



**APPOINTMENTS AND COMPENSATION COMMITTEE
REGULATIONS**

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APPOINTMENTS AND COMPENSATION COMMITTEE REGULATIONS

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TITLE I. NATURE, PURPOSE AND APPROVAL

Article 1. Purpose

The purpose of the Appointments and Compensation Committee Regulations (hereinafter, the "Regulations") is to govern the duties, organization and operations of the Appointments and Compensation Committee in accordance with law, the Bylaws and the Board of Directors Regulations.

Article 2. Interpretation

1. These Regulations are in addition and supplementary to those provisions of the Bylaws and of the Board of Directors Regulations that govern the Appointments and Compensation Committee.
2. The Board of Directors shall have the power to resolve any questions which may arise in the interpretation or application hereof, in accordance with all applicable legal and Bylaw provisions, as well as with best corporate governance practices.

Article 3. Approval and Amendment

1. The Board of Directors may approve and make amendments to these Regulations.
2. The Appointments and Compensation Committee may propose such amendments as it deems necessary or convenient based on the circumstances. For this purpose, the proposal shall be submitted with a justifying report presenting the reasons for and scope of the amendment.
3. Any amendment to the Regulations shall require a resolution adopted by the majority of the members of the Board of Directors.

TITLE II. APPOINTMENTS AND COMPENSATION COMMITTEE COMPOSITION

Article 4. Number and Type of Directors on the Appointments and Compensation Committee

The Appointments and Compensation Committee shall comprise a minimum of three and a maximum of six Board members. The Committee shall be exclusively comprised of non-executive directors, the majority of which shall be independent directors. If the Coordinating Director is not a member of the Appointments and Compensation Committee, he/she shall maintain regular contact with said Committee to ensure proper performance of his/her duties.

Article 5. Appointment

The members of the Appointments and Compensation Committee shall be appointed by the favorable vote of the majority of the Board of Directors.

The Board of Directors shall aim to appoint members to the Appointments and Compensation Committee based on their knowledge, skills and experience.

Furthermore, the Board of Directors shall promote diversity among the Committee members in terms of professional experience, skills, personal abilities, sector knowledge and gender.

The proposal and appointment of members to the Appointments and Compensation Committee shall be carried out such that the members as a whole have knowledge, experience, and proper training in the areas of strategic analysis and assessment of human resources, and selection of directors and officers.

The members of the Appointments and Compensation Committee shall collectively have the technical expertise necessary in relation to the electricity and gas industries in which the Company operates.

Article 6. Term of Office

The members of the Appointments and Compensation Committee shall serve in their positions for a term of four years and may be reappointed for periods of the same duration.

The members of the Appointments and Compensation Committee shall be removed from office when the period for which they were appointed has elapsed; if they no longer serve on the Board of Directors; and in all other applicable cases in accordance with law, the Bylaws, the Board of Directors Regulations and these Regulations.

TITLE III. APPOINTMENTS AND COMPENSATION COMMITTEE OFFICERS

Article 7. Chairman of the Appointments and Compensation Committee

The Chairman of the Appointments and Compensation Committee shall be appointed from among the independent directors on the Committee by the favorable vote of the majority of the Board of Directors.

The Chairman shall be replaced every four years but may be reappointed one year after removal thereof has lapsed.

In the Chairman's absence, the independent director with the most seniority on the Appointments and Compensation Committee or, if two or more independent directors have the same seniority, the oldest among them, shall act as Chairman.

The Chairman shall be responsible for the effective operation of the Appointments and Compensation Committee and, thus, shall ensure that its members receive sufficient information duly in advance, organize the debate and promote active participation of the members during the Committee meetings, protecting their freedom to adopt positions and express their opinions.

Furthermore, the Chairman of the Appointments and Compensation Committee shall serve as the spokesperson for the Committee at all meetings of the Board of Directors. In particular, the Chairman of the Appointments and Compensation Committee shall notify the Board of Directors of the subjects discussed and decisions adopted in each meeting held, providing enough detail to enable the Board to fulfill its responsibilities.

Article 8. Secretary of the Appointments and Compensation Committee

The Secretary of the Board of Directors shall serve as Secretary of the Appointments and Compensation Committee and shall draw up the meeting minutes, recording therein all resolutions adopted. The minutes of the Appointments and Compensation Committee shall be made available to all members of the Board of Directors.

Notwithstanding the duties attributed to the Secretary in the Board of Directors Regulations, the Secretary shall also support the Appointments and Compensation Committee in all matters affecting said Committee, including but not limited to supporting the Chairman in the implementation of an annual work plan and in drawing up the agenda for each meeting; in drafting the Appointments and Compensation Committee Report; as well as in collecting and distributing documents relevant to the agenda.

TITLE IV. PROCEEDINGS AND MEETINGS

Article 9. Annual Work Plan

The Appointments and Compensation Committee shall establish an annual work plan laying out specific objectives for each of the duties of the Committee as well as an annual meeting schedule, taking into account the time required for each of the Committee's duties and the meeting schedule of the Board of Directors.

Article 10. Meetings

The Appointments and Compensation Committee shall meet in accordance with the annual meeting schedule, and as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors or of the Coordinating Director, as the case may be, subject to a minimum of four meetings per year.

The Secretary shall, following the instructions of the Committee Chairman, channel and provide all required information and documentation to the remaining members of the Committee sufficiently in advance to ensure that all members have enough time to analyze the information and documentation prior to each meeting.

Meeting notices for the Appointments and Compensation Committee may be sent by mail, e-mail or any other means of distance communication to each of the Directors, together with a copy of the agenda, sufficiently in advance and, in any case, at least forty-eight hours before the date set for the relevant meeting.

The Chairman may, in urgent circumstances, call an Appointments and Compensation Committee Meeting by any of these means, as well as by telephone, without giving the minimum prior notice set forth in the preceding paragraph. A majority of those in attendance shall confirm the existence of such urgent circumstances at the beginning of the meeting.

A meeting does not have to be called in advance if all of the members are present and unanimously agree to hold the meeting and to the agenda items.

Article 11. Agenda

The Chairman shall set the agenda for all meetings of the Appointments and Compensation Committee, taking into account the agenda of the Board of Directors and the Committee's

annual work plan. Furthermore, the agenda shall, in all cases, include those items requested by the Board Chairman or, as the case may be, the Coordinating Director.

Article 12. Venue of Meetings

The Appointments and Compensation Committee meetings will usually be held at the Company's registered office, but may also be held at such other location as may be determined by the Chairman and stated in the meeting notice.

As deemed appropriate by the Chairman of the Appointments and Compensation Committee, the Committee may meet remotely with all or some of its members and the Secretary using videoconferencing, conference calls, or any other means of distance communication, provided there is interactivity and intercommunication in real time, thereby guaranteeing simultaneity of developments. In such case, the meeting notice and minutes shall indicate, as the case may be, the connection system. The resolutions shall be considered passed at the registered offices.

Article 13. Assembly, Proxies and Adoption of Resolutions

The Appointments and Compensation Committee meetings shall be validly assembled when the majority of its members are in attendance, in person or by proxy.

Each member of the Appointments and Compensation Committee may grant a proxy to another member, in writing and specifically for each meeting.

Resolutions must be passed by a majority vote of the Directors attending the meeting. In the event of a tie, the Chairman or Acting Chairman shall have the casting vote.

Article 14. Attendance

The Chairman of the Appointments and Compensation Committee, through the Secretary, may request that the Chairman of the Board of Directors, the Managing Director or any other member of the Board of Directors attend any meeting of the Committee, as deemed appropriate.

The Chairman of the Appointments and Compensation Committee may also, through the Secretary, invite or require any executive or employee of the Endesa Group, as well as any member of a subsidiary company's management body that was appointed at the Company's proposal, to attend or appear at a meeting of the Committee. These attendees shall provide assistance and access to information held thereby, provided no legal restrictions apply thereto.

TITLE V. APPOINTMENTS AND COMPENSATION COMMITTEE RESPONSIBILITIES

Article 15. Committee Duties

The main role of the Appointments and Compensation Committee is to advise the Board of Directors and to monitor, *inter alia*, all matters related to the selection, appointment and definition of the compensation scheme for directors and senior officers.

In any case, the Board of Directors may assign other duties to the Appointments and Compensation Committee not reserved to another body by virtue of law, the Bylaws or the Board of Directors Regulations.

RESPONSIBILITIES RELATING TO APPOINTMENTS

Article 16. Responsibilities Relating to the Composition of the Board of Directors and its Committees

The Appointments and Compensation Committee shall have the following duties relating to the composition of the Board of Directors and its Committees:

1. To propose to the Board of Directors a specific and attestable Director Selection Policy, so as to ensure that the proposed appointments of directors are based on a previous analysis of the skills required by the Board, and which favors a diversity of knowledge, experiences, age and gender.
2. To annually verify compliance with the director selection policy and report its findings to the Board of Directors as well as in the Annual Corporate Governance Report.
3. To assess the skills, knowledge and experience needed on the Board of Directors and its Committees and to update, as necessary, the competency matrix which identifies the skills and knowledge of candidates for the office of director.
4. To verify that the other occupations of the directors comply with the restrictions laid out in Article 10 of the Board of Directors Regulations and, specifically, as relates to the maximum number of boards on which the directors of Endesa may sit.
5. To establish a representation goal for the least-represented gender on the Board of Directors and its Committees and develop guidelines on how to reach such objective.
6. To analyze the schedule for reappointment of directors, in order to take into account the need for gradual replacement of the Board, as well as diversity and seniority objectives, among others.

Article 17. Responsibilities Relating to Appointment, Reappointment and Removal of Directors

The Appointments and Compensation Committee shall have the following duties relating to the appointment, reappointment and removal of directors:

1. To define the duties and skills that the candidates must have in order to cover each vacancy and consider the time and dedication required in order to properly perform their mandate, ensuring that, in particular, non-executive directors have enough time to properly perform their duties.
2. To raise all proposals for the appointment of Independent Directors to the Board of Directors for their appointment by co-optation or by submission to the decision of the General Shareholders' Meeting, as well as all proposals for the reappointment or removal of said Directors by the General Shareholders' Meeting, in accordance with the Director Selection Policy

The Appointments and Compensation Committee shall verify, in particular, compliance with independence requirements as established by law.

3. To provide notification of all proposals for appointment of the remaining Directors for their appointment by co-optation or by submission to decision of the General Shareholders' Meeting, as well as all proposals for their reappointment or removal by the General Shareholders' Meeting, in accordance with the Director Selection Policy.
4. To propose the appointment or removal of the members of the Audit and Compliance Committee and of the Sustainability and Governance Committee, verifying that the necessary professional experience and skills and diversity in its composition are present.

In the proposals for reappointment of directors, the Committee shall take into account the same factors considered in the initial appointment and, in addition, shall assess the performance and evaluation of the director during the time he/she held such office as well as his/her ability to continue to successfully perform such position.

5. To propose or report the resignation or removal of Directors, depending on whether they are independent Directors or other types of Directors, respectively, when:
 - a) they are involved in any circumstance of incompatibility or prohibition provided by law, the Corporate Bylaws or these Regulations;
 - b) any shareholder represented by the director fully transfers or decreases his/her shareholding. In this last case, the number of shareholder-appointed directors shall be reduced accordingly;
 - c) or if they are affected by any other situations, whether or not related to their actions in the Company, that could seriously impair the Company's image or reputation.
6. With the exception of those powers held by the General Shareholders' Meeting, any proposal for the removal of independent directors that the Board intends to submit to the General Meeting shall be prepared by the Appointments and Compensation Committee itself and shall also be reported to the Board of Directors for assessment of whether just cause exists. In particular, just cause shall be deemed to exist when the director is appointed to new positions or undertakes new obligations that prevent said director from dedicating the time required to perform the duties inherent in its position as a director, or significantly breaches such duties.
7. If a Director ceases in his/her position before the end of his/her term of office, whether by resignation or by resolution of the General Shareholders' Meeting, the Director shall send a letter to the Board members sufficiently explaining the reasons for such resignation or, in the case of non-executive directors, explaining his/her opinion on the reasons for his/her removal by the General Meeting. Notwithstanding reporting of said removal to the Spanish Securities Market Commission as a material fact, the reasons for such removal shall be provided in the Annual Corporate Governance Report. The Appointments and Compensation Committee shall ensure that the Board of Directors appropriately publicizes the reasons and circumstances for such removal.

Article 18. Responsibilities Relating to the Officers of the Board of Directors

The Appointments and Compensation Committee shall have the following duties relating to officers of the Board of Directors:

1. To report to the Board of Directors the proposals for appointment or removal of the Chairman and Vice-Chairmen of the Board.
2. To report to the Board of Directors the proposals for appointment or removal of the Managing Director.
3. To report on the proposals of the Chairman of the Board of Directors regarding the appointment or removal of the Secretary of the Board and, as the case may be, the Vice Secretary.
4. As applicable, to propose the appointment and removal of the Coordinating Director.

Article 19. Responsibilities Relating to the Directors' Duty of Disclosure

The Appointments and Compensation Committee shall have the following duties relating to the directors' duty of disclosure:

1. To analyze the information provided by the Directors relating to any direct or indirect conflict that a Director may have with the interests of the Company and, where appropriate, to report or make proposals to the Board of Directors on the possible measures to be adopted.
2. To analyze the information provided by the Directors relating to any circumstances that could harm the Company's credit or reputation and, in particular, relating to any type of domestic or foreign investigations or criminal claims in which they are defendants, as well as of all developments in said cases and proceedings, whether or not related to their actions in the Company, and, where appropriate, to report or make proposals to the Board of Directors on the possible measures to be adopted.

Article 20. Responsibilities Relating to Appointment, Reappointment and Removal of Senior Officers

The Appointments and Compensation Committee shall have the following duties relating to the appointment, reappointment and removal of senior officers:

1. To report, at the proposal of the Managing Director, on the establishment and amendment of the Company's higher-level management structure.
2. To report, at the proposal of the Managing Director, on the appointment and removal of senior officers.

Notwithstanding the foregoing, the Audit and Compliance Committee shall propose the appointment or removal of the head of the internal auditing services.

3. To report, at the proposal of the Managing Director, on the establishment of the

basic contracting conditions for senior officers, including as regards compensation.

Article 21. Responsibilities Relating to the Assessment and Coordination of the Succession of the Chairman of the Board and of the Managing Director

The Appointments and Compensation Committee shall have the following duties relating to the assessment and coordination of the succession of the Chairman of the Board and of the Managing Director:

1. To report, for approval or regular review by the Board of Directors, on the Succession Plan for the Chairman of the Board of Directors and for the Managing Director, establishing the basic terms for initiating the contingency plans or implementing the relevant succession in an organized manner.
2. To coordinate, together with the Coordinating Director, if any, the implementation of the succession plan and to make a prior report to the Board of Directors for the appointment of the Chairman of the Board of Directors.
3. To coordinate, together with the Chairman, application of the succession plan for the Managing Director and to make a prior report to the Board of Directors for the appointment of the Managing Director.

Article 22. Responsibilities Relating to the Assessment of the Board of Directors and its Committees

The Appointments and Compensation Committee shall have the following duties relating to the assessment of the Board of Directors and its Committees:

1. To annually launch, at the proposal and with the participation of the Chairman of the Board of Directors, a process for assessing the performance of the Board of Directors, the performance of the duties of the Managing Director, and the performance and composition of the Board Committees, the latter in coordination with their Chairmen.

Additionally, the Committee shall begin the process for assessing performance of the duties of the Chairman of the Board of Directors, with the participation of the Coordinating Director, if any.

2. To approve the scope and methodology for assessment of the Board of Directors, Chairman, Managing Director, and the Board Committees, and to report thereon to the Board of Directors.
3. As applicable, to select and verify the independence of the consultant assisting the Board of Directors in the assessment process. The Committee shall ensure, as good practice, that this consultant is not the same one that advises the Company in matters related to the appointment of directors or senior officers or in matters related to compensation.

In general, an external consultant shall participate in the assessment every three years; however, the Chairman of the Board may propose their participation whenever deemed appropriate.

4. To coordinate the process for assessment of the Board of Directors, Chairman, Managing Director and Board Committees, with the help of an external advisor where appropriate and, in any case, with the support of the Secretary of the Board.

As regards its own assessment, the Appointments and Compensation Committee shall self-assess its own performance in order to strengthen its operations and better plan for the following fiscal year.

5. To annually monitor, as part of the assessment process, the attendance of directors at the meetings of the Board of Directors and of the Committees of which they are members. If any director has not been in attendance, in person or by proxy, more frequently than normal, and in any case, if above 25%, the Appointments and Compensation Committee shall collect information on the reasons for such absences and, to the extent possible, propose corrective actions.
6. To submit to the Board of Directors for consideration the results of the process for assessment of the Board of Directors, the Chairman, the Managing Director, and the Board Committees, including the self-assessment of the Appointments and Compensation Committee; and to propose to the Board of Directors an action plan to correct any deficiencies detected or to improve the functioning of the Board or its Committees.

Article 23. Responsibilities Relating to Director Training and/or Knowledge Update Programs

The Appointments and Compensation Committee shall have the following duties relating to director training and/or knowledge update programs:

1. The Appointments and Compensation Committee shall design and organize induction programs for new Directors so as to ensure that all of them have a sufficient minimum baseline of knowledge about the Company and to promote the active participation of its members from the start. Likewise, the Committee shall regularly organize knowledge update programs for the Board members.
2. Additionally, the Appointments and Compensation Committee shall design and organize induction and knowledge update programs for its members.

COMPENSATION RESPONSIBILITIES

Article 24. Responsibilities Relating to Compensation Policies and Other Contract Terms for Directors

The Appointments and Compensation Committee shall have the following duties relating to the compensation policies and contract terms for directors:

1. To propose to the Board of Directors the Directors Compensation Policy and to draft a specific report to support said proposal. Additionally, the Committee shall annually review the Directors Compensation Policy, with internal support from the heads of the People and Organization, Strategy, Economic-Financial and Sustainability areas as well as from the Secretary of the Committee, in order to verify that such policy is

aligned with the Company's position and strategy and with market conditions, as well as to assess whether said policy contributes to the creation of long-term value and to adequate risk control and management.

If it is deemed appropriate to contract the services of an external advisor to participate in the preparation of the Directors Compensation Policy proposal, the Committee shall properly assess the independence of said advisor.

2. To propose to the Board of Directors the individual compensation, fixed and variable, as well as other contract terms for the Executive Directors, including possible severance pay for early termination of their duties and the amounts to be paid by the Company for insurance premiums or contributions to savings systems, in accordance with the provisions of the Company's internal regulations and directors compensation policy approved by the General Shareholders' Meeting.
3. To submit to the Board of Directors, for approval, a proposal for an Annual Report on Directors Compensation. The Committee shall ensure that the Board is in a position to approve, prior to their application, the targets, criteria and metrics of the different compensation items that have been established for the then current fiscal year, in accordance with the compensation policy approved by the General Shareholders' Meeting. Likewise, the Committee shall ensure that the Company is in a position to assess the achievement of the targets, criteria and metrics established for the previous fiscal year to determine the compensation accrued by the directors in said year, in particular the executive directors. All of the foregoing shall be completed sufficiently in advance, before the date of publication of the annual report on directors compensation, such that said report shall contain all the necessary information and in sufficient detail.

Article 25. Responsibilities Relating to the Compensation Policy and Contract Terms for Senior Management

As regards the compensation policy and contract terms for senior management, the Appointments and Compensation Committee shall be responsible for reporting and submitting to the Board of Directors, at the proposal of the Managing Director, the establishment of the basic contract terms for senior officers, including as relates to their compensation.

Article 26. Responsibilities Relating to Calculating or Verifying Compensation Accrued by the Directors

The Appointments and Compensation Committee shall have the following duties relating to calculating or verifying the compensation accrued by the directors:

1. To annually verify that the Directors Compensation Policy is properly applied and that no payments not provided for in said policy are made to Directors.
2. To verify, in cooperation with the Directorate General of Internal Auditing, any information regarding compensation of Directors and Senior Executives provided in various corporate documents, including the annual report on director compensation and the notes to the Company's annual financial statements.
3. To verify, in cooperation with the Directorate General of Internal Auditing, whether

any circumstances exist that would justify the application of the *malus* or claw-back clauses provided for the Executive Directors and to propose, where appropriate, the relevant measures to recover the applicable amounts.

OTHER RESPONSIBILITIES

Article 27. Other Responsibilities

The Appointments and Compensation Committee shall have, among others and in addition to the powers listed in the preceding articles, the following duties:

1. To submit the Appointments and Compensation Committee Report to the Board of Directors for approval and publication, on an annual basis.
2. To review the information published on the Company's website on matters within the Committee's purview, such as information on the experience, background and compensation of the directors, and to ensure such information is sufficient and adequate and follows good governance recommendations.
3. To participate in the updates to the Board of Directors Regulations as relates to matters within its purview.
4. To report or propose to the Board of Directors the appointment of directors in companies of relevance to the Endesa Group.
5. To monitor, within the scope of its purview and in accordance with the Company's internal regulations on this matter, the Company's communications with shareholders and investors, proxy advisors and other stakeholders, and to report to the Board of Directors on such communications.
6. To receive information on reports, writings or communications of external supervisory bodies within the scope of this Committee's purview.
7. To issue such reports and carry out such actions for which it is specifically responsible in accordance with the corporate governance system or as requested by the Board of Directors or its Chairman.

These duties shall be deemed to be without limitation and notwithstanding such other duties as may be entrusted to the Committee by the Board of Directors. The Board may require that the Committee prepare reports on matters for which it is specifically responsible.

TITLE VI. APPOINTMENTS AND COMPENSATION COMMITTEE POWERS AND MEMBER DUTIES

Article 28. Powers and Advising

The Appointments and Compensation Committee may, as it deems convenient for the performance of its duties and at the expense of the Company, seek independent external advice regarding technical or highly relevant matters, in relation to which the Committee shall have sufficient economic resources to carry out its duty.

The members of the Appointments and Compensation Committee, as required to perform their duties, shall have access to all of the Company's services and shall have a duty to request, and the right to receive, all information from the Company which may be appropriate or necessary in order to perform their duties, all through the Secretary of the Appointments and Compensation Committee.

The Appointments and Compensation Committee shall ensure that any potential conflicts of interest do not impair the independence of the external advice received.

Article 29. Duties of the Appointments and Compensation Committee Members

1. The members of the Appointments and Compensation Committee shall attend the Committee meetings and actively participate in deliberations thereof with a view to contributing effectively to the decision making process. If a Director is unable, for just cause, to attend a meeting to which he/she has been called, he/she may provide voting directions to the member of the Appointments and Compensation Committee representing him/her, if any.
2. The members of the Appointments and Compensation Committee shall be subject to the duties of diligence, loyalty and confidentiality provided for in the Board of Directors Regulations.

Article 30. Conflicts of Interest

The members of the Appointments and Compensation Committee shall abstain from deliberating and voting on resolutions or decisions regarding which they and/or a related person has a direct or indirect conflict of interest, according to the provisions of Article 28 of the Board of Directors Regulations.