



***Guidelines  
of the Board of Directors of Enel S.p.A.  
to Shareholders on the size and  
composition of the new Board of  
Directors  
March 2, 2023***

## **Guidelines of the Board of Directors of Enel to Shareholders on the size and composition of the new Board of Directors**

In compliance with the Recommendation 23 of the Italian Corporate Governance Code – edition January 2020 (the “Corporate Governance Code”), and considering that the term of the Board of Directors of Enel S.p.A. (“Enel” or the “Company”) currently in office will expire with the approval of Enel’s financial statements for 2022, the same Board of Directors, having:

- heard the Nomination and Compensation Committee;
- taken into account the outcomes of the board review for the year 2022;

in view of the Board’s renewal, provides to Shareholders its guidelines on:

- the **size** of the new Board of Directors;
- the related **composition**, with reference to the managerial and professional profiles, as well as the skills whose presence in the new Board of Directors is deemed appropriate, also taking into account the criteria set forth in the specific “Diversity Policy” approved by the Board of Directors of Enel on January 18, 2018.

### **Size of the Board of Directors**

The Board of Directors of Enel deems:

- appropriate the current number of 9 Directors, which is the highest number allowed by the Corporate Bylaws of the Company in force, in order to ensure both a proper balance of the skills and experiences required by the complexity of the business of the Company and of Enel Group, and the functioning of the Committees with preliminary, proactive and advisory functions, traditionally established within Enel’s Board of Directors in accordance with national and international corporate governance best practices;
- adequate the current ratio between Executive Directors (1) and non-executive and independent Directors (8), in order to ensure an optimal composition of the Board Committees and an effective running of the Board of Directors as a whole.

## **Composition of the Board of Directors**

The Board of Directors of Enel wishes that the renewal of the same Board would take into account the need to combine, also in line with the 2023/2025 industrial plan, the pursuit of a sustainable strategy – focused on the decarbonization of electricity generation, the digitalization of networks and the electrification of end consumptions – with an adequate profitability of investments and the preservation of a solid financial structure, so that the Enel Group continues to play its role of industrial and strategic leadership in the energy transition of the countries where it is present and, more generally, with respect to all relevant stakeholders. On the basis of this key assumption, the Board of Directors underlines that the personal traits and the managerial and professional profiles, as well as the skills deemed appropriate for the different roles within the Board itself, consistently with those currently existing, are the following:

### **The Chair** should:

- be well-respected and have personal reputation in order to ensure a fair and transparent leadership of the Board of Directors during the term and represent a guarantor for all Shareholders;
- have personal traits which can foster the creation of a strong understanding and team spirit among the members of the Board of Directors;
- have specific expertise on corporate governance, also considering that Enel Group includes a significant number of companies listed on various stock exchanges. In particular, it is considered essential that the Chair has gained significant experience in – preferably leading – board of directors of listed companies of considerable size and/or complexity, and characterized by an international profile of their activities performed;
- have skills in economic-financial and legal matters, as well as experience and practice to manage matters of strategic relevance and specific business issues within the board of directors, also with a view to align any strategic development with a trajectory of environmental, social and governance sustainability that creates value for shareholders and the other relevant stakeholders;

- have gained adequate experience within an international context, in order to be able to manage, to the extent of his/her competence, the dialogue with shareholder and other relevant stakeholders.

**The Chief Executive Officer** should:

- be well-respected and have a recognized strategic vision and a adequate knowledge of the energy market and of the transition that such market is going through;
- have gained significant and successful experiences as top manager of listed companies of considerable size and/or complexity, and characterized by an international profile of their activities performed;
- have adequate knowledge in the economic-financial and technical fields, as well as with regard to any sustainability profile relevant to the activities of the Enel Group;
- have a recognized leadership and a management approach oriented to teambuilding ability and to creating a team spirit among colleagues, promoting their skills and talents;
- have gained a significant experience within an international context, which enables him/her to adequately manage the organizational complexity of the Enel Group in the various geographical areas in which it is present and the relations with its numerous stakeholders.

**The other seven Directors** should all be non-executive and hopefully should have the independence requirements provided for by the law and the Corporate Governance Code <sup>(1)</sup>, and in addition should:

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<sup>(1)</sup> In this regard, it should be noted that Enel's Board of Directors has identified the following quantitative parameters of significance with respect to certain circumstances that, according to the Corporate Governance Code, may jeopardize the independence of a Director.

In particular, at its meeting of March, 2 2023, Enel's Board of Directors amended as follows the quantitative parameters for assessing the significance of any commercial, financial or professional relationship with Enel or its linked parties (as identified by Recommendation 7, lett. c) of the Corporate Governance Code) currently ongoing or that have been undertaken by non-executive Directors, directly or indirectly, in the three financial years preceding the establishment of the directorship relationship:

- as regards relationships undertaken up to the time of appointment as Director, the following parameters of significance apply:
  - ✓ relationships of a commercial or financial nature: (i) 5% of the annual turnover of the company or entity of which the Director has control or of which the Director is an executive director, or of the professional or consulting firm in which the Director is partner; and/or (ii) 5% of the annual costs incurred by the Enel Group that can be attributed to the same kind of contractual relationships;
  - ✓ professional services: (i) 5% of the annual turnover of the company or entity of which the Director has control or of which the Director is an executive director, or of the professional or consulting firm

- a) be represented by persons with **managerial** and/or **professional** profiles (as specified hereinafter), in order to create a mix of different and complementary skills and experiences;
- b) have a strong motivation to work as a team. In this regard, among the required **personal traits**, particular relevance have the ability to listen and to handle conflicts constructively, the integrity and independence of judgement, and the transparency in relationships and communication;
- c) have gained adequate experience in board of directors of companies, preferably listed, of significant size and/or complexity;
- d) have **skills** which can allow their effective participation both in the Board of Directors and in the Board Committees. To this end, are first of all deemed relevant skills in the energy business as well as – in addition or as an alternative to such skills – those acquired in the financial field (with particular regard to investments valuation and functioning of capital markets), and/or in the internal control and risk management system, and/or in the legal area (with particular regard to mergers and acquisitions sector) and/or corporate governance and/or sustainability (environmental and social) and/or communication and/or digital innovation and/or cybersecurity;
- e) have gained experience within an international context.

Moreover:

- **the managerial profiles** should:
  - have gained significant experience in managerial positions within corporate groups of considerable size and/or complexity, have business judgement skills and a high orientation to strategies and results;
- **the professional profiles** should:
  - have gained significant experience in managerial positions in prominent

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in which the Directors is partner; and/or (ii) 2.5% of the annual costs incurred by the Enel Group that can be attributed to similar assignments;

- once the directorship relationship is established and for the entire duration of the mandate, a significance parameter identified in absolute monetary terms, equal to Euro 50,000 on an annual basis, shall apply. Moreover, in its meeting of February, 25, 2021, Enel's Board of Directors – again for the purpose of assessing the independence of non-executive Directors under the Corporate Governance Code – set at 30% the threshold of significance of the ratio between (i) the additional remuneration that a non-executive Director may receive or have received in the previous three financial years from Enel, the parent entity or other companies of the Enel Group and (ii) the fixed remuneration for the office held in Enel, including the compensation for any participation in Board Committees.

professional or consulting firms or in other public or private organizations and have carried out their professional activity with a particular focus on companies' business.

As for the possible presence in the Board of Directors of any **academic or institutional profiles**, such profiles should have, in addition to the characteristics indicated in points *b), c), d), e)* above, skills strictly related to the business of the Company and of the Enel Group or to the issues pertaining thereto.

Shareholders are also invited, when preparing the slates of candidates for the office of Director, to ensure compliance with the applicable laws on gender balance, which reserve at least two-fifths of the elected Directors for the less-represented gender, and to take into account the benefits that may arise from the presence in the Board of Directors of different ages and tenures.

It is recommended that all candidates for the office of Director, before accepting their candidacy, carefully gauge the amount of time necessary to perform their duties diligently, taking into account both the number and nature of the offices that they hold on the board of directors and/or boards of statutory auditors of other companies and the commitment required of them by other working and professional activities and the offices they hold in association. In this respect, candidates are encouraged to specifically verify if their personal status is compliant with Enel's policy on the matter (available at [www.enel.com](http://www.enel.com)).