

endesa



**INTERNAL RULES IMPLEMENTING THE INTERNAL
REGULATIONS ON CONDUCT IN SECURITIES MARKETS (IRCSM)
AS REGARDS INSIDER INFORMATION**

ENDESA, S.A.

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TITLE I. GENERAL PROVISIONS

ARTICLE 1. PURPOSE

- 1.- These rules further develop Endesa, S.A.'s (the "Company" or "Endesa") Internal Regulations on Conduct in Securities Markets (the "IRCSM") as regards Insider Information (the "Implementing Rules").
- 2.- The purpose of these Implementing Rules is to establish the general principles of conduct for Covered Persons as regards Insider Information as well as to establish the rules and procedures applicable to Endesa for handling Insider Information and disclosing such information to third parties, all with a view to preventing market abuse.

ARTICLE 2. SUBJECTIVE SCOPE

These Implementing Rules apply to all Endesa Group employees, who have a duty to be aware of and comply with such Rules. In particular, these Implementing Rules shall apply to "Covered Persons" as defined in the IRCSM.

ARTICLE 3. OBJECTIVE SCOPE

These Implementing Rules shall apply to "Covered Securities" in accordance with the IRCSM and shall be applied to those matters governed by the internal global trading regulations on an alternative basis.

ARTICLE 4. DISSEMINATION

The General and Board Secretary shall identify the means through which these Implementing Rules will be disseminated with a view to ensuring awareness thereof by all Covered Persons, who must be aware of and comply with such rules.

ARTICLE 5. INTERPRETATION

1. These Implementing Rules shall be construed in accordance with all legal requirements applicable to the Endesa Group as well as with all of the Company's corporate documents and, in particular, with the relevant provisions of the IRCSM. In the event of any inconsistency between these Implementing Rules and the IRCSM, the provisions of the IRCSM shall prevail.
2. Capitalized terms not defined herein shall have the meanings set forth in the IRCSM.
3. The Audit and Compliance Committee or, in absence thereof, the General and Board Secretary, shall be responsible for resolving any questions or concerns which may arise in relation to the content, interpretation, application or compliance with these Implementing Rules.

ARTICLE 6. BREACH

Notwithstanding the sanctions expressly set forth in market abuse or any other applicable regulations, and also notwithstanding any liability enforceable against the offender, an employee's breach of these

provisions shall constitute professional misconduct for labor law purposes, the severity of which shall be assessed following the legally established procedures and channels.

TITLE II. Insider Information Definition

ARTICLE 7. INSIDER INFORMATION DEFINITION

1. In accordance with the provisions of the IRCSM, Insider Information shall mean:
 - a) all information of a specific nature that refers directly or indirectly to the Company, to any Endesa Group Company or to Covered Securities that has not been made public and which, if made public, could have a significant effect on the price thereof; and
 - b) in connection with derivative financial instruments on commodities, all information of a specific nature that has not been made public and which directly or indirectly refers to one or more of such derivatives or directly to a spot commodity contract related thereto and which, if made public, could have a significant effect on the prices of said derivatives or spot commodity contracts related thereto, provided the information could reasonably be expected to be made public or is otherwise required to be made public in accordance with legal provisions, market rules, contracts, and customs and practices on the relevant commodity derivatives or spot markets.
2. The information shall be deemed to be of a specific nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instruments. In this regard, in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, such future circumstances or event, as well as the intermediate steps of the process related to bringing about or resulting in such future circumstances or event, may be deemed to be specific information.
3. An intermediate step in a protracted process shall be deemed to be Insider Information if, by itself, it satisfies the criteria of Insider Information as referred to in this article.
4. Information that would, if made public, be likely to have a significant effect on the prices of financial instruments, derivatives or spot commodity contracts related thereto, shall mean any information a reasonable investor would be likely to use as part of the basis for his/her investment decisions.

TITLE III. COMPANY'S OBLIGATIONS

ARTICLE 8. IDENTIFICATION OF INSIDER INFORMATION

- 1.- The General Manager for each area in which the transactions or events being analyzed or implemented could involve Insider Information shall determine if such information constitutes Insider Information. General Managers may seek the advice of the General and Board Secretary in this regard.

- 2.- For such purpose, whenever any area receives or generates information that could potentially be considered Insider Information, the General Manager for the relevant area shall analyze said information to check whether it meets the characteristics for classification as Insider Information. If so, such information shall only be made available to those persons, whether internal or external to the company, whose participation is absolutely necessary, and access by third parties who do not need to know such information shall be denied.

- 3.- The provisions of these Implementing Rules on the handling and transfer of Insider Information shall be applied from the point the information is identified as Insider Information. In particular, the General and Board Secretary shall be notified that the project exists, including details on the pieces of information deemed Insider Information, the date on which the information became available, the Covered Securities to which the information refers, and the measures adopted so far in order to safeguard such information.

- 4.- The General and Board Secretary may request additional information on a project from the relevant area General Manager, and may also overrule the classification of the information as Insider Information by such area General Manager, after obtaining any additional information deemed necessary. Any overruling shall be justified and well founded.

ARTICLE 9. LIST OF INSIDERS

- 1.- The Company shall draw up a list of all persons that have access to Insider Information including both Company employees and outsiders (the "Insiders List"). This List shall be divided into separate sections for each transaction or event that could generate Insider Information. A separate section shall also be established for "Permanent Insiders" which shall include all persons who have access at all times to all Insider Information due to the nature of their duties or position (the "Permanent Insiders Section").

- 2.- The Insiders List shall contain, at least, the following information:
 - a) identity of each and every person with access to Insider Information. This shall include the full name, national identification number, date of birth, full home address, work phone numbers (direct landline and mobile) and personal phone numbers (landline and mobile), corporate purpose and registered offices of the company in which they provide services;

 - b) the reason the person is included on the Insiders List and why they are being given access to Insider Information;

 - c) the date and time such person gained access to the Insider Information and, as the case may be, the date and time from which access was revoked; and

 - d) the date the list of persons with access to Insider Information was made.

- 3.- The Insiders List shall be promptly updated in the following cases:
 - a) when there is a change in the reason for including a person that is already on the Insiders List;

 - b) when a new person has to be added to the Insiders List as a result of having access to Insider Information; and

- c) when a person's access to Insider Information is revoked.

The date and time of the change resulting in each update shall be specified and a copy of earlier versions shall be kept on file.

- 4.- The General Managers for each area, or the person to whom this duty has been delegated, shall establish and maintain a separate section for each specific transaction or event in which they shall list each and every person who has access to Insider Information related to said specific transaction or event.

The General and Board Secretary shall keep the Insiders List for at least five (5) years from the date it was created or updated.

Furthermore, the General and Board Secretary shall, in coordination with the Director General of Human Resources and Organization, draft and update the Permanent Insiders Section.

- 5.- The Insiders List shall be drafted in digital format following the model established in accordance with the law in force from time to time, as well as with any guidelines or recommendations issued by the competent authorities. The information on the list is confidential and all personal data shall be processed in compliance with personal data protection regulations.

ARTICLE 10. NOTIFICATION TO AUTHORIZED PERSONS OF THEIR DUTIES AND THE CONDITION OF INSIDER INFORMATION

- 1.- The General Managers for each area shall grant full or partial access to Insider Information and shall notify the General and Board Secretary of the identity of those persons who have been granted access to such information (the "Authorized Persons"), who shall be added to the Insiders List. They must also check with the Secretary whether a separate section has already been created for the relevant transaction or event. General Managers shall provide the General and Board Secretary with a copy of the general list for their area whenever a new section is added or an amendment is made.

Following authorization to access Insider Information, Authorized Persons shall be expressly notified that they have been included on the Insiders List and shall also be notified regarding the nature of the information, their duty of confidentiality, and the prohibition against use of such information.

- 2.- Notwithstanding any oral notification of the type described in the previous paragraph, the General Manager for the area shall provide written notice following the notice form provided by the General and Board Secretary, which shall be countersigned by the Authorized Person. In any case, this notification shall include a declaration from the Authorized Person stating that they are aware of their obligations arising under law, the IRCSM and these Implementing Rules by virtue of its access to Insider Information, as well as of the sanctions that could be imposed in the case of breach and of information on their rights under personal data protection laws, if applicable. The General Manager for the area shall send a copy of the signed declaration to the General and Board Secretary.
- 3.- The signed declarations referred to in the preceding paragraph shall be included in the relevant section of the Insiders List.

- 4.- If the Authorized Person is not bound by any legal or contractual duty of confidentiality to the Company, such Authorized Person shall execute a confidentiality agreement which shall be attached to the declaration.
- 5.- The General Manager for each area in which the transactions or events being analyzed or implemented could involve Insider Information shall review the persons included on the Insiders List as well as the authorizations granted to ensure access to Insider Information is only granted to those individuals who currently require such access and is removed afterwards.

TITLE IV. PROHIBITED CONDUCT

ARTICLE 11. PROHIBITION ON INSIDER TRADING

- 1.- Those persons with Insider Information shall not:
 - a) carry out or attempt to carry out transactions using Insider Information, i.e. they may not directly or indirectly buy, sell or assign Covered Securities, whether for their own benefit or for the benefit of third parties, and may not cancel or amend any order concerning Covered Securities that was issued before they learned of the Insider Information; and
 - b) make recommendations or induce a third party to buy, sell or assign Covered Securities on the basis of Insider Information or to cancel or amend any order concerning the Covered Securities to which such information refers, nor cause a third party to buy, sell or assign Covered Securities or to cancel or amend any order related thereto on the basis of Insider Information.
- 2.- Any person that follows the recommendations or suggestions referred to in paragraph b) shall be considered to have engaged in insider trading provided such person knew or should have known that said recommendations or suggestions were based on Insider Information.
- 3.- The provisions of this article shall, in those cases in which the person referred to in the two preceding paragraphs is a legal entity, apply to those natural persons that were involved in the acquisition, transfer or assignment decision or in the decision to cancel or amend an order on behalf of said legal entity.

ARTICLE 12. UNLAWFUL DISCLOSURE OF INSIDER INFORMATION

- 1.- Those persons with Insider Information may not disclose such information to any other party, except in the ordinary course of their work, profession or duties with the prior authorization of the General Manager.
- 2.- Subsequent disclosure of the recommendations or suggestions referred to Article 11(b), supra, shall be considered an unlawful disclosure of Insider Information if the person disclosing the recommendation or suggestion knew or should have known that they were based on Insider Information.

TITLE V. RULES AND PROCEDURES FOR HANDLING AND DISCLOSING INSIDER INFORMATION

Chapter I. Handling Insider Information

ARTICLE 13. ACCESS TO INSIDER INFORMATION

- 1.- Access to Insider Information may be granted for, inter alia, the following reasons:
 - a) due to the person's position in the Company or in the Endesa Group;
 - b) due to the nature of the person's work, profession or duty, e.g. they hold Insider Information as a result of their participation in a specific project or transaction; and
 - c) due to the accidental access to or leak of Insider Information.
- 2.- Persons holding Insider Information or believe they hold such information shall, regardless of the origin thereof, and unless they have already been included on the Insiders Lists, notify the General and Board Secretary or the General Manager for the relevant area that they have access to such information. This notification shall be made as soon as possible and shall describe the characteristics of the information as well as the date on which they became aware of such information.
- 3.- Furthermore, any person who is aware that Insider Information has been leaked or used in an abusive or unfair manner, or who has heard any news or rumor involving material information about the Company, shall notify such circumstances to the General and Board Secretary, who will analyze the claim and take the appropriate measures.

Mechanisms for detecting rumors, news and any unauthorized leaks or disclosure of Insider Information shall, if possible, be established.

ARTICLE 14. HANDLING INSIDER INFORMATION. CUSTODY, STORAGE, ACCESS, REPRODUCTION AND DISTRIBUTION MEASURES

- 1.- Persons with access to Insider Information shall adopt appropriate measures to prevent any leak or abusive or unfair use of such information, in accordance with the provisions hereof.
- 2.- The General Manager for each area may establish additional security measures for the custody, storage, access, reproduction and distribution of the Insider Information, taking into account for such purpose both the provisions of these Implementing Rules and the guidelines issued by the General and Board Secretary, if any.

ARTICLE 15. IDENTIFICATION OF NOTICES AND THEIR CONTENT

- 1.- In order to guarantee confidentiality of the Insider Information, the General Manager for the area shall assign a code name to each transaction involving the delivery or development of Insider Information to ensure that information on the parties and transactions cannot be identified.
- 2.- Each and every page, including the cover page, of any document containing Insider Information regardless of its format or storage medium (the "Confidential Documents") shall, to the extent possible, be marked as "CONFIDENTIAL," including the date on which the document was issued.

ARTICLE 16. INSIDER INFORMATION SAFEGUARDS AND CONTROLS

- 1.- Access to Confidential Documents shall be restricted to Authorized Persons.
- 2.- The relevant area General Manager shall be responsible for the custody of Confidential Documents.
- 3.- Authorized Persons shall not use resources shared over local or external networks to store Confidential Documents, whether temporarily or permanently, except when it can be guaranteed that only Authorized Persons will be able to access the information in such documents.
- 4.- In any case, Authorized Persons shall refrain from making comments or references to the information contained in the Confidential Documents when in locations where they could be overheard by unauthorized persons. Furthermore, Authorized Persons shall not take such documents out while in public places or on public transport and shall keep them under their control at all times. When an Authorized Person is absent from work, the Confidential Documents shall be stored in such a way so that they cannot be seen.

ARTICLE 17. DISPOSAL OF CONFIDENTIAL DOCUMENTS

- 1.- As soon as the Confidential Document is no longer going to be used, the Authorized Person that created or used said document must destroy it, unless otherwise provided by law. If the Confidential Document was drafted or used by several Authorized Persons, each person shall be individually responsible for the destruction thereof. The duty to destroy Confidential Documents shall apply to all drafts, copies or extracts thereof.
- 2.- The Confidential Documents shall be destroyed using any means that guarantee the complete elimination thereof. Confidential Documents stored in any computers of the Company or of the Endesa Group, or on any data storage devices that will be removed from the premises, shall be destroyed in such a manner so as to ensure that the information stored thereon cannot be recovered.
- 3.- External staff from outside the Company may assist in the destruction of the Confidential Documents. In such case, external staff shall be required to execute a confidentiality agreement and certify that the documents were properly destroyed, specifying the elimination method used and the persons involved in such process.

ARTICLE 18. DISTRIBUTION AND TRANSFER OF INSIDER INFORMATION

- 1.- The distribution and transfer of Insider Information shall require the prior authorization of the relevant area General Manager and shall be included in the Insiders List.
- 2.- In order to enable tracking of the transfer and distribution of the Confidential Documents:
 - a) copies of the Confidential Documents may only be made by Authorized Persons and for use thereby; and
 - b) all references to Insider Information over the phone shall be avoided.

Chapter II. Transfer of Insider Information to Third Parties

ARTICLE 19. MARKET SOUNDING

- 1.- Market sounding involves communicating information to one or more potential investors prior to the announcement of a transaction in order to gauge their interest in a potential transaction and its conditions, such as its potential price or size.
- 2.- Before conducting market sounding, the General Manager for the relevant area shall specifically determine whether the disclosure of Insider Information is necessary. If the Company ends up disclosing information, the General Manager shall submit its written conclusions to the General and Board Secretary regarding whether the information constitutes Insider Information and providing the reasons for disclosure.
- 3.- The Company shall not disclose such information for market sounding purposes to potential investors that have provided notice of their unwillingness to partake in market sounding, whether in relation to all potential transactions or to certain types of transactions.
- 4.- The Company may disclose Insider Information for the purpose of market sounding, provided, in accordance with applicable regulations, it complies with all reporting obligations in relation to the recipient of the information, who shall have consented to receive Insider Information.
- 5.- If market sounding is conducted, the information provided and the identity of the person receiving such information shall be recorded.
- 6.- The Board of Directors may establish the procedures for market sounding and information exchange.
- 7.- Before engaging in market sounding, the Company shall collect the appropriate information as required by applicable law. In the event the market sounding involves the disclosure of Insider Information, statements on the purpose of the disclosure, the nature and content of the information, the duties arising therefrom and the receiving party's consent to receive such information shall be collected. In any case, data shall be collected on the parties involved in the market sounding as required by applicable law.

ARTICLE 20. DISCLOSURE OF INSIDER INFORMATION TO THIRD PARTIES

- 1.- Insider Information shall only be disclosed to third parties if deemed necessary and justified by the General Manager for the area. In this regard, Insider Information may be sent to, inter alia, auditors, financial advisors, lawyers, notaries public and their staff, translators, advertising agency personnel, and any other third parties providing any kind of service to the Company by virtue of, in particular, agreements for managerial services.
- 2.- In such case, the Insider Information shall be disclosed subject to the following rules:
 - a) disclosure of the Insider Information shall be delayed as long as possible; and
 - b) those persons referred to in paragraph one, whenever compatible with their professional regime and duties, shall execute a confidentiality agreement with the Company and shall be notified that the information is confidential and that they will be included on the Insiders List, as well as of the duties inherent in such classification, as set forth in Articles 11 and 12 hereof.
- 3.- The confidentiality agreement referred to in paragraph b) shall, in the case of external advisors that are legal persons, be executed directly with such organization, and shall be binding on all of its members. In such case, authorization of the General Manager for the area shall not be required for any internal transfers to the relevant organization.
- 4.- The provisions of this article shall also apply to Insider Information disclosed as part of a request by the Company for financing or advising. If the company is not awarded the relevant financing or advising, classification of the information transferred as Insider Information shall be reaffirmed.

ARTICLE 21. DISCLOSURE TO ANALYSTS, INVESTORS OR THE MEDIA

- 1.- Information that has not already been made public may not be disclosed to analysts, voting advisors, investors or the media. For such purpose, meetings with analysts, voting advisors, investors or the media shall be planned in advance, consulting with the General Managers from each area as regards whether the information provided is no longer considered Insider Information.
- 2.- Communications, meetings or presentations to analysts, voting advisors or investors shall not be permitted during the ten (10) business days preceding publication of any financial information.

TITLE VI. TRAINING

ARTICLE 22. INTERNAL INSIDER INFORMATION TRAINING

- 1.- The Company may organize seminars and training sessions on the prohibition against the use or unlawful disclosure of Insider Information, on the duty to safeguard Insider Information and report any detected leaks, or on any other aspect related to Insider Information.
- 2.- For awareness purposes, the relevant documents may be drafted to ensure dissemination of Insider Information regulations and any other general principles governing the conduct of the