DEFINITION OF INDEPENDENT DIRECTOR OF THE BOARD OF DIRECTORS OF ENDESA S.A

Pursuant to the provisions of Article 529 duodecies of the Capital Corporations Law, Endesa defines Independent Directors as:

"those who, having been appointed based on their personal and professional qualities, are able to perform their duties regardless of their relations with the Company or its group, its significant shareholders or its executives."

ENDESA applies the criteria laid out in said Law on the circumstances under which a director may not be considered an independent director under any circumstances, and which are specified below:

Directors in any of the following situations may not under any circumstances be considered independent directors:

a) Those who were employees or executive directors of any group company, unless 3 or 5 years, respectively, have passed since the director ceased to hold such position.

b) Those who receive any amount or benefit beyond compensation as a director from the company or any group company, unless such amount or benefit is immaterial for the director.

For the purposes of this provision, dividends and pension plan contributions received by the director by virtue of their prior professional or employment relationship shall not be taken into account, provided said supplements are unconditional and, consequently, the company providing those benefits may not suspend, modify or revoke accrual thereof at its discretion without breaching its obligations.

c) Those who are or have been, at any time during the last 3 years, a partner of the external auditor or other party responsible for preparing the auditors' report, whether for the listed company or for any other group company.

d) Those who are executive directors or senior executives of another company in which an executive director or senior executive of the company is an external director.

e) Those who have or have had a significant business relationship with the company or any group company during the last twelve months, whether on their own behalf or as a significant shareholder, director or senior executive of a company that has or had such relationship.

Business relationship includes as a supplier of (financial) goods or services, advisor or consultant.

f) Significant shareholders, executive directors or senior executives of a company receiving or that has received donations from the company or its group at any point over the last 3 years.

This does not include those directors who are mere trustees of a foundation receiving donations.

g) Spouses or other persons related to an executive director or senior executive of the company by a similar relationship or who are relatives up to a second degree.

h) Those not nominated by the appointments committee for appointment or renewal.

i) Those who have served as a director for more than 12 consecutive years.
j) Those in any of the circumstances described in paragraphs a), e), f) and g) above as relates to any significant shareholder or a shareholder represented on the board. In the case of the family relationship specified in paragraph g), the limitation shall apply both to the shareholder as well as to its shareholder-appointed directors of the investee company."

Endesa, S.A.'s Director Selection Policy states that, in the case of candidates for Independent Director, the Appointments and Compensation Committee shall verify, in particular, compliance with independence requirements as established by law.

Finally, ENDESA incorporates to its corporate governance practices Recommendation 17 of the Corporate Governance Code for Listed Companies, prepared by the Spanish Securities Market Commission, which provides that, where the company has a shareholder that controls more than 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors.

The composition of the Board of Directors is provided at the following link: https://www.endesa.com/es/sobre-endesa/a201611-consejo-administracion.html

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2 Spanish Securities Market Corporate Governance Code for Listed Companies. Available at: https://www.cnmv.es/docportal/publicaciones/codigogov/codigo_buen_gobierno.pdf