



05_Reports



Report of the Board of Auditors to the Shareholders' Meeting of Enel SpA

Report of the Board of Auditors to the Shareholders' Meeting of Enel SpA (pursuant to Article 153 of Legislative Decree 58/1998)

Shareholders,

During the year ended December 31, 2016 we performed the oversight activities envisaged by law at Enel SpA (hereinafter also "Enel" or the "Company"). In particular, pursuant to the provisions of Article 149, paragraph 1, of Legislative Decree 58 of February 24, 1998 (hereinafter the "Consolidated Law on Financial Intermediation") and Article 19, paragraph 1 of Legislative Decree 39 of January 27, 2010 (hereinafter "Decree 39/2010", in the version in force for 2016) we monitored:

- > compliance with the law and the corporate bylaws as well as compliance with the principles of sound administration in the performance of the Company's business;
- > the Company's financial reporting process and the adequacy of the administrative and accounting system, as well as the reliability of the latter in representing operational events;
- > the statutory audit of the annual statutory and consolidated accounts and the independence of the audit firm;
- > the adequacy and effectiveness of the internal control and risk management system;
- > the adequacy of the organizational structure of the Company, within the scope of our responsibilities;
- > the implementation of the corporate governance rules as provided for by the Corporate Governance Code for Listed Companies (hereinafter, the "Corporate Governance Code"), which the Company has adopted;
- > the appropriateness of the instructions given by the Company to its subsidiaries to enable Enel to meet statutory public disclosure requirements.

In performing our checks and assessments of the above issues, we did not find any particular issues to report.

In compliance with the instructions issued by CONSOB with Communication DEM/1025564 of April 6, 2001, as amended, we report the following:

- > we monitored compliance with the law and the bylaws and we have no issues to report;
- > on a quarterly basis, we received adequate information from the Chief Executive Officer, as well as through our participation in the meetings of the Board of Directors of Enel, on activities performed, general developments in operations and the outlook, and on transactions with the most significant impact on performance or the financial position carried out by the Company and its subsidiaries. We report that the actions approved and implemented were in compliance with the law and the bylaws and were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets. For a discussion of the features of the most significant transactions, please see the report on operations accompanying the separate financial statements of the Company for 2016 and the consolidated financial statements of the Enel Group for 2016 (in the section "Significant events in 2016");
- > we did not find any atypical or unusual transactions conducted with third parties, Group companies or other related parties;
- > in the section "Related parties" of the notes to the separate 2016 financial statements of the Company, the directors describe the main related-party transactions – identified on the basis of international accounting standards and the instructions of CONSOB – carried out by the Company, to which readers may refer for details on the transactions and their financial impact. They also detail the procedures adopted to ensure that related-party transactions are carried out in accordance with the principles of transparency and procedural and substantive fairness. The transactions were carried out in compliance with the approval and execution processes set out in the related procedure – adopted in compliance with the provisions of Article 2391-bis of the Italian Civil Code and the implementing regulations issued by CONSOB – described in the Report on Corporate Governance and Ownership Structure for 2016. All transactions with related parties reported in the notes to the separate 2016 financial statements of the Company were executed as part of ordinary operations in the interest of the Company and settled on market terms and conditions;
- > the Company declares that it has prepared its statutory financial statements for 2016 on the basis of international accounting standards (IAS/IFRS) – and the interpretations issued by the IFRIC and the SIC – endorsed by the European Union pursuant to Regulation 2002/1606/EC and in force at the close of 2016, as well as the provisions of Legislative De-

Decree 38 of February 28, 2005 and its related implementing measures, as it did the previous year. The Company's separate financial statements for 2016 have been prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under the IFRS-EU, as indicated in the accounting policies for the individual items of the consolidated financial statements. The notes to the Company's separate financial statements also refer readers to the consolidated financial statements for information on the accounting standards and measurement criteria adopted, with the exception of equity investments in subsidiaries, associates and joint ventures, which are carried in the Company's separate financial statements at purchase costs adjusted for any impairment losses. The notes to the Company's separate financial statements also refer readers to the consolidated financial statements for information on recently issued accounting standards. The separate financial statements for 2016 of the Company were audited by the independent auditors EY SpA, which issued an unqualified opinion, including with regard to the consistency of the report on operations with the financial statements, pursuant to Article 14 of Decree 39/2010;

- > the Company declares that it has also prepared the consolidated financial statements of the Enel Group for 2016 on the basis of international accounting standards (IAS/IFRS) – and the interpretations issued by the IFRIC and the SIC – endorsed by the European Union pursuant to Regulation 2002/1606/EC and in force at the close of 2016, as well as the provisions of Legislative Decree 38 of February 28, 2005 and its related implementing measures, as it did the previous year. The 2016 consolidated financial statements of the Enel Group are also prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under the IFRS-EU (as indicated in the discussion of measurement criteria for the individual items) and non-current assets (or disposal groups) classified as held for sale, which are measured at the lower of carrying amount and fair value less costs to sell. The notes to the consolidated financial statements provide a detailed discussion of the accounting standards and measurement criteria adopted. As regards recently issued accounting standards, the notes to the consolidated financial statements discuss (i) new standards applied in 2016, which according to the notes did not have a material impact in the year under review; and (ii) standards that will apply in the future. The consolidated financial statements for 2016 of the Enel Group were audited by the independent auditors EY SpA, which issued an unqualified opinion, including with regard to the consistency of the report on operations with the consolidated financial statements, pursuant to Article 14 of Decree 39/2010.

Under the terms of its engagement, EY SpA also issued unqualified opinions on the financial statements for 2016 of the most significant Italian companies of the Enel Group. Moreover, during periodic meetings with the representatives of the audit firm, EY SpA, the latter did not raise any issues concerning the reporting packages of the main foreign companies of the Enel Group, selected by the auditors on the basis of the work plan established for the auditing of the consolidated financial statements of the Enel Group, that would have a sufficiently material impact to be reported in the opinion on those financial statements;

- > taking due account of the recommendations of the European Securities and Markets Authority issued on January 21, 2013, and most recently confirmed with the Public Statement of October 27, 2015, to ensure greater transparency concerning the methods used by listed companies in testing goodwill for impairment, in line with the recommendations contained in the joint Bank of Italy - CONSOB - ISVAP document no. 4 of March 3, 2010, and in light of the indications of CONSOB in its Communication 7780 of January 28, 2016, the compliance of the impairment testing procedure with the provisions of IAS 36 was expressly approved by the Board of Directors of the Company, having obtained a favorable opinion in this regard from the Control & Risk Committee in March 2017, i.e. prior to the date of approval of the financial statements for 2016;
- > we examined the Board of Directors' proposal for the allocation of net income for 2016 and the distribution of available reserves and have no comments in this regard;
- > we note that the Board of Directors of the Company certified, following appropriate checks by the Control & Risk Committee in March 2017, that as at the date on which the 2016 financial statements were approved, the Enel Group continued to meet the conditions established by CONSOB (set out in Article 36 of the Market Regulation, approved with Resolution 16191 of October 29, 2007 as amended) concerning the accounting transparency and adequacy of the organizational structures and internal control systems that subsidiaries established and regulated under the law of non-EU countries must comply with so that Enel shares can continue to be listed on regulated markets in Italy;
- > we monitored, within the scope of our responsibilities, the adequacy of the organizational structure of the Company (and

the Enel Group as a whole), obtaining information from function heads and in meetings with the boards of auditors or equivalent bodies of a number of the main Enel Group companies in Italy and abroad, for the purpose of the reciprocal exchange of material information. As from the second half of 2014, the organizational structure of the Enel Group is based on a matrix of Divisions and geographical areas. Taking account of the changes implemented in 2016, it is organized into: (i) *Divisions*, which are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. The Divisions comprise: Global Infrastructure and Networks, Global Renewable Energy, Global Thermal Generation, Global Trading and Upstream Gas; (ii) *Areas and Countries*, which are responsible for managing relationships with local institutional bodies, regulatory authorities and the media, as well as the development of the customer base with regard to the sale of electricity and gas, in each of the countries in which the Group is present, while also providing staff and other service support to the Divisions. Areas and Countries comprise: Italy, Iberia, Europe and North Africa, Latin America, North and Central America, and Sub-Saharan Africa and Asia; (iii) *Global service functions*, which are responsible for managing information and communication technology activities and procurement at the Group level; and (iv) *Holding company functions*, which are responsible for managing governance processes at the Group level. They include: Administration, Finance and Control, Human Resources and Organization, Communication, Legal and Corporate Affairs, Audit, European Affairs, and Innovation and Sustainability. The Board of Auditors feels that the organizational system described above is adequate to support the strategic development of the Company and the Enel Group and is consistent with control requirements;

- > during meetings with the boards of auditors or equivalent bodies of a number of the Group's main companies in Italy and abroad, no material issues emerged that would require reporting here;
- > we monitored the independence of the audit firm EY SpA, having received from them specific written confirmation that they met that requirement (pursuant to the provisions of Article 17, paragraph 9, letter a) of Decree 39/2010) and having discussed the substance of that declaration with the audit partner. In this regard, we also monitored – as provided for under Article 19, paragraph 1(d), of Decree 39/2010 – the nature and the scale of non-audit services provided to the Company and other Enel Group companies by EY SpA and the entities belonging to its network, the fees for which are reported in the notes to the financial statements of the Company. Following our examinations, the Board of Auditors feels that there are no critical issues concerning the independence of the audit firm EY SpA. We held periodic meetings with the representatives of the audit firm, pursuant to Article 150, paragraph 3, of the Consolidated Law on Financial Intermediation, and no material issues emerged that would require mention in this report.

As regards the provisions of Article 19, paragraph 3, of Decree 39/2010, EY SpA provided the Board of Auditors with the report for 2016 "on key issues emerging during the statutory audit", which did not find any significant shortcomings in the internal control system concerning financial reporting. The audit firm also informed the Board of Auditors that management, as part of the transformation under way in a number of information system, responded promptly to the identification of a number of shortcomings in an information system in use within the Enel Group with the launch of a special action plan designed to identify additional alternative controls and to rectify those shortcomings by the end of the year. Checks by the audit firm verified the effectiveness of those additional alternative controls and the elimination of the shortcomings mentioned above by the end of the year. With further regard to the IT system, the audit firm also reported to the Board of Auditors that it provided suggestions concerning a number of issues that, after being agreed with the competent units of the Company, enabled improvements to be implemented.

The audit firm also reported that it did not prepare any management letter for 2016;

- > we monitored the financial reporting process, the appropriateness of the administrative and accounting system and its reliability in representing operational events, as well as compliance with the principles of sound administration in the performance of the Company's business and we have no comments in that regard. We conducted our checks by obtaining information from the head of the Administration, Finance and Control function (taking due account of the head's role as the officer responsible for the preparation of the Company's financial reports), examining Company documentation and analyzing the findings of the examination performed by EY SpA. The Chief Executive Officer and the officer responsible for the preparation of the financial reports of Enel issued a statement (regarding the Company's 2016 financial statements) certifying (i) the appropriateness with respect to the characteristics of the Company and the effective adoption of the administrative and accounting procedures used in the preparation of the financial statements; (ii) the compliance of the

content of the financial reports with international accounting standards endorsed by the European Union pursuant to Regulation 2002/1606/EC; (iii) the correspondence of the financial statements with the information in the books and other accounting records and their ability to provide a true and fair representation of the performance and financial position of the Company; and (iv) that the report on operations accompanying the financial statements contains a reliable analysis of operations and performance, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed. The statement also affirmed that the appropriateness of the administrative and accounting procedures used in the preparation of the financial statements of the Company had been verified in an assessment of the internal control system for financial reporting (supported by the findings of the independent testing performed by a qualified external advisor and the Company's Audit function, with each focusing on their respective areas of responsibility on the basis of the different nature of the various checks) and that the assessment of the internal control system did not identify any material issues. An analogous statement was prepared for the consolidated financial statements for 2016 of the Enel Group;

- > we monitored the adequacy and effectiveness of the internal control system, primarily through periodic meetings with the head of the Audit function of the Company and holding most of the meetings jointly with the Control & Risk Committee as well as with the participation of the Chairman of the Board of Auditors in the other meetings of the Control & Risk Committee and the subsequent examination of the associated documentation during those meetings. In light of our examination and in the absence of significant issues, the internal control and risk management system can be considered adequate and effective. In February 2017, the Board of Directors of the Company expressed an analogous assessment of the situation and also noted, in November 2016, that the main risks associated with the strategic targets set out in the 2017-2022 Business Plan were compatible with the management of the Company in a manner consistent with those targets;
- > the Board of Auditors received no complaints or reports of censurable facts pursuant to Article 2408 of the Italian Civil Code;
- > we monitored the effective implementation of the Corporate Governance Code, which the Company has adopted, verifying the compliance of Enel's governance arrangements with the recommendations of the Code. Detailed information on the Company's corporate governance system can be found in the Report on Corporate Governance and Ownership Structure for 2016. In February 2016 and March 2017, the Board of Auditors verified that the Board of Directors, in evaluating the independence of non-executive directors, correctly applied the assessment criteria specified in the Corporate Governance Code and the principle of the priority of substance over form set out in that Code, adopting a transparent procedure, the details of which are discussed in the Report on Corporate Governance and Ownership Structure for 2016. As regards the "self-assessment" of the independence of its members, the Board of Auditors, in February and June 2016, and most recently in March 2017, verified compliance with the requirements set out in both the Consolidated Law on Financial Intermediation and the Corporate Governance Code;
- > since the listing of its shares, the Company has adopted specific rules (most recently amended in March 2017) for the internal management and processing of confidential information, which also set out the procedures for the disclosure of documentation and information concerning the Company and the Group, with specific regard to inside information. Those rules (which can be consulted at www.enel.com) contain appropriate provisions directed at subsidiaries to enable Enel to comply with statutory public disclosure requirements, pursuant to Article 114, paragraph 2, of the Consolidated Law on Financial Intermediation;
- > in 2002 the Company also adopted (and has subsequently updated) a Code of Ethics (also available at www.enel.com) that expresses the commitments and ethical responsibilities involved in the conduct of business, regulating and harmonizing corporate conduct in accordance with standards of maximum transparency and fairness with respect to all stakeholders;
- > with regard to the provisions of Legislative Decree 231 of June 8, 2001 – which introduced into Italian law a system of administrative (in fact criminal) liability for companies for certain types of offences committed by its directors, managers or employees on behalf of or to the benefit of the company – since July 2002 Enel has adopted a compliance program consisting of a "general part" and various "special parts" concerning the different offences specified by Legislative Decree 231/2001 that the program is intended to prevent. For a description of the manner in which the model has been adapted to the characteristics of the various Italian companies of the Group, as well as a description of the purposes of the "Enel

Global Compliance Program” for the Group’s foreign companies, please see the Report on Corporate Governance and Ownership Structure for 2016. The structure that monitors the operation and compliance with the program and is responsible for updating it (hereinafter, “the Supervisory Body”) is a collegial body. In 2016 it was composed of two external members with expertise on corporate organization matters, one of whom acted as chairman of the body, and the head of the Audit function, the head of the Legal and Corporate Affairs function and the Secretary of the Board of Directors of the Company, since they have specific professional expertise regarding the application of the compliance program and are not directly involved in operating activities. The Board of Auditors received adequate information on the main activities carried out in 2016 by the Supervisory Body. Our examination of those activities found no facts or situations that would require mention in this report;

- > in 2016, the Board of Auditors issued the following opinions:
 - a favorable opinion at the meeting of January 29, 2016 concerning the 2016 Audit Plan in accordance with the provisions of Article 7.C.1, letter c) of the Corporate Governance Code, preliminary to the resolutions pertaining to the Board of Directors in that regard;
 - a favorable opinion at the meeting of May 5, 2016 on the findings of EY SpA in its report on the major issues that arose in the statutory audit in 2015, in accordance with the provisions of Article 7.C.1, letter e) of the Corporate Governance Code, preliminary to the assessments pertaining to the Board of Directors in that regard;
 - a favorable opinion at the meeting of July 12, 2016, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, concerning the supplementary instruments concerning the resolution on the remuneration and job conditions of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager during the 2014-2016 term;
- > a report on the fixed and variable compensation accrued by those who served as Chairman of the Board of Directors, the Chief Executive Officer/General Manager and other directors in 2016 for their respective positions and any compensation instruments awarded to them will be contained in the Remuneration Report referred to in Article 123-ter of the Consolidated Law on Financial Intermediation, which was approved by the Board of Directors, acting on a proposal of the Nomination & Compensation Committee, on March 16, 2017 and published in compliance with the time limits established by law. The design of these compensation instruments is in line with best practices, complying with the principle of establishing a link with appropriate financial and non-financial performance targets and pursuing the creation of shareholder value over the medium and long term. The proposals to the Board of Directors concerning such forms of compensation and the determination of the associated parameters were prepared by the Nomination & Compensation Committee, which is made up entirely of independent directors, drawing on the findings of benchmarking analyses of the remuneration of executive directors and key management personnel in a study conducted by the consulting firm Mercer, entitled “2016 Mercer Executive Remuneration Guides - Western Europe”, which examined 609 European companies. In addition, in determining the compensation package of directors with specific responsibilities in the 2014-2016 term, the resolution of the Shareholders’ Meeting of May 22, 2014 was implemented. That resolution, in application of Article 84-ter of Decree Law 69 of June 21, 2013 (ratified with amendments with Law 98 of August 9, 2013), established that for the election of the Board of Directors by that Shareholders’ Meeting the remuneration of directors with specific responsibilities could not be set by the Board of Directors in an amount exceeding 75% of the total remuneration of any form, including under an employment relationships with the Company, established during the previous term. Finally, the Report on Remuneration referred to in Article 123-ter of the Consolidated Law on Financial Intermediation contains, in compliance with the applicable CONSOB regulations, specific disclosures on the remuneration earned in 2016 by key management personnel.

The Board of Auditors’ oversight activity in 2016 was carried out in 18 meetings (12 of which held jointly with the Control & Risk Committee) and with participation in the 13 meetings of the Board of Directors, and, through the chairman, in the 3 meetings of the Control & Risk Committee not held jointly with the Board of Auditors, in the 10 meetings of the Nomination & Compensation Committee, in the 5 meetings of the Related Parties Committee and in the 9 meetings of the Corporate Governance & Sustainability Committee. The delegate of the State Audit Court participated in the meetings of the Board of Auditors and those of the Board of Directors.

During the course of this activity and on the basis of information obtained from EY SpA, no omissions, censurable facts, irre-

gularities or other significant developments were found that would require reporting to the regulatory authorities or mention in this report.

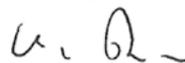
Based on the oversight activity performed and the information exchanged with the independent auditors EY SpA, we recommend that you approve the Company's financial statements for the year ended December 31, 2016 in conformity with the proposals of the Board of Directors.

Rome, April 11, 2017

The Board of Auditors

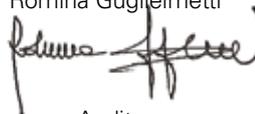
Chairman

Sergio Duca



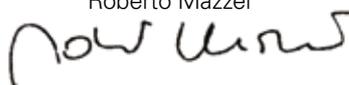
Auditor

Romina Guglielmetti



Auditor

Roberto Mazzei



Report of the independent audit firm on the 2016 financial statements of Enel SpA

Enel S.p.A.

Financial statements as of December 31, 2016

Independent auditor's report in accordance with articles 14
and 16 of Legislative Decree n. 39, dated January 27, 2010
(Translation from the original Italian text)

Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders of
Enel S.p.A.

Report on the financial statements

We have audited the accompanying financial statements of Enel S.p.A., which comprise the balance sheet as of December 31, 2016, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended, a summary of significant accounting policies and the notes to the separate financial statements.

Directors' responsibility for the financial statements

The Directors of Enel S.p.A. are responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated February 28, 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 of Legislative Decree n. 39, dated January 27, 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Enel S.p.A. as of December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated February 28, 2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Report on operations and of specific information of the Report on corporate governance and ownership structure with the financial statements

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion, as required by law, on the consistency of the Report on operations and of specific information of the Report on corporate governance and ownership structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated February 24, 1998, with the financial statements. The Directors of Enel S.p.A. are responsible for the preparation of the Report on operations and of the Report on corporate governance and ownership structure in accordance with the applicable laws and regulations. In our opinion the Report on operations and the specific information of the Report on corporate governance and ownership structure are consistent with the financial statements of Enel S.p.A. as of December 31, 2016.

Rome, April 11, 2017

EY S.p.A.

Signed by: Massimo delli Paoli, partner

This report has been translated into the English language solely for the convenience of international readers.

Report of the independent audit firm on the 2016 consolidated financial statements of the Enel Group

Enel S.p.A.

Consolidated financial statements as of December 31, 2016

Independent auditor's report in accordance with articles 14
and 16 of Legislative Decree n. 39, dated January 27, 2010
(Translation from the original Italian text)

Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Enel S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Enel Group, which comprise the balance sheet as of December 31, 2016, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended, a summary of significant accounting policies and the notes to the financial statements.

Directors' responsibility for the consolidated financial statements

The Directors of Enel S.p.A. are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated February 28, 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 of Legislative Decree n. 39, dated January 27, 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Enel Group as of December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated February 28, 2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Report on operations and of specific information of the Report on corporate governance and ownership structure with the consolidated financial statements

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion, as required by law, on the consistency of the Report on operations and of specific information of the Report on corporate governance and ownership structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated February 24, 1998, with the consolidated financial statements. The Directors of Enel S.p.A. are responsible for the preparation of the Report on operations and of the Report on corporate governance and ownership structure in accordance with the applicable laws and regulations. In our opinion the Report on operations and the specific information of the Report on corporate governance and ownership structure are consistent with the consolidated financial statements of Enel Group as of December 31, 2016.

Rome, April 11, 2017

EY S.p.A.

Signed by: Massimo delli Paoli, partner

This report has been translated into the English language solely for the convenience of international readers.

Summary of the resolutions of the Ordinary Shareholders' Meeting

The Ordinary Shareholders' Meeting of Enel SpA held in Rome in single call on May 4, 2017 at the Enel Conference Center at 125, Viale Regina Margherita, adopted the following resolutions:

1. approved the financial statements of Enel SpA for the year ended December 31, 2016, having acknowledged the results of the consolidated financial statements of the Enel Group for the year ended December 31, 2016, which closed with net income attributable to shareholders of the Parent Company of €2,570 million;
 2. resolved:
 - (i) to allocate Enel SpA's net income for the year 2016, amounting to €1,719,938,733.46, as follows:
 - a) to earmark for distribution to the shareholders:
 - €0.09 for each of the 10,166,679,946 ordinary shares in circulation on the ex-dividend date, to cover the interim dividend payable from January 25, 2017, the ex-dividend date of coupon no. 25 having fallen on January 23, 2017 and the "record date" (i.e. the date of the title to the payment of the dividend) on January 24, 2017, for an overall amount of €915,001,195.14;
 - €0.07 for each of the 10,166,679,946 ordinary shares in circulation on July 24, 2017 (i.e. on the scheduled ex-dividend date), as the balance of the dividend, for an overall amount of € 711,667,596.22;
 - b) to earmark for "retained earnings" the remaining part of the net income, for an overall amount of €93,269,942.10;
 - (ii) to earmark for distribution to the shareholders, always as the balance of the dividend, also a part of the available reserve named "retained earnings" allocated in the financial statements of Enel SpA (amounting as of December 31, 2016 to €4,534,347,074.01), for an amount of €0.02 for each of the 10,166,679,946 ordinary shares in circulation on July 24, 2017 (i.e. on the scheduled ex-dividend date), for an overall amount of €203,333,598.92;
- paying, before withholding tax, if any, the overall balance of the dividend of €0.09 per ordinary share – of which €0.07 as distribution of part of the remaining 2016 net income and €0.02 as partial distribution of the available reserve named "retained earnings" – as from July 26, 2017, with the ex-dividend date of coupon no. 26 falling on July 24, 2017 and the "record date" (i.e. the date of the title to the payment of the dividend) coinciding with July 25, 2017;
3. authorized the Board of Directors:
 - to purchase, in one or more instalments and for a period of eighteen months starting from the date of the Shareholders' Meeting resolution, a maximum number of 500 million ordinary shares of the Company, representing approximately 4.92% of the share capital of Enel SpA, up to a maximum amount of €2 billion; and
 - to dispose, in one or more instalments and for an unlimited period of time, of all or part of the own shares held in portfolio, also before having reached the maximum amount of shares that can be purchased, as well as, as the case may be, to buy-back the shares, provided that the own shares held by the Company and, if applicable, by its subsidiaries, do not exceed the limit set by above-mentioned authorization to the purchase;
 4. appointed the new Board of Directors, which will remain in office until the approval of the 2019 financial statements, in the persons of:
 - Patrizia Grieco - Chairman;
 - Alfredo Antoniozzi - Director;
 - Alberto Bianchi - Director;

- Cesare Calari - Director;
- Paola Girdinio - Director;
- Alberto Pera - Director;
- Francesco Starace - Director;
- Anna Chiara Svelto - Director;
- Angelo Taraborrelli - Director;

confirming their compensation at €90,000 gross a year for the Chairman and €80,000 gross a year for each of the other Directors;

5. approved the long-term incentive plan for 2017 reserved to the management of Enel SpA and/or of its subsidiaries pursuant to Article 2359 of the Italian Civil Code, whose features are described in the relevant information document prepared pursuant to Article 84-*bis*, paragraph 1, of the Issuers' Regulation adopted by CONSOB with resolution 11971/1999, and to grant the Board of Directors, with the faculty to sub-delegate, all powers necessary for the actual implementation of the aforesaid plan;
6. resolved in favor of the first section of the remuneration report drawn up pursuant to Article 123-*ter* of Legislative Decree 58 dated February 24, 1998, and Article 84-*quater* of the Issuers' Regulation adopted by CONSOB with resolution 11971/1999, containing the description of the policy for the remuneration of Directors, General Manager and executives with strategic responsibilities adopted by Enel SpA for the financial year 2017, as well as the procedures used for the adoption and implementation of such policy.