

**Agreement relating to
The European Works Council of Enel**

Rome, December 5th 2008

Between

ENEL S.p.A., represented by: Massimo Cioffi, Raffaele Delvecchio, Roberto Crivelli, Cristina Cofacci, Simona Campanelli, Emanuela Preiti

And

Special Negotiating Body, appointed or elected pursuant to national legislation implementing European Community Directive 94/45, in the person of:

Francesco Fontanelli, Pietro Prevedoni, Mario Arca, Luigi Sedran, Flaminio Fasetti, Marco Lupi, Ruska Andonova, Florin Bucheru, Marian Bananka, Ludovit Hacaj.

EPSU, represented by: Jan Willem Goudriaan

EMCEF, represented by: Peter Kerckofs

hereafter the "Parties"

Preamble

The international strategic and operational expansion of the Enel Group in recent years means that it is now a "Community-scale undertaking" as pursuant to Directive 94/45, Art.2 section 1.b), which aims to "improve employees' right to information and consultation" by establishing a European Works Council (hereafter "EWC").



Enel intends to confirm the distinctive features of its industrial relations system, extending the processes of informing and consulting with employees and their representatives to all Group companies operating within the European Community.

The Enel company philosophy provides for high-quality industrial relations, enabling the employee representatives to express their opinions and proposals in relation to company strategy, with a view to seeking possible points of convergence between the Parties, while respecting their respective roles and related responsibilities.

The Parties agree that further growth in an increasingly competitive market can be consolidated, respecting the diversity of national cultures and traditions, by using dialogue and employee participation as strategic tools in managing change and the increasing challenges facing the Group.

The Parties acknowledge Enel's European Works Council as a fundamental instrument in the gradual extension and consolidation of "high quality" and "faithful" social company dialogue with employees and employee representatives on the company's strategic, social and economic objectives, in tune with Enel's new *mission to generate and distribute value in the international energy market, operating at the service of the community while respecting the environment.*

Whereas:

- Directive 94/45/EC of 22 September 1994, on the institution of a European Works Council (EWC) or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees aims to improve employees' right to information and consultation;
- said Directive establishes that, in conformity with the principle of Party autonomy, employee representatives and the Management of the undertaking or the undertaking that controls a group shall be responsible for determining in written form (hereafter the Statement of Agreement) the nature, composition, attributes, method of functioning, procedures and financial resources of the EWC;
- point 17 of the Community Charter of Basic Social Rights for Workers establishes that: "Information, consultation and participation of employees must be developed along appropriate lines, taking account of the practices in force in the various Member States"; the Charter provides that: "This shall apply especially in companies or groups of companies



having establishments or undertakings in Several Member States of the European Community”;

- Article 27 of the Charter of Fundamental Rights of the European Union states that “Workers and their representatives must, at the appropriate levels, be guaranteed information and consultation in good time in the cases and under the conditions provided for by Community law and national law and practices;
- a joint Agreement on the matter between Confindustria/CGIL/CISL/UIL of 6 November 1996 defines the times, modalities and procedures for establishing an EWC as well as the matters falling under the Agreement referred to in point 2 of the Preamble;
- Legislative Decree 74/2002, implementing Directive 94/45/EC, in compliance with Community law and for the purposes of achieving the objective stated in point 1 of the preamble, provides for the establishment of a Special Negotiating Body (SNB) whose members are designated by the Trade Union Organisations signatory to the National Labour Contract applied in the Company together with the Unitary Trade Union Delegation (RSU) of the undertaking or group of undertakings;
- Enel received an official request on 9 March 2005 from the EPSU (European Federation of Public Service Unions), which was joined in early 2006 by the EMCEF (European Mine, Chemical and Energy Workers Federation), in the name of the affiliated National Organisations and the employees represented thereby, to establish a Special Negotiating Body and to initiate the negotiating process to draw up the Statement of Agreement;
- on 19 September 2006 an agreement was signed with EPSU and EMCEF on the composition of the SNB and a specific joint training session for its members;
- the first meeting of the SNB and the training session took place in Rome on 16 and 17 May 2007;
- the Enel-SNB negotiating process to draw up a Statement of Agreement began in 16 and 17 October 2007;

considering also that:

shared and transparent relations with all stakeholders commit Enel to connect company activity with quality of work and life, also from a Corporate Social Responsibility standpoint;



the establishment of a European Works Council (EWC) of Enel Group employees is jointly acknowledged as positive by the Parties in terms of growing trans-national integration between the companies of the Group and between the companies and employee representatives, for the purposes of promoting the growth, competitiveness and employment of the Group through participation;

the EWC does not prejudice the rights to information and consultation of workers in force in individual Member States and does not impact upon negotiating competence provided to trade union representatives under existing laws and agreements in individual States.

The Parties hereby agree to the following:

Art. 1 – Scope of Application

This agreement applies to all employees of companies operating in European Union Member States in which, directly or indirectly, Enel S.p.A. either:

- a) appoints the majority of the Board members, or
- b) controls a majority of the votes attached to the share capital, or
- c) owns more than 50% of the company's paid up capital.

Should the European Union, in the period for which the Agreement is valid, be enlarged to include other States in which productive units belonging to the Group are present, these shall be guaranteed representation within the EWC.

Annex A contains a list of the Enel Group companies to which this agreement shall be applicable on the date of December 5th 2008. This list shall be updated annually.

A handwritten signature in black ink, consisting of a stylized 'M' followed by a large, sweeping flourish that extends to the right.

Art. 2 – Composition of the EWC

The composition of the European Works Council shall meet the criteria of proportionality in relation to the number of workers employed in each Member State and shall guarantee adequate representation for Member States with smaller numbers of employees.

On the basis of said criteria, agreed by the Parties, the European Works Council of Enel Group employees shall consist of twenty members.

The allocation of members by country is indicated in Annex B.

Allocation shall be reviewed and, if necessary, updated on an annual basis by Enel Management and the Select Committee (see Art. 6 below).

All EWC members must have been permanent employees of the subsidiary/controlling company for a period of at least one year.

Art. 3 – Definition of Information and Consultation

“Information” shall be deemed to mean the transmission of data by central management to the EWC members in order to enable them to acquaint themselves with the subject matter and to examine it; information shall be given at such time, in such fashion and with such content as are appropriate to enable EWC members to undertake an in-depth assessment of the possible impact and where appropriate prepare consultations with central management.

“Consultation” shall be deemed to mean establishment of dialogue and exchange of views between EWC and central management or any more appropriate level of Management, at such time, in such fashion and with such content (as) enables EWC members to express an opinion on the basis of the information provided – in a written and an exhaustive manner - about the proposed measures to which the consultation is related, without prejudice to the responsibilities of the management, and within a reasonable time, which may be taken into account by the central management.

The management shall provide a response to the opinions expressed.

Collective bargaining is not included among the EWC competencies.



Art. 4 – Objects of Information and Consultation

The EWC shall be informed and consulted on Group activities and in particular on:

- . The economic/financial situation
- . Activity and investment programmes
- . Significant changes to Group structure, mergers, acquisitions and transfer of activities and/or undertakings
- . Employment status and prospects
- . Downsizing or closure of companies or productive units that may have trans-national consequences
- . Transfer of production between EU States and outside the EU
- . Introduction of new work methodologies and new production processes
- . Trans-national mobility of Group employees
- . Health and safety in the workplace
- . Environmental policies
- . Initial and continuous professional training
- . Equal opportunities and non-discrimination

The EWC shall also be informed and consulted on the international strategy of the Group, as well as the Sustainability Plan and the contents of the Sustainability Report.

Art. 5 – Designation and term of office of members

EWC members shall be appointed/elected in accordance with national laws and practices in respect of Community principles.

The names of members must be communicated by the SNB to the companies to which the employees belong and to Enel S.p.A. within three months of the signing this agreement.

For each member of the EWC, a deputy member shall be elected or appointed via the same procedures who shall replace the EWC member in the event of temporary unavailability, resignation, revocation or end of term.

The term of office of EWC members shall be three years, except where the term automatically ceases in accordance with appointment/electoral requirements provided for by national law and practices and this agreement.



The term of office of a representative automatically ceases in the event that the working relationship is terminated.

Art. 6 – Select Committee

The EWC shall appoint a Select Committee from among its members consisting of one Coordinator and four other members, whose function shall be to coordinate and liaise with Enel Management.

The Select Committee, which shall include representatives from interested Member States, shall coordinate the activities of the EWC, act as EWC spokesperson and implement EWC decisions, guaranteeing communication between EWC members and promoting the distribution of information to all European employees of the Group.

The Select Committee shall meet four times a year, (one day for each meeting); one of these meetings will take place immediately before the second EWC ordinary meeting (see Art. 7).

The Select Committee may request additional meetings, pursuant to Article 8 of this Agreement.

Art. 7 – Ordinary Meetings


The EWC shall ordinarily meet twice a year, usually to coincide with the publication of the Annual Results and the Half-yearly Report.

The date, place and order of business of the meeting shall be agreed between the Management and the Select Committee. EWC members shall receive appropriate prior notification of the order of business before the meeting.

Committee members may notify the Select Committee of requests for the inclusion of specific topics in the order of business relating to the issues detailed under Article 4. Participants shall be sent suitable documentation on the topics included in the order of business.

The first EWC ordinary meeting, in coincidence with the publication of the Annual Results, shall be held over a period of three days: one day of the meeting shall be given over to information and consultation with Group Management; the remaining two days shall be dedicated to preparatory meetings and the final assessment of the EWC.

The second ordinary meeting will be held over a period of two days and will be preceded by a Select Committee meeting.



Enel shall be represented by the Holding Personnel Director, who shall chair the meeting, and company Managers involved in the order of business.

At the end of each meeting, the Technical Secretariat (see Article 10) shall prepare a joint communiqué and the minutes of the meeting, which shall be submitted for the approval of the Management and the Select Committee prior to distribution.

Simultaneous translation in the appropriate languages and the translation of preliminary and subsequent documentation shall be provided for meetings with Management and internal EWC meetings.

The Italian and English versions of all the documents shall be considered as the official ones.

Any issues of interpretation of this Agreement shall be examined by the Management and the Select Committee.

Art. 8 – Additional Meetings

The Select Committee must be informed of any exceptional circumstance that may have a significant impact on employee interests, such as delocalisation, closure of undertakings or plants, or collective redundancy. The Select Committee may, upon written request, meet with the competent Personnel Management of the Group, to be informed and consulted on the relevant measures.

The Select Committee and the management shall jointly examine the need for a possible additional meeting with the European Works Council to determine its possible position.

Prior to such a meeting, the Select Committee may hold an internal meeting.

Art. 9 - Training

Management and the Select Committee may agree on training activities for EWC members, particularly with regard to:

- English language training
- reading of economic/financial data and knowledge of business processes.
- changes in EU provisions relating to the energy market
- changes in EU provisions relating to labour and industrial relations.



During the first ordinary meeting, an agreement shall be concluded on training programmes for the year under consideration, and on the kinds of training, that may include classroom training and distance learning, up to a maximum of four days a year.

Art. 10 – Organisation - Technical Secretariat

A Technical Secretariat shall be implemented at Enel's head office and shall be responsible for updating companies covered by this agreement with employment data and information, on the convening and organisation of meetings referred to under Articles 7 and 8 and the processing of necessary documentation.

The Technical Secretariat shall send the final communiqué and minutes of the meetings to EWC members.

The Technical Secretariat shall perform functions of coordination and support for the members of the EWC and the Select Committee, also in relation to the planning of ordinary meetings and communications with management.

Art. 11 – Resources for EWC Operation

Enel shall cover, within reason, the costs associated with EWC activities.

Management and the Select Committee shall agree on an annual budget divided into organisational costs, translation and interpreting, training activities, and consultancy and assistance fees, communication.

After a period of three years such budget shall be reviewed.

Art. 12 – Protection of EWC Members

EWC members shall be afforded the protection (permits/freedom to act/protection of representative activity) provided for under contractual or legislation regulations for employees in the State where they work.

They shall not be subject to any discrimination because of their participation in EWC activities.



EWC and Select Committee members shall continue to receive their normal salaries for the time required for them to participate in EWC/Select Committee activities and to provide information to employees in their country.

Any local issues will be examined by the Management and the Select Committee.

Art. 13 - Confidentiality

Without prejudice to the agreement between the Parties as to the importance of open and transparent dialogue, Enel shall not be obliged to communicate information that, for justifiable technical, organisational or productive reasons, may create significant difficulties for or damage the company or when there is the risk of market manipulation¹.

Any issue related to the confidential nature of any information/figures which have expressly been provided in confidence shall be addressed to the joint assessment of the Select Committee and the management.

Memoranda of Understanding (MoUs) between Enel and public or private entities shall be excluded from Information until such time as they become publishable agreements.

EWC members shall not disclose information that is provided to them confidentially and expressly designated as such. This obligation does not cease at the end of the mandate, independently of the place in which members are located, for a period of three years. In the event of breach of confidentiality, the disciplinary sanctions provided for under Enel contracts and relevant legislation shall apply.

Art. 14 – Relationship with National Regulations

This agreement is without prejudice to the rights of employees and their representatives under legislative or contractual regulations in relation to information and consultation in force in individual Member States.

Art. 15 – Duration of the Agreement

This agreement shall be valid for a period of three years. The signatories, in consultation with the incumbent EWC, shall examine the opportunities and/conditions for renewing this agreement six

¹ See art. 11, par. 3 Leg. Dec. 74/2002



months prior to its expiry. Failure on the part of the Parties to reach an understanding within six months prior to expiry of this agreement shall lead to the institution of the procedure described under Article 16 relating to Leg. Dec. 74/2002. Should this occur, the agreement previously in force shall remain valid until said procedure is completed.

The Parties can agree to modify this agreement at any time on the basis of changes to relevant Community law shall constitute motivation to modify this agreement or other reasons.

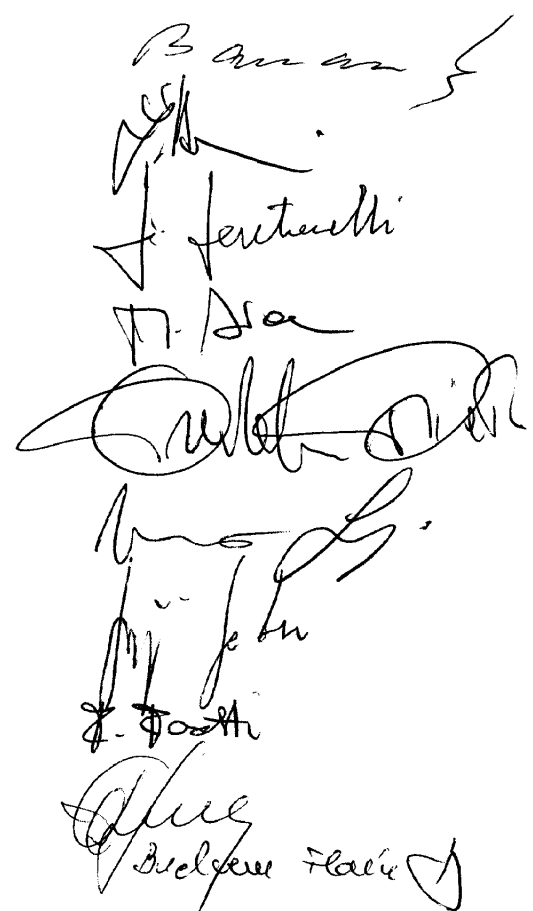
Art. 16 – The role of the European Trade Union Federations

The number of effective members of the EWC shall be supplemented with one representative of each of the two European Trade Union Federations that played a coordinating role in the negotiations of the SNB in concluding the present Agreement - EPSU and EMCEF.

These representatives will take part to EWC works as permanent observers.

The appointment of the two representatives shall be communicated to the Enel Management by the General Secretaries of the two Federations within one month of the entry into force of the present Agreement.

Read, confirmed and signed.



Annex A

ITALY
Enel S.p.a
Enel Distribuzione
Enel Produzione
Enel Green Power
Enel Trade
Enel Servizi
Enel.si
Sfera
Enel Servizio elettrico
Enel Sole

ROMANIA
Enel Romania(Servicii)
Enel Distributie Banat (Electrica Banat)
Enel Distributie Dobrogea (Electrica Dobrogea)
Muntenia
Enel Energie
Enel Servicii Comune
BLU Line

BULGARIA
Maritza East III Power Company AD
Enel Operations Bulgaria

SLOVAKIA
Slovenske Elektrarne

SPAIN
Endesa - see Annex B



Annex B

COUNTRIES	HEADCOUNT	SEATS
Italy	40,857	11
Spain (67.05% consolidation)	8,559	3
Slovakia	6,220	3
Romania	5,357	2
Bulgaria	771	1
Total	61,848	20

Written statement

The Parties acknowledge that, during the “period of joint management” (gesti3n mancomunada), the Information and Consultation procedures on transnational issues affecting Spain, shall take into account the specificity of Endesa’s situation, notably referring to interests and decisions which do not fall into the exclusive Enel’s control.

The numerical data referring to Spain’s headcount reflect what is reported within the Enel’s 2007 Consolidated Account with regard to consolidated data (67.05%) of Endesa.

All Endesa’s employees shall have the right to participate to EWC spanish representatives designation/election, according to their national procedure.

The above remains valid, without prejudice to the provisions of Art. 2 par. 4 of the present Agreement, for the entire length of the above mentioned “period of joint management”.



Annex B

Numeric thresholds for EWC's seats allocation

Country	Headcount	Thresholds											Total	
		150-3,000	3,001-6,000	6,001-10,000	10,001-14,000	14,001-18,000	18,001-22,000	22,001-26,000	26,001-30,000	30,001-34,000	34,001-38,000	38,001-42,000		
ITALY	40,857	1	1	1	1	1	1	1	1	1	1	1	1	11
SPAIN (67.05% CONSOLIDATION)	8,559	1	1	1	-	-	-	-	-	-	-	-	-	3
SLOVAKIA	6,220	1	1	1	-	-	-	-	-	-	-	-	-	3
ROMANIA	5,357	1	1	-	-	-	-	-	-	-	-	-	-	2
BULGARIA	771	1	-	-	-	-	-	-	-	-	-	-	-	1

4.

