towers Watson; such analysis has also taken into consideration the data resulting from the documentation published for the 2019 AGM season by issuers included (i) in a peer group composed of European companies operating in the utilities market, as well as (ii) in a peer group composed of companies belonging to the FTSE MIB Index, as described in paragraph 1.1.3 of this report.

Illustrated below are the main features of the 2020 remuneration policy.

Component	Applicable conditions and payment timeline	Proportional weight <sup>1</sup>
<b>Fixed remuneration</b>	<ul style="list-style-type: none"> <li>Not subject to any conditions</li> <li>Paid on a quarterly basis to the CEO and to the Chairman and on a monthly basis to the GM and to the ESR</li> </ul>	Chairman: 100% CEO/GM: 19% ESR: 33%
<b>Short-term variable remuneration (MBO)</b>	<ul style="list-style-type: none"> <li><b>Objectives for the CEO/GM:</b> <ul style="list-style-type: none"> <li>Ordinary consolidated net income (35%)</li> <li><del>Funds from operations/Consolidated net financial debt (20%)</del></li> <li>Group Opex (20%)</li> <li><del>Renewable sources net consolidated installed capacity/Total net consolidated installed capacity (15%)</del></li> <li><del>Funds from operations/Consolidated net financial debt (15%)</del></li> <li><del>Management of COVID-19 emergency: remote management of operations (15%)</del></li> <li>Safety in the workplace (<del>15%</del>)</li> </ul> </li> <li><b>Objectives for the ESR:</b> <ul style="list-style-type: none"> <li>Individual targets connected to the business and differentiated for each ESR, based on the tasks and the responsibilities assigned</li> </ul> </li> <li>Paid in the financial year in which the level of achievement of annual objectives is verified</li> <li>Clawback right of the Company concerning the amounts paid on the basis of data which are subsequently proved to be manifestly misstated (“clawback”)</li> </ul>	CEO/GM: 28% ESR: 25%
<b>Long-term variable remuneration (LTI)</b>	<ul style="list-style-type: none"> <li>Performance objectives:               <ul style="list-style-type: none"> <li>average TSR (Total shareholders return) of Enel vs. average TSR of EUROSTOXX Utilities Index – EMU (50%)</li> <li>ROACE (Return on average capital employed) (<del>15%</del>)</li> </ul> </li> </ul>	CEO/GM: 53% ESR: 42%

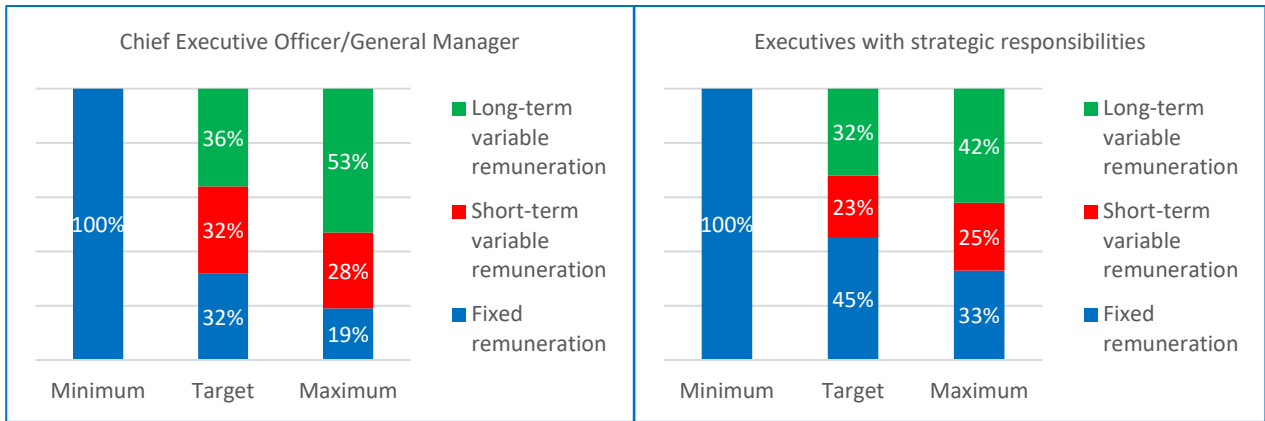
	<ul style="list-style-type: none"> <li>- <u>Renewable sources net consolidated installed capacity / Total net consolidated installed capacity (15%)</u></li> <li>- CO<sub>2</sub> emissions of Enel Group (10%)</li> </ul> <ul style="list-style-type: none"> <li>• 100% of the base amount for the CEO/GM and 50% of the base amount for the other beneficiaries of the Plan is assigned in Enel shares, to award free of charge, subject and proportionally to the achievement of the performance objectives, to the extent and timings set forth below</li> <li>• The difference between the incentive determined in the final assessment of the Plan – which can reach up to 280% of the base amount for the CEO/GM and 180% of the base amount for the other beneficiaries – and the proportion of incentive (indicated in the point above) distributed in Enel shares is disbursed in cash, subject and proportionally to the achievement of the performance objectives, to the extent and timings set forth below</li> <li>• The incentive – for both the share-based and the monetary component – is disbursed, subject and proportionally to the achievement of the performance objectives, (i) by 30% in the first financial year following the end of the three-year performance period, and (ii) by 70% in the second financial year following the end of the three-year performance period (“deferred payment”)</li> <li>• Clawback right of the Company concerning the amounts paid (or right to withhold deferred sums) on the basis of data which are subsequently proved to be manifestly misstated (“clawback” and “<i>malus</i>”)</li> </ul>	
<p><b>Other compensation</b></p>	<ul style="list-style-type: none"> <li>• <b>CEO/GM:</b> <ul style="list-style-type: none"> <li>- Severance indemnities equal to 2 years fixed compensation; such indemnity replaces and derogates the treatments due pursuant to the laws and the national collective bargaining agreement (“CCNL”)</li> <li>- The Board of Directors is not entitled to grant discretionary bonuses</li> </ul> </li> <li>• <b>ESR:</b> <ul style="list-style-type: none"> <li>- In the event of termination of the employment relationship, the conditions provided under the relevant collective contracts apply, without prejudice to previous individual agreements, if any, still in force as of the date of this report</li> </ul> </li> </ul>	

<sup>1</sup> Percentages calculated based on the highest MBO and LTI assignable incentive

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

[Change in the remuneration of the Chief Executive Officer/General Manager and of the Executives with strategic responsibilities on the basis of the achievement of the performance objectives \(\\*\)](#)

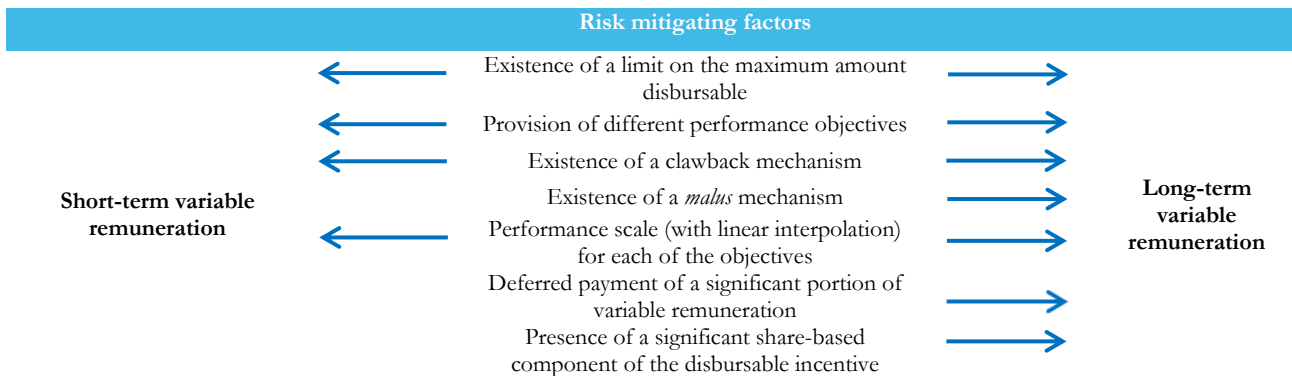




(\*) The remuneration policy for 2020 provides that the long-term variable component of the Chief Executive Officer/General Manager and Executives with Strategic Responsibilities is related to the participation in an incentive plan (also) share-based, which does not envisage the payment to beneficiaries of the dividends accrued, during the vesting period, in relation to the shares they were awarded at the beginning of such period. Therefore, the pay mix shown in the above chart takes into account, with regard to the target level of the long-term variable component, a discounted value based on Willis Towers Watson's standard methodology. Differently, this methodology – that was also applied by Willis Towers Watson, when examining the remuneration policies of the companies belonging to the European Utilities Peer Group and the Italian Peer Group used for the benchmark analysis, in order to make the different incentive plans comparable – is not applied in relation to the maximum level of performance, where, due to the very nature of the representation itself, the maximum achievable benefit is highlighted, without considering any financial impact.

### Risk mitigation factors

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



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

**1.1 Procedures for the adoption and implementation of the policy**

*1.1.1 Bodies or persons involved in the preparation, approval and implementation of the policy.*

Enel's remuneration policy has been approved by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee.

In accordance with the recommendations set forth under article 6.C.5 of the Italian Corporate Governance Code, the adequacy, overall consistency and effective application of the remuneration policy for the Directors are periodically reviewed by the Nomination and Compensation Committee.

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

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

As of the date hereof, the Nomination and Compensation Committee is entirely composed of the following independent Directors: Alberto Pera (Chairman), Alberto Bianchi, Cesare Calari and Paola Girdinio.

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

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

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

- b) periodically assessing the adequacy, overall consistency and effective application of the policy adopted for the remuneration of Directors and Executives with strategic responsibilities;
- c) submitting proposals to or expressing opinions in favor of the Board of Directors on the remuneration of executive Directors and other Directors holding particular offices, as well as for the identification of performance objectives related to the variable component of such remuneration; monitoring the application of decisions adopted by the Board itself and verifying, in particular, the actual achievement of performance objectives;
- d) reviewing in advance the annual remuneration report, to be made available to the public prior to the annual Shareholders' Meeting called to approve the financial statements.

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

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

The Nomination and Compensation Committee meets as often as appropriate to ensure the proper performance of its functions. The Chairman of the Board of Statutory Auditors attends the Committee meetings and may also designate another regular Statutory Auditor to attend the meeting in his place; the other regular Statutory Auditors may also participate. The Head of the People and Organization Function generally attends the meeting as well. The Chairman may, from time to time, invite to the Committee meetings other members of the Board of Directors who ask for it or other representatives of corporate functions or third parties whose attendance could be deemed helpful for purposes of optimizing the functioning of the Committee. No Director takes part in the Committee meetings in which proposals are presented to the Board of Directors with regard to his own remuneration, unless such proposals concern all the members of Committees established within the Board of Directors. In order for Committee's meetings to be valid, the attendance of a majority of the members in office is required.

The Committee's resolutions are adopted with the absolute majority vote of those in attendance; in the event of parity, the vote of the chairman prevails. The Chairman of the Committee reports to the first available meeting of the Board of Directors with

regard to the meeting held by the Nomination and Compensation Committee.

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

**September 2019**

- Examination of the results of the votes of the Shareholders' Meeting held on May 16, 2019 concerning the LTI Plan 2019 and the remuneration report and benchmark analysis on the main critical matters underlined by institutional investors and proxy advisors
- Identification of the advisor to be entrusted with the office of assisting the Committee in updating the benchmark analyses on the adequacy of the remuneration package for the top Management and in preparing the remuneration policy to be submitted to the 2020 Annual General Meeting

**November 2019**

- In-depth analysis for the definition of the objectives of the MBO Plan 2020 for the Chief Executive Officer/General Manager, in the light of the outcome of the Strategic Summit

**December 2019 – March April 2020**

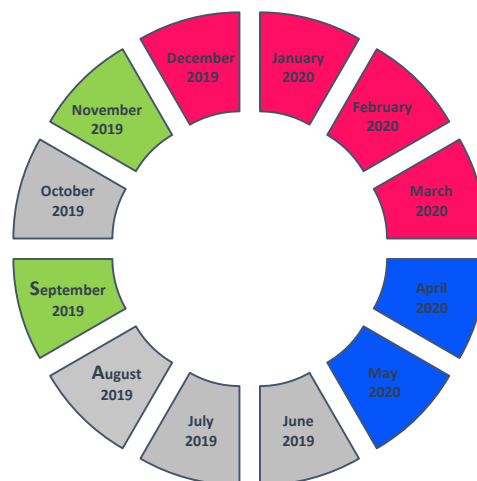
- Identification of the peer group to be used for updating the benchmark analyses on the adequacy of the remuneration treatment of the top Management and for preparing the remuneration policy to be submitted to the 2020 Annual General Meeting
- Definition of the MBO Plan 2020 for the CEO/GM
- Assessment of the adequacy, overall consistency and application of the Remuneration Policy for 2019
- Definition of the LTI Plan 2020
- Final assessment of the MBO Plan 2019 for the CEO/GM
- Final assessment of LTI Plan 2017
- Drafting and definition of the Policy and the Report on the remuneration policy and compensations paid and of the Information Document on the LTI Plan 2020

**April 2020**

- Approval by the Board of Directors of the Policy and Report on the remuneration policy and compensations paid and of the Information Document on the LTI Plan 2020

**May 2020**

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



■ Preliminary activity  
■ Definition of the remuneration structure  
■ Approval of the Policy and of the Report  
■ Activity not related to the Remuneration

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

In drafting the remuneration policy for the financial year 2020, Enel availed itself of the support of the independent consultancy company Willis Towers Watson. In particular, the latter brought to the attention of the Nomination and Compensation Committee a benchmark analysis regarding the remuneration treatment of the Chairman of the Board of Directors, the Chief Executive

Officer/General Manager and non-executive Directors of Enel for the 2017-2019 mandate.

Such analysis was carried out by Willis Towers Watson based on the data resulting from remuneration reports, corporate governance reports and annual financial reports published for the 2019 AGM season by the issuers belonging to the two peer groups used as reference. In particular, it has been taken into account:

- a peer group composed of European companies operating in the utilities market, selected not only

because of business similarity, but also on the basis of dimensional criteria (“**European Utilities Peer Group**”). The following 13 companies belong to this panel: Centrica, EdF, EdP, Engie, EOn, Fortum, Iberdrola, Innogy, National Grid, Naturgy, Orsted, RWE, Uniper; as well as

- a peer group composed of companies that, as Enel, belong to the FTSE MIB index, selected because of dimensional criteria and/or the business internationalization level and/or for the direct or indirect significant shareholding held by the Ministry of Economy and Finance (“**Italian Peer Group**”). The following 13 companies belong to this panel: Assicurazioni Generali, Atlantia, Eni, Intesa Sanpaolo, Leonardo, Pirelli, Poste Italiane, Prysmian, Saipem, SNAM, Terna, TIM, Unicredit.

Considering the benchmark analysis, Willis Towers Watson has also released specific opinions supporting the definition of the remuneration policy for the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors for 2020.

Lastly, the Company conducted a benchmark analysis on the remuneration of Executives with strategic responsibilities based on the study “*2019 Mercer Executive Remuneration Guides – Western Europe*”, which analyzed 1,196 European companies (30,710 individual roles).

The results of the abovementioned benchmark analysis are specifically described in Paragraph 2.1 of the second section of this report.

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

### 1.2.1 *Purposes of the remuneration policy, its underlying principles and changes compared with the financial year 2019*

According with the recommendations set forth in Articles 6.P.2, 6.C.1 and 6.C.3 of the Italian Corporate Governance Code, the remuneration policy for 2020 (i) of Enel’s executive Director, *i.e.* the Chief Executive Officer (who also holds, as of the date of this report, the office of General Manager, with a provision that such office will automatically cease in the event of termination of the office of Chief Executive Officer), and (ii) of Executives with

strategic responsibilities of the Enel Group (the “**Group**”), *i.e.* those persons reporting directly to Enel’s Chief Executive Officer who (based upon the composition, the frequency of the meetings and the matters addressed by the executive committees involving the “top management”) share with the Chief Executive Officer the main decisions concerning the Group, is defined so as to align their interests with the main target of creating value for Shareholders over the medium/long-term. Such remuneration policy also aims at ensuring the pursuit of the objectives set out in the Strategic Plan for 2020-2022 of the Group and at contributing in the creation of sustainable value for the Company and its Shareholders, guaranteeing at the same time that the remuneration is based upon results effectively achieved by the persons in question and by the Group as a whole.

In particular, in order to strengthen the link between the remuneration and both the sustainable growth of the Company and the objectives set forth by the Strategic Plan for 2020-2022 of the Group, the remuneration policy for the Chief Executive Officer/General Manager of the Company and Executives with strategic responsibilities provides as follows:

- (i) there must be an adequate balance between the fixed component and the variable component and, within the latter, between the short-term and the long-term components, being the variable component still subject to upper limits;
- (ii) the fixed component must be sufficient to remunerate the work done by the persons involved in the event that the variable component was not disbursed due to the failure to achieve the performance objectives;
- (iii) a significant portion of the remuneration shall come from incentive plans lasting overall five-years (considering performance period, vesting period and deferment period);
- (iv) such plans must be paid subject to the achievement of three-year performance objectives;
- (v) such objectives are pre-determined, measurable and indicative of the operating efficiency of the Company, as well as of its capacity to remunerate invested capital and generate cash for the Shareholders over the long term;
- (vi) a significant portion of the long-term variable compensation shall be assigned in Enel shares;

- (vii) the payment of a significant portion (equal to 70%) of the long-term variable remuneration is deferred, for both share-based and monetary component, to the second financial year following performance period of the 2020 Long-Term Incentive Plan (“deferred payment”);
- (viii) the Company is entitled to request the restitution, in whole or in part, of variable components of the remuneration disbursed (or to withhold the deferred parts of the incentive), determined on the basis of data that later turned out to be manifestly erroneous (clawback and *malus*);
- (ix) the access threshold for the incentive coincides with the target level of each performance objective envisaged under 2020 Long-Term Incentive Plan.

The sustainable strategy of Enel Group, started in 2015 and lastly updated within the Strategic Plan for 2020-2022, aims at creating value also through the integration of Environmental, Social and Governance factors (“ESG”). Notably, this strategy considers opportunities and risks associated with decarbonization and electrification, leveraging on electricity distribution networks and on creation of platforms in order to enhance new global trends, such as electric mobility.

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

Particularly, the short-term variable remuneration of the Chief Executive Officer/General Manager is determined on the basis of the achievement of performance objectives related to profitability (*i.e.*, Ordinary consolidated net income), the achievement of adequate levels of operating efficiency (*i.e.*, Group Opex) and leverage (*i.e.*, Funds from operations/ Consolidated net financial debt), alongside which it is confirmed the ESG objective of further improving safety parameters in the workplaces. Furthermore, starting from this year, Furthermore, considering the state of health emergency related to the COVID-19 outbreak, it has been introduced a new performance objective aimed at measuring the effectiveness of the actions taken by the Enel Group to deal with such emergency. More specifically, this objective measures

the ability of the Group to manage the company operations remotely ensuring service continuity and excellent levels of operational efficiency.

With regard to the long-term variable remuneration, starting from this year an additional ESG objective has been introduced, concerning the ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity, in line with what provided for SDG-linked bond issues related to SDG 7 (Affordable and Clean Energy). The introduction of such performance objective is aimed at further strengthening the contribution of the remuneration policy to the implementation of the Strategic Plan for 2020-2022 of Enel Group and to the creation of sustainable value for the Company and its Shareholders, considering that – within the scenario caused by the COVID-19 outbreak – the economic recovery of the countries in which the Group operates will be focused on sustainable development, of which investments in renewable energy will be a fundamental driver.

Therefore, with regard to the long-term variable remuneration, 2020 Long-Term Incentive Plan the following performance objectives have been set out under the 2020 Long-Term Incentive Plan: (i) the Total Shareholders Return, which – taking into account share performance and dividend payments – represents an all-inclusive measure of the value created for shareholders; (ii) the ROACE (Return on average capital employed), as a measure of the Company’s ability to create value in the long-term; (iii) the ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity, in line with what provided for SDG-linked bond issues; (iv) the reduction of specific carbon dioxide emissions, ~~in~~ line consistently with the Group’s decarbonization strategy, which envisages the progressive reduction of CO<sub>2</sub> emissions according to the Paris Agreement.

Strategic pillar	Performance objectives of short-term variable remuneration	Performance objectives of long-term variable remuneration
Profitability	Ordinary consolidated Net Income	ROACE
Value creation and return for shareholders		Total Shareholders Return
Operational efficiencies	Group Opex	
Financial rigor and steady financial structure	Funds from operations / Consolidated net financial debt	

Industrial sustainable growth/ Decarbonization	<del>Renewable sources net consolidated installed capacity/Total net consolidated installed capacity</del> <u>Management of COVID-19 emergency: remote management of operations</u>	<del>Renewable sources net consolidated installed capacity/Total net consolidated installed capacity</del> <u>CO<sub>2</sub> emissions</u>
	Safety	<u>CO<sub>2</sub> emissions</u>

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

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

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

### Changes to the remuneration policy for the financial year 2020 compared to the financial year 2019

During the first months of 2020 the Nomination and Compensation Committee has considered the changes to be made to the remuneration policy of the previous year, taking in account: (i) the benchmark analysis carried out by the independent advisor Willis Towers Watsons on the competitive positioning of the remuneration treatment for the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and non-executive Directors for the 2017-2019 mandate; (ii) the indications resulting from the favorable vote expressed at the Shareholders' Meeting held on May 16, 2019 on the 2019 remuneration policy; as well as (iii) the recommendations of the Italian Corporate

Governance Code and national and international best practices.

In particular, considering the abovementioned benchmark analysis, the remuneration policy for 2020 provides for an increase of the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager, also considering Enel's positioning in terms of size, international leanings and capitalization with respect to the companies included in the Italian Peer Group and in the European Utilities Peer Group <sup>(2)</sup>. At the same time the Board of Directors, considering the emergency related to the COVID-19 outbreak and taking into account its economic and social consequences, invited the Chairman, the Chief Executive Officer/General Manager and all top management of the Enel Group to identify the most appropriate ways to implement forms of personal and shared solidarity in order to allocate part of their remuneration to relieve the state of suffering caused by the COVID-19 epidemic. The Chief Executive Officer/General Manager and the top management reporting directly to him therefore accepted such invitation and undertook to donate an amount corresponding to two months remuneration, equal to the lockdown period imposed in Italy in response to the ongoing health crisis (equivalent to about 15% of annual remuneration), in support of solidarity initiatives aimed at facing the COVID-19 emergency. A similar commitment has been undertaken by the candidate for the office of Chairman of the Board of Directors, whose election has been proposed by the shareholder Ministry of Economy and Finance when filing its slate of candidates for the office of Director in view of the Shareholders' Meeting of May 14, 2020.

The examination of the reasoning and the evaluations carried out by the Board of Directors, upon prior preliminary analysis of the Nomination and Compensation Committee, in order to determine the remuneration treatment of the Chairman, the Chief Executive Officer/General Manager and non-executive Directors is described, respectively, in the following paragraphs 1.2.3., 1.2.4. and 1.2.5 of this report.

Compared to the remuneration policy for 2019, in addition to the above-mentioned increase in the total remuneration of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager, and to the consequent variation of the pay-

<sup>(2)</sup> In particular, according to the results of the 2018 consolidated financial statements, Enel – which operates in more than 30 countries on 5 continents – significantly outperforms in terms of size (both for revenues and number of employees) and international leanings of its activities almost all companies included both in the Italian Peer Group and in the European

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

mix of the latter, the following changes have been made.

	2019 Remuneration Policy	2020 Remuneration Policy
<b>Short-term variable remuneration for CEO/GM</b>	<u>Performance objectives</u> <ul style="list-style-type: none"> <li>• Ordinary consolidated net income (weight 40%)</li> <li>• Group Opex (weight 20%)</li> <li>• Funds from operations/Consolidated net financial debt (weight 30%)</li> </ul>	<u>Performance objectives</u> <ul style="list-style-type: none"> <li>• Objective remained unchanged (weight 35%)</li> <li>• Objective and weight remained unchanged</li> <li>• Objective remained unchanged (weight 2015%)</li> <li>• <del>Renewable sources—net consolidated installed capacity/Total—net consolidated installed capacity</del> (weight 15%) <u>Management of COVID-19 emergency: remote management of operations</u> (weight 15%)</li> <li>• Objective <del>and weight</del> remained unchanged (weight 15%)</li> </ul>
	MBO Plan's performance scale: 120%, 100%, 50%, 0%.	MBO Plan's performance scale: <b>150%</b> , 100%, 50%, 0%.
<b>LTI plan for CEO/GM and ESR</b>	<u>Performance objectives</u> <p>(a) Enel's average TSR compared to the average TSR of the EUROSTOXX Utilities – EMU Index (weight 50%)</p>	<u>Performance objectives</u> <p>(a) Objective and weight remained unchanged</p>

	(b) Return on Average Capital Employed – ROACE (weight 40%)	(b) Objective <del>and weight</del> remained unchanged (weight 25%)  (c) <del>Renewable sources—net consolidated installed capacity/Total—net consolidated installed capacity</del> (weight 15%)  (d) Objective and weight remained unchanged
	(c) CO <sub>2</sub> emissions per equivalent KWh produced by the Group (weight 10%)	(e) Objective and weight remained unchanged
	LTI plan's performance scale: a) CEO/GM: 280%, 150%, 100%, 0% b) ESR: 180%, 150%, 100%, 0%	LTI plan's performance scale: a) CEO/GM: 280%, 150%, <b>130%</b> , 0% b) ESR: unchanged
<b>Non-competition agreement for CEO/GM</b>	Granting by the CEO/GM in favor of the Company of an option regarding the activation of a non-competition agreement, against the payment of a consideration.	Granting by the CEO/GM in favor of the Company of an option regarding the activation of a non-competition agreement, against the payment of a consideration.

	<p>In case of activation of the non-competition agreement by the Company, a pre-fixed consideration is paid to the CEO/GM. The overall consideration for the granting of the option and the activation of the non-competition agreement is equal to (i) the one-year fixed remuneration, and (ii) the one-year short-term variable remuneration at the maximum level of performance.</p>	<p>In case of activation of the non-competition agreement by the Company, a pre-fixed consideration is paid to the CEO/GM. The overall consideration for the granting of the option and the activation of the non-competition agreement is equal to <b>(i) the one-year fixed remuneration, and (ii) the average short-term variable remuneration accrued during the mandate.</b></p>
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### 1.2.2 *Right of derogation from the remuneration policy*

In line with the provisions of Article 123-ter, paragraph 3-bis, of the Consolidated Financial Act, in the event of exceptional circumstances the Company may temporarily derogate from the remuneration policy with regard to the fixed remuneration of the Chief Executive Officer/General Manager. In this last regard, it will also be considered the case in which the Board of Directors that will be elected by the ordinary Shareholders' Meeting called to approve the financial statements as of December 31, 2019, in appointing the Chief Executive Officer among its members, decides not to entrust the latter also with the role of General Manager. Any derogation shall be adopted according to Procedure for transactions with related parties, adopted by Enel pursuant to Article 2391-bis of the Italian Civil Code and Consob Regulation No. 17221 of 12 March 2010. Exceptional circumstances cover only situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

### 1.2.3 *Chairman of the Board of Directors*

#### Remuneration structure and pay mix

The remuneration granted to the Chairman includes: (i) the base remuneration granted to her on the basis of the resolution approved by the ordinary Shareholders' Meeting (pursuant to Article 2389,

<sup>(3)</sup> This amount of the remuneration of the Chairman of the Board of Directors has been set for the entire 2017-2019 mandate and will therefore be applied until the end of the same

paragraph 1, of the Italian Civil Code, and Article 23.1 of the Corporate Bylaws), as member of the Board of Directors; (ii) the remuneration due and the attendance fees due for the participation (if any) in the Committees established within the same Board of Directors (pursuant to Article 21.3 of the Corporate Bylaws); as well as (iii) the compensation possibly due for being a member of the board of directors of Enel's non-listed subsidiaries and/or affiliates and/or of non-listed companies or entities of interest for the Group, which therefore are waived or repaid to Enel itself. Therefore, the remuneration paid to the Chairman does not comprehend and, thus, may be combined with, the compensation due to the same as member of the boards of directors of listed subsidiaries (at the moment, Endesa S.A.), taking also into consideration the burden of the required commitment and the responsibilities deriving from such office.

The Chairman remuneration consists only of a fixed component.

#### Fixed Remuneration

The benchmark analysis carried out by the independent advisor Willis Towers Watson on the Chairman's fixed remuneration for 2019, equal to Euro 450,000 gross per year <sup>(3)</sup>, showed a positioning slightly below the median of the Italian Peer Group and slightly above the third quartile of the European Utilities Peer Group. In defining the amount of the fixed remuneration of the Chairman for 2020 it has been taken into account both the size, international leanings and capitalization of Enel with respect to the companies included in the Peer Group used as reference, and the role of the Chairman within the corporate governance of a Group which comprises 14 companies with shares listed in 8 countries on 3 continents, characterized by minorities' heterogeneity and the presence of a large number of supervisory authorities.

In order to take into account the above and in line with the opinion issued by Willis Towers Watson, the fixed remuneration for 2020 granted to the Chairman is equal to Euro 500,000 gross per year; such remuneration is slightly above the median of the Italian Peer Group and is between the third quartile and ninth decile of the European Utilities Peer Group.

#### Other compensation

mandate (*i.e.* until the Shareholders' Meeting called to approve the 2019 financial statements).



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

It should be noted that no disbursement of discretionary bonuses is envisaged in favor of the Chairman.

#### 1.2.4 Chief Executive Officer / General Manager

##### Review of the economic and legal treatment of the Chief Executive Officer/General Manager

In defining the economic treatment of the Chief Executive Officer/General Manager for 2020 it was first taken into account Enel's positioning with respect to the Italian Peer Group and the European Utilities Peer Group in terms of size, international leanings and capitalization, as resulting from the benchmark analysis carried out by the independent advisor Willis Towers Watson.

It was therefore examined the positioning of the remuneration of the Chief Executive Officer/General Manager for the 2017-2019 mandate compared to the above-mentioned Peer Groups, taking into account all its components. In particular, short and long-term variable remuneration was examined both at target level and at maximum performance level. The analysis – whose details are provided below – showed the need to align to market values the amounts concerning (i) the short-term variable component at maximum performance level and (ii) the long-term variable component at target level.

##### Fixed remuneration

The fixed remuneration is slightly above the third quartile of the Italian Peer Group and between the third quartile and ninth decile of the European Utilities Peer Group.

##### Variable remuneration at target level

- Short-term variable remuneration at target level is slightly above the third quartile of the Italian Peer Group and between the third quartile and

ninth decile of the European Utilities Peer Group.

- Long-term variable remuneration at target level is between the first quartile and the median of the Italian Peer Group and slightly above the median of the European Utilities Peer Group.
- The Total Direct Compensation Target (consisting of the fixed remuneration and the short and long-term variable remuneration at target level) is between the median and third quartile of the Italian Peer Group and the European Utilities Peer Group.

##### Variable remuneration at maximum performance level

- Short-term variable remuneration at maximum performance level is between the median and third quartile of the Italian Peer Group and slightly above the median of the European Utilities Peer Group.
- Long-term variable remuneration at maximum performance level is between the third quartile and ninth decile of the Italian Peer Group and the European Utilities Peer Group.
- The Total Direct Compensation at maximum performance level is slightly below the third quartile of the Italian Peer Group and between the third quartile and ninth decile of the European Utilities Peer Group.

The benchmark analysis has therefore shown that the overall economic treatment granted to the Chief Executive Officer/General Manager for the 2017-2019 mandate does not fully reflect Enel's positioning in terms of size, international leanings and capitalization compared to both the Italian Peer Group and the European Utilities Peer Group.

It should also be noted that during the period 2017-2019 Enel recorded a significant growth thanks to the new sustainable strategy pursued since 2015.

Particularly, with regard to the results achieved at operational level, capacity from renewable sources of the Group increased from approximately 37.8 GW at the end of 2016 to approximately 45.9 GW at the end of 2019, with a weight of capacity from renewable sources (including managed capacity) – out of the total capacity – increasing from approximately 45% in 2016 to approximately 52% in 2019. With regard to the distribution business, in the three-year period 2017-2019 it has been recorded an increase of 18% of end-users, exceeding 73 million at the end of 2019.

Such operational growth affected also the economic performance. Between the end of 2016 and the end of 2019, the Group recorded a growth in ordinary Ebitda of approximately 18%, up to Euro 17.9 billion, with a simultaneous increase in ordinary net income of approximately 48%, up to Euro 4.8 billion.

These results confirmed the Group's ability to achieve the preset strategic objectives, allowing to announce, starting from the Strategic Plan 2019-2021, a dividend policy which provides for a guaranteed minimum level for all the years of reference. The introduction of such dividend policy – strongly appreciated by institutional investors – together with the results achieved made the Enel Total Shareholders Return record in the three-year period 2017-2019 +93.5%, against +63.4% of the European index of the sector (*i.e.*, Euro STOXX Utilities).

Considering the above and in line with the opinion issued by Willis Towers Watson, the remuneration policy introduces for 2020 a review of the economic treatment of the Chief Executive Officer/General Manager in the terms indicated below, for the purpose of a more correct positioning compared to peers:

- increase in fixed remuneration from Euro 1,470,000 <sup>(4)</sup> to Euro 1,520,000 gross per year <sup>(5)</sup>;
- increase in short-term variable remuneration at maximum performance level from 120% to 150% of the fixed remuneration (*i.e.*, from Euro 1,764,000 to Euro 2,280,000 gross per year);
- increase in long-term variable remuneration at target level from 100% to 130% of the fixed remuneration (*i.e.*, from Euro 1,470,000 to Euro 1,976,000 gross per year).

While referring to the following paragraphs for a detailed exposition of the economic and legal treatment of the Chief Executive Officer/General Manager for 2020, the table here below compares the short and long-term variable remuneration incentive curves provided for 2019 and 2020.

Remuneration component	2019	2020
	Remuneration Percentage compared to fixed remuneration	Remuneration Percentage compared to fixed remuneration
Short-term variable remuneration at target level	100%	100%

<sup>(4)</sup> This amount of the fixed remuneration of the Chief Executive Officer/General Manager has been set for the entire 2017-2019 mandate and will therefore be applied until the end of the same mandate (*i.e.* until the Shareholders' Meeting called to approve the 2019 financial statements).

<sup>(5)</sup> It should be noted that this slight increase (+3.40%) in fixed remuneration has been deemed appropriate in order to align to market values the countervalue of both (i) the short-term variable component at maximum performance level and (ii) the long-term

Short-term variable remuneration at maximum performance level	120%	<b>150%</b>
Long-term variable remuneration at target level	100%	<b>130%</b>
Long-term variable remuneration at maximum performance level	280%	280%

Below are provided the outcomes of the benchmark analysis regarding the new amount of the fixed remuneration, as well as of the variable remuneration at target level <sup>(6)</sup> and at maximum performance level of the Chief Executive Officer/General Manager for 2020.

#### Fixed remuneration

The fixed remuneration is still slightly above the third quartile of the Italian Peer Group and between the third quartile and ninth decile of the European Utilities Peer Group.

#### Variable remuneration at target level

- Short-term variable remuneration at target level is still slightly above the third quartile of the Italian Peer Group and between the third quartile and ninth decile of the European Utilities Peer Group.
- Long-term variable remuneration at target level is between the median and third quartile of the Italian Peer Group and the European Utilities Peer Group.
- The Total Direct Compensation Target (consisting of the fixed remuneration and the short and long-term variable remuneration at target level) is still between the median and third quartile of the Italian Peer Group, while it is slightly below the third quartile of the European Utilities Peer Group.

#### Variable remuneration at maximum performance level

variable component at target level, without at the same time excessively increasing the respective incentive curves.

<sup>(6)</sup> As indicated in note (\*) on page 72 of this report, for the benchmark analysis, in order to ensure the comparability of the long-term incentive plan (also) share-based of Enel with similar plans adopted by the companies belonging to the European Utilities Peer Group and the Italian Peer Group, the value of the long-term variable remuneration at target level has been discounted based on Willis Towers Watson's standard methodology.

- Short-term variable remuneration at maximum level of performance is slightly below the third quartile of the Italian Peer Group and the European Utilities Peer Group.
- Long-term variable remuneration at maximum level of performance is between the third quartile and ninth decile of the Italian Peer Group and slightly below the ninth decile of the European Utilities Peer Group.
- The Total Direct Compensation at maximum level of performance is between the third quartile and ninth decile of the Italian Peer Group and the European Utilities Peer Group.

Lastly, it should be noted that the economic treatment of the Chief Executive Officer/General Manager for 2020 allows to achieve a further alignment of the pay mix to market best practices, especially with regard to the increase in the weight of the long-term variable component at target level.

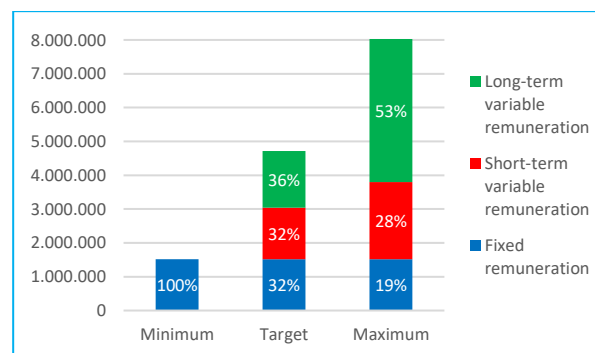
#### Remuneration structure and pay mix

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

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

Therefore, the remuneration of the Chief Executive Officer/General Manager includes, as mentioned above, (i) a fixed component, (ii) a short-term

variable component and (iii) a long-term variable component (7), and is subdivided as below:



#### Fixed Remuneration

The fixed remuneration for the Chief Executive Officer/General Manager is equal to Euro 1,520,000 gross per year. The Board of Directors that will be elected by the ordinary Shareholders’ Meeting called to approve the financial statements as of December 31, 2019 will be called to appoint among its members the Chief Executive Officer; should it deem necessary or appropriate to entrust the latter also with the role of General Manager, the same newly-elected Board will be responsible for establishing how the amount indicated above shall be divided between the two offices of Chief Executive Officer and General Manager.

#### Short-term variable remuneration

The short-term variable remuneration may range from zero up to a maximum of 150% of the base amount (the latter being equal to 100% of the fixed annual remuneration, related to both the executive and to the directorship relationship). Therefore, the short-term variable remuneration may reach a maximum of Euro 2,280,000 gross per year, depending on the level of achievement of the annual performance objectives. The performance objectives to which achievement is subject the payment of the short-term variable remuneration for the financial year 2020, and the related weight, are indicated below:

Performance objective	Weight
Ordinary consolidated net income	35%
<del>Funds from operations/Consolidated net financial debt (*)</del>	20%

(7) As indicated in note (\*) on page 72 of this report, the remuneration policy for 2020 provides that the long-term variable component of the Chief Executive Officer/General Manager is related to the participation in an incentive plan (also share-based, which does not envisage the payment to beneficiaries of the dividends accrued, during the vesting period, in relation to the shares they were awarded at the beginning of such period. Therefore, the pay mix and the amount of the long-

term variable component at target level shown in the above chart take into account a discounted value based on Willis Towers Watson’s standard methodology.

(\*) ~~The Funds from operations are calculated as the sum of the cash flows prior to the dividends and extraordinary transactions + gross capex, while the consolidated net financial debt, net of the quota of activities classified as “held for sale” and “discontinued~~

Group Opex <sup>(9)</sup>	20%
<del>Funds from operations/Consolidated net financial debt <sup>(10)</sup>Renewable sources net consolidated installed capacity/Total net consolidated installed capacity</del>	15%
Management of COVID-19 emergency: remote management of operations <sup>(11)</sup>	15%
Reduction of the work-related accident frequency index and simultaneous reduction of fatal accidents in 2020 vs the lower value between (i) the average of the results of the previous three-year period and (ii) the target of the previous year for each of the aforesaid criteria <sup>(12)</sup>	15%

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

Objective <sup>(13)</sup>	Access threshold	Target	Over
Ordinary consolidated net income	Euro 5.25 billion	Euro 5.35 billion	Euro 5.41 billion
Group Opex	Euro 8.28 billion	Euro 8.12 billion	Euro 8.04 billion

~~operations”, will be determined by the “Long-term loans” and by the “Short-term loans and current quotas of long-term loans”, net of “Cash and cash equivalents” and by current and non-current financial assets (financial receivables and titles not deriving from shareholdings) included in the “Other current assets” and “Other non-current assets”.~~

<sup>(9)</sup> Group Opex are determined as the sum of the costs classified as “services”, “materials and supplies”, “costs for leases and rentals”, “personnel recurrent costs” and “other manageable fixed costs”, as well as “taxes and fees”, “personnel non-recurrent costs” and “other manageable fixed costs”.

<sup>(10)</sup> ~~The Funds from operations are calculated as the sum of the cash flows prior to the dividends and extraordinary transactions + gross opex, while the consolidated net financial debt, net of the quota of activities classified as “held for sale” and “discontinued operations”, will be determined by the “Long-term loans” and by the “Short-term loans and current quotas of long-term loans”, net of “Cash and cash equivalents” and by current and non-current financial assets (financial receivables and titles not deriving from shareholdings) included in the “Other current assets” and “Other non-current assets”.~~

<sup>(11)</sup> This objective considers the ratio between (i) the average daily level of logins recorded during the period March-December 2020 to the ten main IT applications of the Group (CRM B2B Italy, Plant Information Vision, GESI, XDM trade - which will be replaced by Allegro F2B from June 2020 - Customer Relationship Management Italia, Customer Relationship Management B2C Iberia, Customer Relationship Management B2C for the Latin America Region, SAP, WeBuy and ServiceNow), and (ii) the average daily level of logins to the same applications recorded during the two months (i.e. January and February 2020) preceding the beginning of the state of health emergency related to the COVID-19 outbreak. Only working days falling within the reference period (i.e. excluding Saturdays and Sundays and national holidays) will be taken into account for the calculation of the average daily level of logins.

Funds from operations/ Consolidated net financial debt	24.4%	24.9%	25.2%
<del>Renewable sources net consolidated installed capacity/Total net consolidated installed capacity</del> Management of COVID-19 emergency: average daily logins recorded during the period March-December 2020 to the ten main IT applications used within the Enel Group compared to the period January-February 2020	53.280%	53.484%	53.688%
Reduction of the work-related accident frequency index (FI) 2020 vs. 2019 and concurrent reduction in the number of fatal accidents in the relevant period	Work-related Accident Frequency Index (FI) <sup>(14)</sup> 2020 <= 0.80 and number of	FI 2020 <= 0.78 and same objective of reduction in number of fatal accidents	FI 2020 <= 0.76 and same objective of reduction in number of fatal accidents

Should the health emergency resulting from the COVID-19 epidemic cease before the end of 2020, the reference period of this objective will be adjusted to take into account the actual duration of the remote working period at global level.

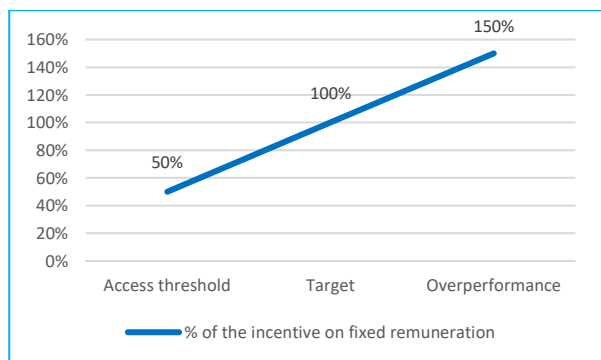
<sup>(12)</sup> The work-related accident frequency index is calculated as the ratio between the number of accidents occurred and the total of hours worked (Enel + contractors), expressed in millions; for this purpose, only injuries that entail more than 3 days of absence from work are considered as accidents. In 2019 the internal reporting criteria were updated, so that injuries that entail more than 3 days of absence are taken into account in calculating the frequency index (previously, injuries with an absence between 1 and 3 days were also counted). All threshold values have been calculated reparametrizing previous years values. Lastly, it should be noted that road events are excluded from the fatal accidents count.

<sup>(13)</sup> During the final assessments, impacts arising from the differences due to the evolution of the exchange rate compared to the budget, the amendments of the scope of consolidation compared to budget hypothesis, impacts of hyperinflation, impacts of funds (if any) and of extraordinary releases of funds as well as the impact of extraordinary transactions, always compared to budget hypothesis, will be neutralized. Furthermore, during the final assessment, the extraordinary events – including the health emergency related to the COVID-19 outbreak – that according to the management might have affected the value of the relevant KPI will be presented to the Nomination and Compensation Committee, in order to allow the latter to assess their possible sterilization. The objectives include the impact of the new international accounting standards.

<sup>(14)</sup> The work-related accident frequency index is calculated as the ratio between the number of accidents occurred and the total amount of worked hours (Enel + contractors) expressed in millions; to this end, only injuries that entail at least 3 days of absence from work are considered as accidents.

	fatal accidents during 2020 <= the Group's average of fatal accidents in 2017-2019 period (equivalent to a reduction of the Group's fatal accidents as compared to 2019 target >= 1) <sup>(15)</sup>	in 2020 envisaged for the access threshold	in 2020 envisaged for the access threshold
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For each objective, upon the achievement of the access threshold, the disbursement of a sum equal to 50% of the base amount is envisaged, while upon the achievement of the target and over performance, disbursement of a sum equal to, respectively, 100% and 150% of the base amount is envisaged (with linear interpolation), as set forth below. For performances under the access threshold no incentive is provided.



Therefore, if, for example:

<sup>(15)</sup> Road events are not included in the count of fatal accidents.

<sup>(16)</sup> The average of the *Total Shareholders Return* (TSR) of Enel and of the EUROSTOXX Utilities Index – EMU is calculated in the three-month period preceding the beginning and the end of the *performance period* (January 1, 2020 – December 31, 2022), in order to sterilize any possible volatility on the market.

<sup>(17)</sup> Index managed by STOXX Ltd., which includes the most relevant utilities companies listed in Euro Area countries (EMU). As of the date of this report, this index comprises, A2A, E.On, EdP, EdF, Elia Group, Enagas, Endesa, Enel, Engie, Fortum, Hera, Iberdrola, Italgas, Naturgy, Red Electrica, Rubis, RWE, Suez, Terna, Uniper, Veolia Environnement and Verbund.

<sup>(18)</sup> The ROACE is calculated as the *ratio* between: (i) Ordinary EBIT (Ordinary Operating Results), determined excluding the items which cannot be referred to the ordinary business, *i.e.* the

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

In the last year of the mandate, in the event of non-renewal, the variable short-term remuneration is conventionally set in an amount equal to the average remuneration received by the person involved for such component in the last two years, *pro rata temporis* (in other words, from January 1 until the date on which he terminates his office).

#### Long-term variable remuneration

Long-term variable remuneration is linked to the participation in multi-year incentive plans reserved to top management of Enel Group and may range from zero up to a maximum of 280% of the base amount (the latter being equal to 100% of the annual fixed remuneration for both the executive relationship and the directorship relationship). Therefore, the long-term variable remuneration can reach a maximum of Euro 4,256,000 gross per year.

For 2020, the long-term variable remuneration is linked to the participation in the specific Long Term Incentive Plan (“**LTI Plan 2020**”), which envisages that the incentive possibly awarded is disbursed partly in cash and partly in Enel shares, as illustrated below.

Set forth below are the three-year performance objectives envisaged under LTI Plan 2020, as well as their relevant weight.

Performance objective	Weight
Average TSR <sup>(16)</sup> Enel <i>vs.</i> average TSR of EUROSTOXX Utilities Index – EMU <sup>(17)</sup> in the 3-year period 2020-2022	50%
ROACE ( <i>Return on average capital employed</i> ) cumulative for the 3-year period 2020-2022 <sup>(18)</sup>	<del>40</del> 25%

capital gains related to asset divestiture and the asset write-downs due to impairment considered as extraordinary for the purpose of determining the Group ordinary net income (Group Net Income) and (ii) average NIC (Net Invested Capital), determined as the semi-sum between the figures at the beginning and at the end of the relevant year, after deducting the Discontinued Operations and the asset write-downs due to impairment, sterilized in determining ordinary EBIT.

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

During the final assessment, the extraordinary events ~~which~~ including the health emergency related to the COVID-19

<u>Renewable sources net consolidated installed capacity / Total net consolidated installed capacity</u>	<u>15%</u>
CO <sub>2</sub> grams emissions per equivalent KWh produced by the Group in 2022 <sup>(19)</sup>	10%

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

Enel's TSR exceeding 115% of TSR Index	Enel's TSR from 110% to 115% of TSR Index	Enel's TSR from 100% to 110% of TSR Index	Enel's TSR under 100% of TSR Index
280% <sup>(20)</sup>	150%	130% <sup>(21)</sup>	0%

The objective linked to ROACE will be measured on the basis of the performance scale set forth below (with linear interpolation). For performances under the target (whose measure coincides with the one indicated in the Strategic Plan for 2020-2022), no incentive will be awarded.

Objective	Target	Over I	Over II
Cumulative ROACE for the three-year period 2020-2022	39.4%	40.0%	40.6%

The objective concerning the ratio between the net consolidated installed capacity of renewable sources and the total net consolidated installed capacity will be measured on the basis of the performance scale set forth below (with linear interpolation). For performances under the target (whose measure coincides with the one indicated in the Strategic Plan for 2020-2022), no incentive will be awarded.

Objective	Target	Over I	Over II
<u>Renewable sources net consolidated installed capacity /</u>	<u>59.7%</u>	<u>59.9%</u>	<u>60.0%</u>

~~outbreak – that according to~~ the management ~~deems may~~ might have affected the value of the relevant KPI, will be ~~pointed out~~ presented to the Nomination and Compensation Committee, in order to allow the latter to assess their possible sterilization.

<sup>(19)</sup> Emissions from the Group's plants' production.

<sup>(20)</sup> For the beneficiaries of the LTI Plan 2020, other than the Chief Executive Officer/General Manager, it is provided for the disbursement of 180% of the awarded base amount, once the second over-performance threshold is reached.

<sup>(21)</sup> For the beneficiaries of the LTI Plan 2020, other than the Chief Executive Officer/General Manager, it is provided for the

<u>Total net consolidated installed capacity at the end of 2022</u>
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The objective concerning CO<sub>2</sub> emissions (grams per equivalent KWh produced by the Group in 2022), will be measured on the basis of the performance scale set forth below (with linear interpolation). For performances under the target (whose measure coincides with the one indicated in the Strategic Plan for 2020-2022), no incentive will be awarded.

Objective	Target	Over I	Over II
<u>CO<sub>2</sub> Emissions (gCO<sub>2</sub>/KW heq) as at 2022 <sup>(22)</sup></u>	<u>&lt;=220</u>	<u>&lt;=215</u>	<u>&lt;=210</u>

~~used for the first time on the occasion of LTI Plan 2018, has been confirmed considering the positive reaction of the major proxy advisors as well as institutional investors in Enel's share capital to its introduction and~~ It should be noted that the ESG component of the performance objectives thus reaches a total weight of 25%, with an increase compared to the LTI Plan 2019, where the weight of such component was equal to 10%. Such increase takes into account the increasingly marked attention of the financial community to issues linked to the ESG aspects, with particular emphasis on the fight against climate change. Furthermore, it should be noted that ~~such objective is~~ both the performance objectives related to ESG aspects are aimed at strengthening the link between the long-term variable remuneration and the Strategic Plan for 2020-2022, that promotes the implementation of a business model sustainable in the long period.

~~Such objective will be measured on the basis of the performance scale set forth below (with linear interpolation). For performances under the target (whose measure coincides with the one indicated in~~

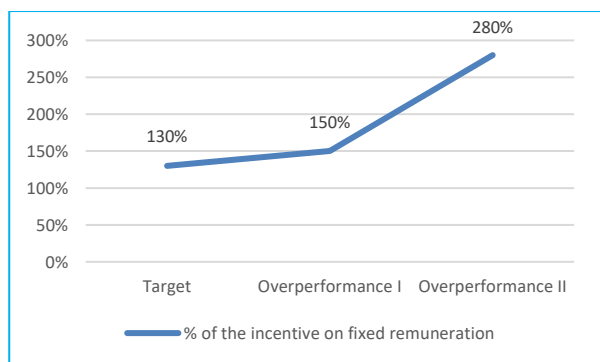
disbursement of 100% of the awarded base amount, once the target level is reached.

<sup>(22)</sup> At the time of the final assessment of the objective related to reduction of CO<sub>2</sub> emissions in 2022, it will have to be considered any negative impact of possible new laws, regulations and guidelines and/or amendments to these latter on (i) the shutdown of nuclear power plants, the shutdown and/or the gas conversion of thermoelectric power plants according to scheduled timings, as well as on (ii) the energy concessions of Enel Group companies, its subsidiaries and joint operations.

~~the Strategic Plan for 2020-2022), no incentive will be awarded.~~

Objective	Target	Over I	Over II
CO <sub>2</sub> Emissions	≤ 220	≤ 215	≤ 210
<del>(CO<sub>2</sub>/KW) (eq) as at 2022 (23)</del>			

Upon the achievement of the target, it is envisaged the disbursement of 130% <sup>(24)</sup> of the base amount, whereas upon the achievement of an over-performance, it is envisaged the disbursement of a sum equal to 150% (at Over I level) or to 280% <sup>(25)</sup> (at Over II level) of the base amount with regard to each objective (with linear interpolation), as indicated here below.



Therefore, if, for example:

- all the objectives ~~(TSR, ROACE and reduction of CO<sub>2</sub> emissions)~~ were to reach the target level, the disburseable remuneration would amount to 130% of the fixed remuneration (and the incentive would be assigned (i) as for 100% of the fixed remuneration, in shares and (ii) as for the other 30%, in cash, as specified below);
- the only objective achieved was the TSR, at a level equal to the target, the disburseable remuneration would amount to 65% of the fixed remuneration (and the incentive would be entirely assigned in Enel shares, as specified below);
- all the objectives ~~(TSR, ROACE and reduction of CO<sub>2</sub> emissions)~~ were to reach the Over I level,

<sup>(23)</sup> ~~At the time of the final assessment of the objective related to reduction of CO<sub>2</sub> emissions in 2022, it will have to be considered any negative impact of possible new laws, regulations and guidelines and/or amendments to these latter on (i) the shutdown of nuclear power plants, the shutdown and/or the gas conversion of thermoelectric power plants according to scheduled timings, as well as on (ii) the energy concessions of Enel Group companies, its subsidiaries and joint operations.~~

<sup>(24)</sup> For the beneficiaries of the LTI Plan 2020 other than the Chief Executive Officer/General Manager, it is provided for the

the disburseable remuneration would amount to 150% of the fixed remuneration (and the incentive would be assigned (i) as for 100% of the fixed remuneration, in shares, and (ii) as for the other 50%, in cash, as specified below);

- all the objectives ~~(TSR, ROACE and reduction of CO<sub>2</sub> emissions)~~ were to reach the Over II level, the disburseable remuneration would amount to 280% of the fixed remuneration (and the incentive would be assigned (i) as for 100% of the fixed remuneration, in shares, and (ii) as for the other 180%, in cash, as specified below).

In the event of expiration of directorship relationship without simultaneous renewal of the same – and, therefore, in the event of automatic termination also of the executive relationship – before the performance period’s conclusion, it is provided that the incentive will be assigned at the natural expiry of the Plan vesting period, based upon the level of achievement of the performance objectives provided under such Plan; in this case, however, the disbursement will be made *pro rata temporis* until the date of termination of the directorship and executive relationship.

#### Incentive disbursement method

LTI Plan 2020 envisages an incentive consisting of a share-based component, which may be joined – depending on the level of achievement of the objectives – by a monetary component.

In particular, it is envisaged that a 100% of the base amount is assigned in Enel shares, whose number is determined while awarding the LTI Plan 2020 on the basis of the arithmetical mean of Enel’s daily VWAP <sup>(26)</sup> detected on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. in the three-month period preceding the beginning of the performance period (*i.e.*, October 1 – December 31, 2019). The share-based component, awarded free of charge, is disbursed, subject and proportionally to the achievement of the performance objectives, (i) as for 30%, in the first year following the end of the three-year performance period, and (ii) as for the remaining 70%, in the second year following the end of the three-year performance period. Therefore, until 100% of the base amount (which is equal to 100% of the fixed remuneration) is reached, the

disbursement of 100% of the awarded base amount, once the target level is reached.

<sup>(25)</sup> For the beneficiaries of the LTI Plan 2020 other than the Chief Executive Officer/General Manager, it is envisaged the disbursement of 180% of the awarded base amount, once the second over-performance threshold is reached.

<sup>(26)</sup> Index calculated considering the weighted average price for the traded volumes, within a trading day, excluding opening and closing auctions, block trades and market cross trades.

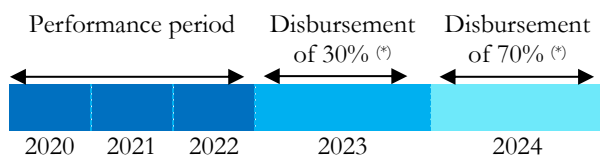
incentive is entirely disbursed in Enel shares previously purchased by the Company.

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

#### Payment deferral

The disbursement of a significant portion of the long-term variable remuneration (equal to 70% of the total for both the share-based and the monetary component) is therefore deferred to the second financial year after the relevant three-year period of the LTI Plan 2020 performance objectives (“deferred payment”).

#### **Chronology of the LTI Plan 2020**



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

#### Clawback and *malus*

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

#### Further information about the LTI Plan 2020

For further information on the LTI Plan 2020, please refer to the Information Document published pursuant to Article 84-*bis*, paragraph 1, of the Regulation adopted by Consob with Resolution No. 11971 of May 14, 1999 and available on the Company’s website ([www.enel.com](http://www.enel.com)).

#### Other compensation

With the termination of the directorship and, consequently, of the executive relationship (since the termination as Chief Executive Officer triggers the

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

It is envisaged that the Chief Executive Officer/General Manager irrevocably grants the Company, pursuant to Article 1331 of the Italian Civil Code and for a consideration equal to a gross amount of Euro 500,000 (to be paid in three annual installments of equal amount), with the right to activate a non-competition agreement. Should the Company exercise such option right, the person involved undertakes to refrain from engaging in, for a period of one year following the termination of the directorship and executive relationships, regardless of the reason – either personally or indirectly through a third party, individual or entity – any activity, even on an occasional or gratuitous basis, in competition with, or in favor of, entities that operate in competition with the Enel Group throughout the entire territory of Italy, France, Spain, Germany, Chile and Brazil. If the Company exercises such option right, it will pay to the person in question, within the 15 days following the end of the term of such obligations (in other words, upon the expiry of one year from the termination of the directorship and executive relationships), a consideration equal to one-year fixed remuneration and the average short-term variable remuneration effectively accrued during the mandate, net of the consideration already paid for the granting of the option right (*i.e.*, a maximum amount of Euro 3,300,000 gross). Therefore, if at the time of termination of the relationship no short-term variable remuneration has



been accrued yet, the consideration will be equal to the sole annual fixed remuneration, net of the consideration already paid for the granting of the option right (*i.e.*, Euro 1,020,000 gross). According to this policy, the breach of the non-competition agreement results in the non-payment of the above-mentioned amount or its reimbursement (jointly with the amount paid by the Company as consideration for the right to activate the non-competition agreement), whether Enel has learnt of such breach after the payment. Such breach, furthermore, triggers the duty to indemnify the damage, which amount has been agreed between the parties as equal to the double of the total value of the non-competition agreement (without prejudice to the Company's right to take action to obtain the exact performance of the agreement itself).

It should be noted that the overall maximum amount granted to the Chief Executive Officer/General Manager, in case of occurrence of the circumstances illustrated in this paragraph, for i) severance indemnity, ii) option right and iii) non-competition agreement is lower than the two years amount of fixed and variable short-term remuneration <sup>(27)</sup>.

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

It should be noted that no disbursement of discretionary bonuses is envisaged in favor of the Chief Executive Officer/General Manager.

### 1.2.5 *Non-executive directors*

With regard to non-executive Directors, the policy – as indicated in paragraph 1.2.1 above – provides that

their remuneration consists solely of a fixed remuneration (approved by the ordinary Shareholders' Meeting pursuant to Article 2389, paragraph 1, of the Italian Civil Code, and Article 23.1 of the Corporate Bylaws), and, for Directors who are also members of one or more Committees established within the Board of Directors, of an additional amount determined by the latter (pursuant to Article 21.3 of the Corporate Bylaws), upon proposal of the Nomination and Compensation Committee and subject to the opinion of the Board of Statutory Auditors, in line with the recommendations of Article 6.P.2 of the Italian Corporate Governance Code.

In this regard, the remuneration policy for 2020 has been defined based on the outcomes of the benchmark analysis carried out by Willis Towers Watson with reference to the office of (i) non-executive Director and (ii) member of one of the Committees established within the Board of Directors of Enel; in this last respect, the analysis concerned the remuneration of the members of the Control and Risk Committee, the Nomination and Compensation Committee and (with a study limited only to the Italian Peer Group) the Related Parties Committee.

Based on such analysis, the fixed remuneration granted to non-executive Directors for the 2017-2019 mandate in relation to the participation in Board activities, equal to Euro 80,000 gross per year, is between the median and the third quartile of the Italian Peer Group and on the median of the European Utilities Peer Group. However, notwithstanding such analysis gave reasons for increasing the amount of the fixed remuneration, the Board of Directors refrained from doing so, as evidence of its sensitivity to the socio-economic consequences of the COVID-19 epidemic.

It was therefore deemed appropriate to leave unchanged also for 2020 the amount of Euro 80,000 gross per year as remuneration of non-executive Directors for participation in Board activities, confirming the exclusion of variable components.

With regard to the remuneration for participation in each of the Committees established within the Board of Directors (*i.e.*, as of the date of this report, the Control and Risk Committee, the Nomination and Compensation Committee, the Related Parties Committee and the Corporate Governance and Sustainability Committee) for the 2017-2019 mandate it was established as follows:

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<sup>(27)</sup> Considering the incentive paid in case of over-performance for the quota relating to the short-term variable remuneration.

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

In establishing the above-mentioned remuneration, the Board of Directors also set – still with reference to the 2017-2019 mandate – a maximum limit to the total amount that may be paid to each Director for his/her participation in the above-mentioned Committees, providing that such amount may not, under any circumstances, exceed the limit of Euro 70,000 gross per year.

The benchmark analysis carried out by Willis Towers Watson has shown that the above amounts – albeit with some distinctions between the single Committees – are between the first quartile and the median of both the Italian Peer Group and the European Utilities Peer Group. However, notwithstanding such analysis gave reasons for increasing the amount of the remuneration, the Board of Directors refrained one more time from doing so, as evidence of its sensitivity to the socio-economic consequences of the COVID-19 epidemic.

Therefore, it has been deemed appropriate to leave unchanged for 2020 the above-mentioned remuneration structure for participation of non-executive Directors in the Committees established within the Board of Directors.

#### 1.2.6 Members of the Board of Statutory Auditors

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

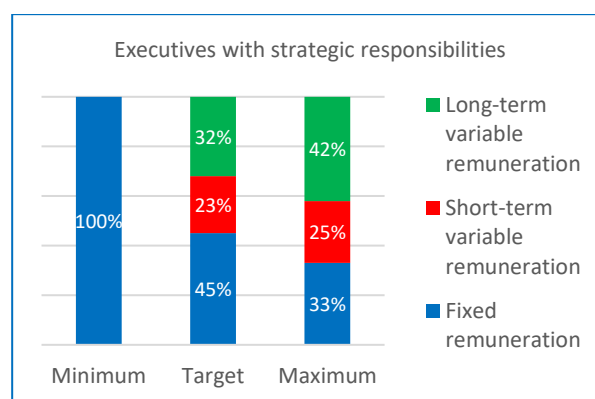
- gross annual remuneration for the Chairman of the Board of Statutory Auditors: Euro 85,000;
- gross annual remuneration for the other regular Statutory Auditors: Euro 75,000.

#### 1.2.7 Executives with strategic responsibilities

##### Remuneration structure and pay mix

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

component and (iii) a long-term variable component, as subdivided below:



##### Fixed remuneration

The fixed remuneration (RAL) of the Executives with strategic responsibilities is aimed at adequately remunerating the skills and expertise that are distinctive and necessary for purposes of performing the office assigned, the scope of responsibilities, and the overall contribution provided in order to achieve business results.

##### Short-term variable remuneration

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

It should also be noted that the measurement of the short-term variable remuneration (MBO) may concretely vary, according to the level of achievement of performance objectives, from a minimum level (below which the bonus is set to zero) up to a maximum level (predetermined and linked to the event of over-performance connected to the objectives assigned) which is different depending on

the specific national contests and on the business where the Group is operating.

### Long-term variable remuneration

The long-term variable remuneration consists of the participation in the LTI Plan 2020, which is described in detail in paragraph 1.2.4 of this report and may range from zero up to a maximum of 126% of the annual fixed remuneration of Executives with strategic responsibilities, based upon the level of achievement of three-year performance objectives characterizing the Plan.

Therefore, if, for example:

- all the objectives (~~TSR, ROACE and reduction of CO<sub>2</sub> emissions~~) were to reach the target level, the disburseable remuneration would amount to 70% of the fixed remuneration (and the incentive would be assigned (i) as for 35% of the fixed remuneration, in shares and (ii) as for the remaining 35%, in cash, as illustrated below);
- the only objective achieved was the TSR, at a level equal to the target, the disburseable remuneration would amount to 35% of the fixed remuneration (and the incentive would be entirely disbursed in shares, as illustrated below);
- all the objectives (~~TSR, ROACE and reduction of CO<sub>2</sub> emissions~~) were to reach the Over I level, the disburseable remuneration would amount to 105% of the fixed remuneration (and the incentive would be assigned (i) as for 35% of the fixed remuneration, in shares and (ii) as for the remaining 70%, in cash, as illustrated below);
- all the objectives (~~TSR, ROACE and reduction of CO<sub>2</sub> emissions~~) were to reach the Over II level, the disburseable remuneration would amount to 126% of the fixed remuneration (and the incentive would be disbursed (i) as for 35% of fixed remuneration, in shares and (ii) as for the remaining 91%, in cash, as illustrated below).

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

### Incentive disbursement methods

LTI Plan 2020 envisages for all its beneficiaries – and therefore even for Executives with strategic responsibilities – an incentive consisting of a share-based component, which may be joined – depending on the level of achievement of the objectives – by a monetary component.

In particular, for all the beneficiaries other than the Chief Executive Officer/General Manager, it is

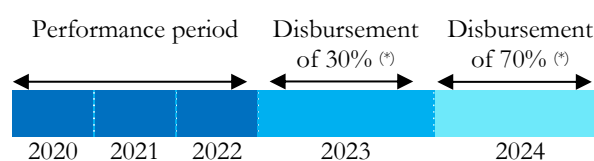
envisaged that 50% of the base amount is assigned in Enel shares, whose number is determined while awarding the LTI Plan 2020 on the basis of the arithmetical mean of Enel's daily VWAP detected on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. in the three-month period preceding the beginning of the performance period (*i.e.*, October 1 – December 31, 2019). The share-based component, awarded free of charge, is disbursed, subject and proportionally to the achievement of the performance objectives, (i) as for 30%, in the first year following the end of the three-year performance period, and (ii) as for the remaining 70%, in the second year following the end of the three-year performance period. Therefore, until 50% of the base amount (which is equal to 35% of the fixed remuneration) is reached, the incentive is entirely assigned in Enel shares previously purchased by the Company.

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

### Payment deferral

The payment of a significant portion of the long-term variable remuneration (equal to 70% of the total for both the share-based and the monetary component) is therefore deferred to the second financial year after the relevant three-years period of the objectives of the LTI Plan 2020 (“*deferred payment*”).

#### **Chronology of the LTI Plan 2020**



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

### Clawback and *malus* clause

The Company is entitled to claim back the variable remuneration (both short-term and long-term) paid (or may withhold any deferred long-term variable

remuneration), if such remuneration has been paid or calculated on the basis of data which subsequently proved to be clearly erroneous.

#### [Further information about the LTI Plan 2020](#)

For further information on the LTI Plan 2020, please refer to the Information Document published pursuant to Article 84-*bis*, paragraph 1, of the Regulation adopted by Consob with Resolution No. 11971 of May 14, 1999 and available on the Company's website ([www.enel.com](http://www.enel.com)).

#### [Other compensation](#)

Usually, in the event of termination of the employment relationship, no additional indemnities or payments are due other than those resulting from the application of the provisions of the national collective contract without prejudice to previous individual agreements, if any, still in force as of the date of this report.

During the employment relationship it is envisaged (i) the assignment of an automobile for business and personal use; (ii) the entering into insurance policies to cover the risk of occupational and extra-occupational injury; (iii) the payment by Enel of contributions for the supplementary pension fund, based on the relevant employment agreement, for the Group's executives; (iv) the payment by Enel of contributions for the supplementary healthcare coverage in accordance with the contractual provisions. Such benefits are also granted to the Chief Executive Officer/General Manager, in consideration of its executive relationship.

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

### 2.1 Compensations referred to 2019

Please find here below detailed information on the compensation due for the financial year 2019 – and determined on an accruals basis – to the members of the Board of Directors and of the Board of Statutory Auditors, to the General Manager and to the Executives with strategic responsibilities. These compensations have been determined in compliance with the principles set forth in the remuneration policy approved by the ordinary Shareholders' Meeting held on May 16, 2019.

In this regard, the economic treatment for the Chairman of the Board of Directors includes the remuneration and the attendance fees for participation in the committees established within the Board of Directors of the Company, as well as the remuneration possibly due for participating in the boards of directors of Enel's non-listed subsidiaries and/or affiliated companies and/or non-listed companies or entities of interest for the Group, that thus shall be waived or repaid to Enel. Thus, the remuneration due to the Chairman does not comprehend and, therefore, may be combined with, the compensation due to the same as member of the boards of directors of listed subsidiary (at moment, Endesa S.A.), in consideration of the burden of the required commitment and the responsibilities deriving from such office.

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

- **Fixed Remuneration**

The fixed remuneration of the Chairman and of the Chief Executive Officer/General Manager has been approved (pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and Article 23.2 of the Corporate Bylaws), by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, subject to the opinion of the Related Parties Committee and of the Board of Statutory Auditors. Such remuneration absorbs the base compensation assigned to the persons involved, on the basis of the

ordinary Shareholders' Meeting resolution (pursuant to Article 2389, paragraph 1, of the Italian Civil Code and Article 23.1 of the Corporate Bylaws), in their capacity as members of the Board of Directors.

The compensation of non-executive directors has been approved by the ordinary Shareholders' Meeting (pursuant to Article 2389, paragraph 1, of the Italian Civil Code, and Article 23.1 of the Corporate Bylaws) as well as, for the Directors who are also members of one or more Committees established within the Board of Directors, by the latter corporate body (pursuant to Article 21.3 of the Corporate Bylaws) upon proposal of the Nomination and Compensation Committee and heard the Board of Statutory Auditors.

- **Short-term variable compensation**

The Board of Directors, upon proposal of the Nomination and Compensation Committee, has verified the achievement by the Chief Executive Officer/General Manager of a score equal to 100 points on the *performance* scale used, that is equivalent to the maximum amount of the short-term variable remuneration (equal to 120% of the fixed remuneration). The chart below indicates the level of achievement of each target.

Performance objectives assigned to the Chief Executive Officer/General Manager	Maximum score	Points assigned
Ordinary consolidated net income	40	40
Funds from operations/Consolidated net financial debt	30	30
Group Opex	20	20
Reduction of the 2019 vs. 2018 work-related accident frequency index (FI) and concomitant reduction of the number of fatal accidents in the relevant period	10	10
<b>Total assessment</b>	100% of the short-term variable remuneration (equal to 120% of the fixed remuneration)	

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

Performance objectives assigned to the CEO/GM	Access threshold	Target objective	Maximum objective	Achieved performance	Access threshold payout	Target objective payout	Maximum objective payout	Achieved payout
<b>Ordinary consolidated net income</b>	4,660 €Mln	4,755 €Mln	4,803 €Mln	4,840€Mln (**)	20%	40%	48%	48%
<i>Funds from operations/ Consolidated net financial debt</i>	26.5%	27.3%	27.6%	28.1% (***)	15%	30%	36%	36%
<b>Group Opex</b>	8,938 €Mln	8,763 €Mln	8,675 €Mln	8,665 €Mln (****)	10%	20%	24%	24%
<b>Reduction of the 2019 vs 2018 work-related accident frequency index (FI) and concomitant reduction of the number of fatal accidents in the relevant period (*)</b>	<= 0.99	<= 0.97	<= 0.94	0.73	5%	10%	12%	12%
<b>Total Payout</b>					50%	100%	120%	120%

(\*) As far as fatal injuries are concerned, the reduction has been approximately equal to 22%.

(\*\*) In application of the rules established for the final assessment of the various objectives concerning the short-term variable remuneration of the Chief Executive Officer/General Manager, the ordinary consolidated net income for 2019 (equal to Euro 4,767 million) has been adjusted to take into account (i) the impact of the different scope of consolidation compared to the budget (+ Euro 23 million), (ii) the evolution of exchange rates compared to the budget and Argentine hyperinflation (+ Euro 13 million), (iii) the effect of the application of accounting standards not reflected in the budget (IFRS 16, + Euro 31 million), as well as (iv) the effect of extraordinary allowances and funds releases (Euro + 6 million).

(\*\*\*) In application of the regulation established for the final assessment of the various objectives concerning the short-term variable remuneration of the Chief Executive Officer/General Manager, the Funds from Operations for 2019 have been adjusted by Euro -0.01 billion and the Net financial debt has been adjusted by Euro -3.86 billion to take into account (i) the impact of the different scope of consolidation and of extraordinary transactions compared to the budget, (ii) the evolution of exchange rates compared to the budget and the Argentine hyperinflation and (iii) the effect of the application of accounting standards (IFRS 16) not reflected in the budget.

(\*\*\*\*) In application of the regulation established for the final assessment of the various objectives concerning the short-term variable remuneration of the Chief Executive Officer/General Manager, the Group Opex for 2019 (equal to Euro 8,506 million) has been adjusted to take into account (i) the impact of the different scope of consolidation compared to the budget (- Euro 43 million), (ii) the evolution of exchange rates compared to the budget and the Argentine hyperinflation (+ Euro 8 million), (iii) the effect of the application of accounting standards not reflected in the budget (IFRS 16, + Euro 194 million).

With regard to the Chairman, no short-term variable remuneration is envisaged.

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

- Long-term variable compensation

The Board of Directors, upon proposal of the Nomination and Compensation Committee, has verified the achievement, in the level specified in the table below, of the performance targets provided for by the LTI Plan 2017 in which were involved both the Chief Executive Officer/General Manager and the Executives with strategic responsibilities, and has therefore provided for the disbursement,

respectively, of 208% of the base amount awarded to the Chief Executive Officer/General Manager, and of 148% of the base amount awarded to Executives with strategic responsibilities in relation to the Plan itself.

Performance objectives assigned to the beneficiaries of the LTI Plan 2017 (CEO/GM)	Access threshold	Target objective	I Over objective	II Over objective	Achieved performance	Access threshold payout	Target objective payout	I Over payout	II Over payout *	Achieved payout
<b>Average Enel TSR vs average TSR of Index EUROSTOXX Utilities – EMU</b>	Between 90% and 100%	Between 100% and 110%	Between 110% and 115%	More than 115%	147%	30%	60%	90%	168%	168%
<b>Return on average capital employed (ROACE)</b>	33.3%	34.3%	35.5%	36.2%	34.3%	20%	40%	60%	112%	40%
<b>Total Payout</b>						50%	100%	150%	280%	208%

\* The measure of the “II Over payout” curve of the Chief Executive Officer/General Manager, originally equal to 180% of the base amount when the LTI Plan 2017 was awarded, has been redetermined in accordance with the economic and legal treatment granted to the person concerned for the entire 2017-2019 mandate by resolution of the Board of Directors of April 18, 2018.

Performance objectives assigned to the beneficiaries of the LTI Plan 2017 (Executives with strategic responsibilities)	Access threshold	Target objective	I Over objective	II Over objective	Achieved performance	Access threshold payout	Target objective payout	I Over payout	II Over payout	Achieved payout
<b>Average Enel TSR vs average TSR of Index EUROSTOXX Utilities – EMU</b>	Between 90% and 100%	Between 100% and 110%	Between 110% and 115%	More than 115%	147 %	30%	60%	90%	108%	108%
<b>Return on average capital employed (ROACE)</b>	33.3%	34.3%	35.5%	36.2%	34.3%	20%	40%	60%	72%	40%
<b>Total Payout</b>						50%	100%	150%	180%	148%

With regard to the Chairman, no long-term variable remuneration is envisaged.



- [Competitive positioning on the relevant market](#)

We remind you that during the last period of 2017 and the first months of 2018, the Board of Directors determined Chairman's and CEO/GM's economic and legal treatments for the 2017/2019 mandate, upon proposal of the Nomination and Compensation Committee and prior opinion of the Related Parties Committee and the Board of Statutory Auditors.

In view of defining such treatment, the Nomination and Compensation Committee has verified, with support of the independent advisor Mercer, that top management's treatment for the previous 2014-2016 mandate was positioned on levels significantly lower than the ones of the benchmark represented by the European Industry Peer Group <sup>(28)</sup>, considered by Mercer the most significant for the definition of the new treatment compared to the peer group composed of companies belonging to the FTSE MIB Index <sup>(29)</sup>. In particular, it was found that top management's overall treatment for the previous 2014-2016 mandate didn't show Enel's positioning in terms of dimension, profitability and market capitalization compared to the same Industry European Peer Group <sup>(30)</sup>.

Such misalignment was due, to a certain extent, to the fact that Chief Executive Officer/General Manager's remuneration for previous 2014-2016 mandate was fixed – pursuant to Article 84-*ter* of Law Decree of June 21, 2013, No. 69, converted with amendments by Law of August 9, 2013, No. 98, and to the specific resolution adopted pursuant to such Law by the Shareholders' Meeting held on May 22, 2014 – at an amount not exceeding 75% of the total economic treatment of the holder of such office during the previous 2011-2013 mandate. On the other hand, in response to the recommendation made during the same Shareholders' Meeting by the Shareholder Ministry of Economy and Finance, the Board of Directors set Chairman's total remuneration for 2014-2016

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<sup>(28)</sup> The European Industry Peer Group was composed of European companies operating in the utilities market, selected not only because of business similarity, but also on the basis of dimensional criteria. The following companies belonged to this panel: Centrica, EdF, EdP, Engie, EOn, Gas Natural Fenosa, Iberdrola, Innogy, National Grid, RWE, SSE, Uniper.

<sup>(29)</sup> This peer group was composed of companies that, like Enel, belonged to the FTSE MIB index, selected because of dimensional criteria and/or the level of internationalization of the business and/or for the direct or indirect significant shareholding held by the Ministry of Economy and Finance. The following companies belonged to this panel: Assicurazioni Generali, Atlantia, CNH Industrial, Eni, Fiat Chrysler Automobiles, Intesa Sanpaolo, Leonardo, Luxottica, Poste Italiane, Prysmian, SNAM, Terna, TIM, Unicredit.

<sup>(30)</sup> In particular, on the basis of 2016 consolidated financial reports of the companies belonging to the European Industry Peer Group, Enel was positioned in the first place within that panel in

mandate to Euro 238,000 per year, by analogy with that of other listed companies subject to the control of the same Ministry.

Considering the abovementioned legal restrictions and recommendations – dictated by contingent reasons and bound for operating for a transitory period – were not applicable anymore, the Board of Directors, upon proposal of the Nomination and Compensation Committee, has therefore deemed appropriate for 2017-2019 mandate to realign to the market values *(i)* of Chairman's and Chief Executive Officer's remuneration and *(ii)* of the balance of the latter's pay mix. In coming to such conclusion, the Board of Directors has taken into account Enel Group's significant growth in terms of operating, economic, financial results and of internationalization, as well as of market capitalization and total shareholders' return since the current Chief Executive Officer/General Manager took the office <sup>(31)</sup>.

Illustrated below are the key components of the economic treatment for the Chairman of the Board of Directors and the Chief Executive Officer/General Manager for 2017-2019 mandate, along with their relevant positioning for 2019 compared to the relevant market, determined considering the benchmark analysis carried out by the independent advisor Willis Towers Watson – that supported the Company in defining the remuneration policy for 2020 – with regard to the Italian Peer Group and the European Utilities Peer Group, whose respective composition – which is in line with that of the similar panels previously used by Mercer – is described in detail in paragraph 1.1.3 of the first section of this report. It is also illustrated the positioning for 2019 of the economic treatment for the Executives with strategic responsibilities in office with respect to the relevant market.

#### [Chairman](#)

terms of revenues, operating result and market capitalization and in the third quartile as for personnel size. This position has remained unchanged with regard to 2017 consolidated financial reports of the same companies belonging to the European Industry Peer Group.

<sup>(31)</sup> In particular, between 2014 and 2017, Enel Group registered a growth in ordinary net income of approximately 25%, with approximately 60% of Ebitda realized abroad. During the same period, the capacity installed from renewable sources has grown by more than 4 GW and an increase of approximately 5 million in end users has been registered, particularly in South America, while in terms of total shareholders' return Enel share price has performed +86% compared to the +38% of the Index EUROSTOXX Utilities – EMU, which allowed Enel to firmly position on the first place among European utilities in terms of market capitalization at the end of 2017.

In defining Chairman's economic treatment for 2017-2019 mandate, the Board of Directors, upon proposal of the Nomination and Compensation Committee, has taken into account the outcome of the benchmark analysis carried out by the independent advisor Mercer and evaluated also the following circumstances:

- the current Chairman, in line with the powers delegated, does not hold an executive role and, furthermore, substantially fulfills the role of guarantor of the Group's corporate governance;
- the analysis of the Group's governance highlighted a very articulated organizational framework, with several listed companies characterized by minorities heterogeneity and the existence of a large number of supervisory authorities. In this connection, is particularly important the role of guarantor of the Group's corporate governance played by the Chairman.

Consequently, it has been deemed appropriate to grant to the Chairman a remuneration composed only by the fixed component, equal to Euro 450,000 gross per year, which – considering the benchmark analysis carried out by the independent advisor Willis Towers Watson based on the documentation published for the 2019 AGM season – is slightly below the median of the Italian Peer Group and slightly above the third quartile of the European Utilities Peer Group.

#### Chief Executive Officer/General Manager

In defining Chief Executive Officer/General Manager's economic treatment for 2017-2019 mandate, the Board of Directors, upon proposal of the Nomination and Compensation Committee, on the basis of the outcome of the benchmark analysis carried out by the independent advisor Mercer, has deemed appropriate to apply the following changes with regard to the treatment for the previous 2014-2016 mandate:

- the fixed remuneration has been raised from Euro 1,155,000 gross per year to Euro 1,470,000 gross per year, with an increase of 27.3% compared to the previous mandate, therefore reaching a level substantially equivalent to the one applicable before the reduction set forth by the Shareholders' Meeting held on May 22, 2014, in implementation of Law Decree No. 69/2013, converted with amendments by Law No. 98/2013. Considering the benchmark analysis carried out by the independent advisor Willis Towers Watson based on the documentation published for the 2019 AGM season, the amount of the fixed remuneration is slightly above the third quartile of

the Italian Peer Group and between the third quartile and the ninth decile of the European Utilities Peer Group;

- the short-term variable remuneration has been confirmed at the target level equal to 100% of the fixed remuneration (*i.e.*, considering the benchmark analysis carried out by Willis Towers Watson, slightly above the third quartile of the Italian Peer Group and between the third quartile and the ninth decile of the European Utilities Peer Group) and equal to 120% of the fixed remuneration upon the achievement of the maximum performance level (*i.e.*, considering the above-mentioned benchmark analysis carried out by Willis Towers Watson, between the median and the third quartile of the Italian Peer Group and slightly above the median of the European Utilities Peer Group);
- the long-term variable remuneration has been raised (*i*) from 80% to 100% of the fixed remuneration, upon the achievement of the target level (*i.e.*, considering the above-mentioned benchmark analysis carried out by Willis Towers Watson, between the first quartile and the median of the Italian Peer Group and slightly above the median of the European Utilities Peer Group), and (*ii*) from 144% to 280% of the fixed remuneration, upon the achievement of the maximum performance level (*i.e.*, considering the above-mentioned benchmark analysis carried out by Willis Towers Watson, between the third quartile and the ninth decile of the Italian Peer Group and of the European Utilities Peer Group).

The changes thus applied to the Chief Executive Officer/General Manager's remuneration structure are also aimed at re-balancing the pay-mix, which in the previous 2014-2016 mandate was characterized by the predominance of the short-term variable component over the long-term one, in countertrend with the European Industry Peer Group identified by Mercer and with what is recommended in the policies of the major proxy advisors and institutional investors in Enel's share capital .

Furthermore, it should be noted that, in the light of the above-mentioned change in the incentive curve of the long-term variable remuneration, it has been provided for the introduction of the *pro rata temporis* payment rule in the event of possible misalignment between the Long-Term Incentive Plans' performance period and the duration of the office of the Chief Executive Officer/General Manager resulting from the expiry of the latter's mandate not followed by the renewal of the office. Compared to the previous provisions, such rule will determine a significant saving for Enel, quantifiable overall in approximately

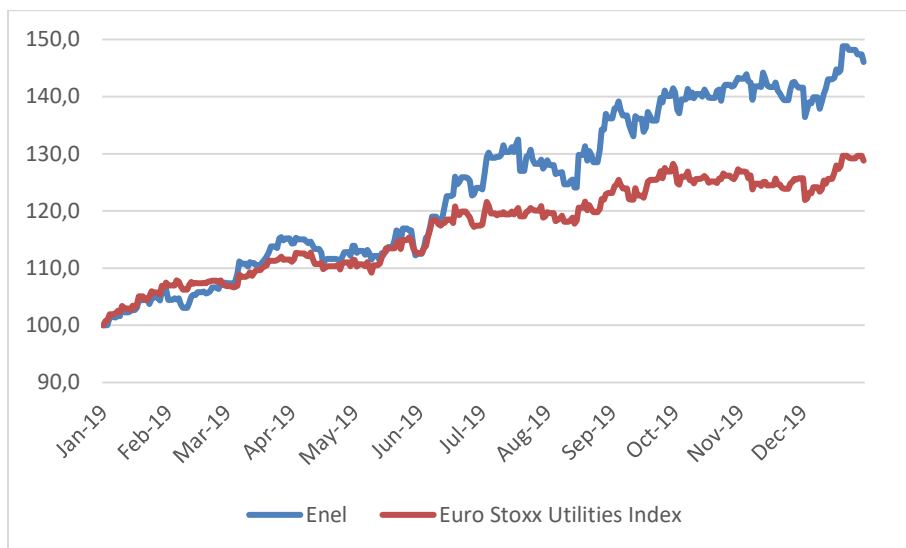
Euro 1,470,000 in the event the target level is achieved and approximately Euro 4,116,000 in the event the maximum performance level is achieved.

In the light of the above, the Total Direct Compensation Target (constituted by fixed remuneration and long and short-term variable remuneration at the target level) for the Chief Executive Officer/General Manager is positioned – based on the above-mentioned benchmark analysis carried out by Willis Towers Watson – between the median and the third quartile of Italian Peer Group and of the European Utilities Peer Group.

#### [Executives with strategic responsibilities](#)

With reference to the Executives with strategic responsibilities, the total remuneration results to be, compared to the relevant benchmark (“*2019 Mercer Executive Remuneration Guides – Western Europe*”, which analyzed the remuneration of executives in 1,196 European companies), between the market median and the third quartile.

2.2 Overall shareholders' return (for every 100 Euro invested on January 1, 2019)



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

The following chart sets forth compensations referred to 2019, determined on an accrual basis, due to Directors, Regular Statutory Auditors, the General

Manager and Executives with strategic responsibilities, in compliance with Annex 3A, Table 7-bis, of Consob Issuers' Regulation. This chart includes all the persons holding the aforementioned offices even only for a fraction of the year.

(A) First name and last name	(B) Office	(C) Period during which office was held	(D) Expiration date of the office	(1) Fixed compensation	(2) Compensation for participation in committees	(3) Non-equity variable compensation		(4) Non-monetary benefits	(5) Other compensation	(6) Total	(7) Fair value of equity compensation	(8) Indemnity for severance / termination of employment relationship
						Bonuses and other incentives	Profit sharing					
<b>(I) Compensations of the company that drafts the financial statements</b>												
Maria Patrizia Grieco <sup>(1)</sup>	Chairman	01/2019-12/2019	Approval of 2019 financial statements	450,000 <sup>(a)</sup>	-	-	-	9,310 <sup>(b)</sup>	-	459,310	-	-
Francesco Starace <sup>(2)</sup>	CEO/GM	01/2019-12/2019	Approval of 2019 financial statements	1,470,000 <sup>(a)</sup>	-	3,777,606 <sup>(b)</sup>	-	77,124 <sup>(c)</sup>	161,700 <sup>(d)</sup>	5,486,430	48,677	-
Alfredo Antoniozzi <sup>(3)</sup>	Director	01/2019-12/2019	Approval of 2019 financial statements	80,000 <sup>(a)</sup>	49,000 <sup>(b)</sup>	-	-	-	-	129,000	-	-
Alberto Bianchi <sup>(4)</sup>	Director	01/2019-12/2019	Approval of 2019 financial statements	80,000 <sup>(a)</sup>	58,808 <sup>(b)</sup>	-	-	-	-	138,808	-	-
Cesare Calari <sup>(5)</sup>	Director	01/2019-12/2019	Approval of 2019 financial statements	80,000 <sup>(a)</sup>	49,000 <sup>(b)</sup>	-	-	-	-	129,000	-	-
Paola Girdinio <sup>(6)</sup>	Director	01/2019-12/2019	Approval of 2019 financial statements	80,000 <sup>(a)</sup>	60,000 <sup>(b)</sup>	-	-	-	-	140,000	-	-
Alberto Pera <sup>(7)</sup>	Director	01/2019-12/2019	Approval of 2019 financial statements	80,000 <sup>(a)</sup>	60,000 <sup>(b)</sup>	-	-	-	-	140,000	-	-
Anna Chiara Svelto <sup>(8)</sup>	Director	01/2019-12/2019	Approval of 2019 financial statements	80,000 <sup>(a)</sup>	63,000 <sup>(b)</sup>	-	-	-	-	143,000	-	-
Angelo Taraborrelli <sup>(9)</sup>	Director	01/2019-12/2019	Approval of 2019 financial statements	80,000 <sup>(a)</sup>	70,000 <sup>(b)</sup>	-	-	-	-	150,000	-	-
Barbara Tadolini <sup>(10)</sup>	Chairman of the Board of Statutory Auditors	05/2019-12/2019	Approval of 2021 financial statements	53,329 <sup>(a)</sup>	-	-	-	-	-	53,329	-	-
Romina Guglielmetti <sup>(11)</sup>	Regular Statutory Auditor	01/2019-12/2019	Approval of 2021 financial statements	75,000 <sup>(a)</sup>	-	-	-	-	-	75,000	-	-

Claudio Sottoriva <sup>(12)</sup>	Regular Statutory Auditor	05/2019-12/2019	Approval of 2021 financial statements	47,055 <sup>(a)</sup>	-	-	-	-	-	47,055	-	-
Sergio Duca <sup>(13)</sup>	Former Chairman of the Board of Statutory Auditors	01/2019-05/2019	Approval of 2018 financial statements	31,671 <sup>(a)</sup>	-	-	-	-	-	31,671	-	-
Roberto Mazzei <sup>(14)</sup>	Former Regular Statutory Auditor	01/2019-05/2019	Approval of 2018 financial statements	27,945 <sup>(a)</sup>	-	-	-	-	-	27,945	-	-
(I) Sub-total				<b>2,715,000</b>	<b>409,808</b>	<b>3,777,606</b>	-	<b>86,434</b>	<b>161,700</b>	<b>7,150,548</b>	<b>48,677</b>	-
<b>(II) Compensations from subsidiaries and affiliated companies</b>												
Maria Patrizia Grieco <sup>(15)</sup>	Director Endesa S.A.	01/2019-12/2019	Approval of 2021 financial statements	207,244 <sup>(a)</sup>	-	-	-	-	-	207,244	-	-
(II) Sub-total				<b>207,244</b>	-	-	-	-	-	<b>207,244</b>	-	-
<b>(III) Total</b>				<b>2,922,244</b>	<b>409,808</b>	<b>3,777,606</b>	-	<b>86,434</b>	<b>161,700</b>	<b>7,357,792</b>	<b>48,677</b>	-

**Notes:**

**(1) Maria Patrizia Grieco – Chairman of the Board of directors**

- (a) Fixed remuneration approved, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, after having received the Related Parties Committee's opinion and having heard the Board of Statutory Auditors. Such remuneration includes the compensation approved for the members of the Board of Directors by the ordinary Shareholders' Meeting of May 4, 2017, as well as the compensation and attendance fees due for participation in the Committees established within the same Board of Directors. Such compensation also includes remuneration for the offices held at non-listed Enel's subsidiaries and/or affiliates, which are waived or repaid to the same Enel.
- (b) Benefits related to: (i) insurance policies covering the risk of non-work-related accidents and life insurance policies; (ii) social contribution payments to be made by Enel with respect to Asem - *Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (Supplementary Healthcare Association for Executives in the Energy and Multi-services Sector).

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

- (a) Fixed emolument approved, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, upon proposal submitted by the Nomination and Compensation Committee, after having received the Related Parties Committee's opinion and having heard the Board of Statutory Auditors, of which Euro 690,000 pertains to the office of Chief Executive Officer and Euro 780,000 pertains to the office of General Manager. Such remuneration includes the compensation approved for the members of the Board of Directors by the ordinary Shareholders' Meeting of May 4, 2017, as well as the compensation for the offices held at Enel's affiliates and/or subsidiaries, which are waived or repaid to the same Enel.
- (b) Variable remuneration: (i) short-term component for the office of Chief Executive Officer equal to Euro 828,000 (highlighted in the chart) and for the office of General Manager equal to Euro 936,000 (highlighted in the chart), established by the Board of Directors, upon proposal submitted by the Nomination and Compensation Committee, following the verification performed, at the meeting held on March 19, 2020, on the level of achievement of the annual objectives for 2019, impartial and specific objectives, that had been assigned to the person involved by the Board itself; (ii) long-term component relating to: (a) the LTI Plan 2016 equal to Euro 1,566,180, of which 30% equal to Euro 469,854 (already highlighted in the relevant chart of the remuneration report, which illustrated the compensations for 2018) has been disbursed in 2019, and the remaining 70% equal to Euro 1,096,326 (highlighted in the chart), disbursable in 2020; (b) the LTI Plan 2017 equal to Euro 3,057,600 of which 30% equal to Euro 917,280 (highlighted in the chart) disbursable in 2020 and the remaining 70% equal to Euro 2,140,320 (which will be highlighted as disbursable in the chart of the remuneration report, which will illustrate the compensations for 2020), deferred to 2021.
- (c) Benefits related to: (i) the company car awarded for mixed use (personal and business) for the directorship relationship (on the basis of the value subject to pension contributions and taxes, as provided under the ACI tables); (ii) the insurance policies covering the risk of accidents that are not work-related; (iii) the contributions borne by Enel for the supplementary Pension Fund for the group's executives; (iv) the contributions borne by Enel for *ASEM - Associazione Assistenza Sanitaria Integrativa Dirigenza Energia e Multiservizi* (Supplementary Healthcare Association for Executives in the Energy and Multi-services Sector).
- (d) Amount paid, for year 2019, in exchange for the right (option) granted to Enel for the activation of a non-competition agreement.

**(3) Alfredo Antoniozzi – Independent director**

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 4, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Corporate Governance and Sustainability Committee (for an amount of Euro 28,000) and for participation in the Related Parties Committee (for an amount of Euro 21,000).

**(4) Alberto Bianchi – Independent director**

- (a) Fixed remuneration approved by the ordinary Shareholders' Meeting held on May 4, 2017.

- (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 37,808, as chairman until December 24, 2019, and from December 25 to December 31, 2019 as member of the same Committee) and in the Related Parties Committee (for an amount of Euro 21,000).
- (5) **Cesare Calari – Independent director**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 4, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 28,000), and in the Related Parties Committee (for an amount of Euro 21,000).
- (6) **Paola Girdinio – Independent director**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 4, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 28,000) and in the Control and Risk Committee (for an amount of Euro 32,000).
- (7) **Alberto Pera – Independent director**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 4, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Nomination and Compensation Committee (for an amount of Euro 28,000) and in the Control and Risk Committee (for an amount of Euro 32,000).
- (8) **Anna Chiara Svelto – Independent director**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 4, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Related Parties Committee as chairman (for an amount of Euro 31,000) and in the Control and Risk Committee (for an amount of Euro 32,000).
- (9) **Angelo Taraborrelli – Independent director**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 4, 2017.
- (b) Compensations, including the related attendance fees, for participation in the Control and Risk Committee as chairman (for an amount of Euro 42,000) and in Corporate Governance and Sustainability Committee (for an amount of Euro 28,000).
- (10) **Barbara Tadolini – Chairman of the Board of Statutory Auditors since May 16, 2019**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 16, 2019, paid *pro rata temporis* until December 31, 2019.
- (11) **Romina Guglielmetti – Regular Statutory Auditor**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 26, 2016 (for 2016-2018 mandate) and confirmed by the ordinary Shareholders’ Meeting held on May 16, 2019.
- (12) **Claudio Sottoriva – Regular Statutory Auditor since May 16, 2019**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 16, 2019, paid *pro rata temporis* until December 31, 2019.
- (13) **Sergio Duca – Chairman of the Board of Statutory Auditors until May 16, 2019**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 26, 2016, paid *pro rata temporis* until the date of termination of the office.
- (14) **Roberto Mazzei – Regular Statutory Auditor until May 16, 2019**
- (a) Fixed remuneration approved by the ordinary Shareholders’ Meeting held on May 26, 2016, paid *pro rata temporis* until the date of termination of the office.
- (15) **Maria Patrizia Grieco – Director of Endesa S.A.**
- (a) Fixed remuneration approved by the Board of Directors of Endesa S.A. including the attendance fees for the participation in the meetings of the Board itself.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
First name and last name	Office	Period during which office was held	Expiration date of the office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity for severance/ termination of employment relationship
						Bonus and other incentives	Profit sharing					
<b>(I) Compensations of the company that drafts the financial statements</b>												
-	Executives with strategic responsibilities <sup>(1)</sup>	-	-	3,208,485	-	5,434,618	-	243,923 <sup>(2)</sup>	57,441 <sup>(3)</sup>	8,944,467	37,305	-
<b>(II) Compensations from subsidiaries and affiliates</b>												
-	Executives with strategic responsibilities <sup>(1)</sup>	-	-	3,559,329	-	5,863,298	-	686,938 <sup>(2)</sup>	15,320 <sup>(3)</sup>	10,124,885	33,554	-
<b>(III) Total</b>				<b>6,767,814</b>	<b>-</b>	<b>11,297,916</b>	<b>-</b>	<b>930,861<sup>(2)</sup></b>	<b>72,761<sup>(3)</sup></b>	<b>19,069,352</b>	<b>70,859</b>	<b>-</b>

**Notes:**

- (1) The data set forth in the chart include all persons who, during the financial year 2019, held the role of Executive with Strategic Responsibilities (for an overall number of 12 positions).
- (2) Benefits related to (i) the company car awarded for mixed use (personal and business, on the basis of the value subject to pension contributions and taxes, as provided under the ACI tables); (ii) the insurance policies executed in favor of Executive with strategic responsibilities covering the risk of accidents that are not work-related; (iii) the contributions borne by the companies of the Group for the supplementary Pension Fund for the Group's executives; and (iv) the contributions borne by the companies belonging to the Group for Supplementary Healthcare Assistance (*Assistenza Sanitaria Integrativa*).
- (3) Compensations related to the additional remuneration treatment for expatriates and residents in districts other than that of the place of work.



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

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

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

A	B	(1)	Financial instruments awarded in previous financial years, not vested during the financial year		Financial instruments awarded during the financial year					Financial instruments vested during the financial year and not assigned	Financial instruments vested during the financial year and assignable		Financial instruments accrued for the financial year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
First name and last name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at awarding date (Euro)	Vesting period	Awarding date	Market price at awarding date (Euro)	Number and type of financial instruments	Number and type of financial instruments	Value on accrual date	Fair Value (Euro)
Francesco Starace	Chief Executive Officer - General Manager	LTI 2019 (May 16, 2019) <sup>(1)</sup>			No. 216,094 shares of Enel S.p.A.	1,508,984	Three-year period 2019-2021	November 12, 2019 <sup>(3)</sup>	6.983				48,677
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
First name and last name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at awarding date (Euro)	Vesting period	Awarding date	Market price at awarding date (Euro)	Number and type of financial instruments	Number and type of financial instruments	Value on accrual date	Fair Value (Euro)
-	Executives with Strategic Responsibilities <sup>(2)</sup>												
(I) Compensations in the company that drafts the financial statements		LTI 2019 (May 16, 2019) <sup>(1)</sup>			No. 165,608 shares of Enel S.p.A.	1,156,441	Three-year period 2019-2021	November 12, 2019 <sup>(3)</sup>	6.983				37,305
(II) Compensations from subsidiaries and affiliates		LTI 2019 (May 16, 2019) <sup>(1)</sup>			No. 148,956 shares of Enel S.p.A.	1,040,160	Three-year period 2019-2021	November 12, 2019 <sup>(3)</sup>	6.983				33,554
<b>(III) Total</b>					<b>530,658</b>	<b>3,705,585</b>							<b>119,536</b>

<sup>(1)</sup> The date refers to the Shareholders' Meeting that approved the LTI Plan 2019.

- <sup>(2)</sup> The chart includes data referring to all persons who, during the financial year 2019, held the role of Executive with strategic responsibilities (for an overall number of 11 positions), with the exception of one person who has been awarded a Plan entirely based on a monetary incentive.
- <sup>(3)</sup> The date is referred to the Board of Directors' meeting which approved modalities and timings for the awarding to beneficiaries of the LTI Plan 2019.

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

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

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

A Last name and first name	B Office	(1) Plan	(2) Bonus for the year			(3) Bonus for past years			(4) Other bonuses
			(A) Disburseable/Disbursed	(B) Deferred	(C) Deferral period	(A) No longer disburseable	(B) Disburseable/disbursed	(C) Still deferred	
			Francesco Starace	Chief Executive Officer / General Manager	MBO 2019	1,764,000	-	-	
		LTI 2016	-	-	-	-	1,096,326 <sup>(1)</sup>	-	
		LTI 2017	-	-	-	-	917,280	2,140,320 <sup>(2)</sup>	
A Last name and first name	B Office	(1) Plan	(2) Bonus for the year			(3) Bonus for past years			(4) Other bonuses
--	Executives with strategic responsibilities		(A) Disburseable/Disbursed	(B) Deferred	(C) Deferral period	(A) No longer disburseable	(B) Disburseable/disbursed	(C) Still deferred	
			(I) Compensations in the company that drafts the financial statements	MBO 2019	2,429,025	-	-	-	
		LTI 2016	-	-	-	-	2,157,443 <sup>(3)</sup>	-	
		LTI 2017	-	-	-	-	848,150	1,979,017 <sup>(4)</sup>	
(I) Sub-total			<b>2,429,025</b>	-	-	-	<b>3,005,593</b>	<b>1,979,017</b>	
		MBO 2019	2,636,373	-	-	-	-	-	
		LTI 2016	-	-	-	-	2,256,401 <sup>(3)</sup>	-	
		LTI 2017	-	-	-	-	970,524	2,264,556 <sup>(4)</sup>	
(II) Sub-total			<b>2,636,373</b>	-	-	-	<b>3,226,925</b>	<b>2,264,556</b>	
<b>(III) Total</b>			<b>5,065,398</b>	-	-	-	<b>6,232,518</b>	<b>4,243,573</b>	

Notes:

- (1) Quota of the LTI Plan 2016 that will be paid in 2020 (for an amount equal to 70% of the final incentive, as provided by the Regulation of the LTI Plan 2016). The final assessment of the LTI Plan 2016 is resulted to be equal to 169.50% of the awarded base amount. Therefore, the total incentive awarded for such Plan is equal to Euro 1,566,180 of which 30%, equal to Euro 469,854 (already highlighted in the relevant chart of the remuneration report which illustrated the compensations for 2018), was paid in 2019 and the remaining 70%, equal to Euro 1,096,326 (highlighted in the chart), is payable in 2020.

- (2) Quota of the LTI Plan 2017 that will be paid in 2021 (for an amount equal to 70% of the final incentive, as provided by the Regulation of the LTI Plan 2017). The final assessment of the LTI Plan 2017 is resulted to be equal to 208.00% of the awarded base amount. It should be noted that the base amount of the LTI Plan 2017 for the Chief Executive Officer/General Manager was redetermined in accordance with the economic and legal treatment granted to the person concerned for the entire 2017-2019 mandate by resolution of the Board of Directors of April 18, 2018.
- (3) Quota of the LTI Plan 2016 that will be paid in 2020 (for an amount equal to 70% of the final incentive, as provided by the Regulation of the LTI Plan 2016). The final assessment of the LTI Plan 2016 is resulted to be equal to 169.50% of the awarded base amount.
- (4) Quota of the LTI Plan 2017 that will be paid in 2021 (for an amount equal to 70% of the final incentive, as provided by the Regulation of the LTI Plan 2017). The final assessment of the LTI Plan 2017 is resulted to be equal to 148.00% of the awarded base amount.

### 2.3 Long-Term Incentive Plan 2019

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

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

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

The following chart sets forth the shares in Enel and its subsidiaries held by the members of the Board of Directors and of the Board of Statutory Auditors, by the General Manager and by Executives with strategic responsibilities, as well as by their spouses who are not legally separated and minor children, either directly or through subsidiaries, trusts or agents, as set forth in the shareholders' ledger, based on the communications received and

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

The chart is filled out only with reference to the persons who held, during the 2019, shares in Enel or companies controlled by it, including those who were in office for a fraction of the year.

Last Name and First Name	Office	Company in which shares are held	Number of shares held at the end of 2018	Number of shares purchased in 2019	Number of shares sold in 2019	Number of shares held at the end of 2019	Title of possession
<b>Members of the Board of Directors</b>							
Starace Francesco	Chief Executive Officer/ General Manager	Enel S.p.A.	513,488 <sup>(1)</sup>	-	37	513,451 <sup>(2)</sup>	Ownership
		Endesa S.A.	10	-	-	10	Ownership
Calari Cesare	Director	Enel S.p.A.	4,104	-	-	4,104	Ownership
Girdinio Paola	Director	Enel S.p.A.	784 <sup>(3)</sup>	-	-	784 <sup>(3)</sup>	Ownership
<b>Members of the Board of Statutory Auditors</b>							
Tono Alfonso	Alternate Statutory Auditor ( <sup>(4)</sup> )	Enel S.p.A.	507	-	-	507	Ownership
<b>Executives with strategic responsibilities</b>							
No. 12 positions	Executives with strategic responsibilities	Enel S.p.A.	207,461 <sup>(5) (*)</sup>	1,454	-	208,915 <sup>(6)</sup>	Ownership
		Endesa S.A.	4,884 <sup>(*)</sup>	-	-	4,884	Ownership

<sup>(1)</sup> Of which 293,868 personally and 219,620 by his spouse.

<sup>(2)</sup> Of which 293,831 personally and 219,620 by his spouse.

<sup>(3)</sup> Of which 392 personally and 392 by her spouse.

<sup>(4)</sup> Alfonso Tono held the office of alternate Statutory Auditor until May 16, 2019.

<sup>(5)</sup> Of which 200,129 personally and 7,332 by the spouse.

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

<sup>(\*)</sup> It should be noted that the number of shares is referred to the shareholdings held at the end of 2018 by those who during 2019, also for a fraction of the year, have been Executives with strategic responsibilities.