



**SUSTAINABILITY AND GOVERNANCE COMMITTEE
REGULATIONS**

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CONTENTS

TITLE I. NATURE, PURPOSE AND APPROVAL

- Article 1. Purpose
- Article 2. Interpretation
- Article 3. Approval and Amendment

TITLE II. SUSTAINABILITY AND GOVERNANCE COMMITTEE COMPOSITION

- Article 4. Number and Type of Directors on the Sustainability and Governance Committee
- Article 5. Appointment
- Article 6. Term of Office

TITLE III. SUSTAINABILITY AND GOVERNANCE COMMITTEE OFFICERS

- Article 7. Chairman of the Sustainability and Governance Committee
- Article 8. Secretary of the Sustainability and Governance Committee

TITLE IV. PROCEEDINGS AND MEETINGS

- Article 9. Annual Work Plan
- Article 10. Meetings
- Article 11. Agenda
- Article 12. Venue of Meetings
- Article 13. Assembly, Proxies and Adoption of Resolutions
- Article 14. Attendance

TITLE V. RESPONSIBILITIES

- Article 15. Committee Duties
- Article 16. Responsibilities Relating to Endesa's Mission, Vision and Values
- Article 17. Sustainability Responsibilities
- Article 18. Corporate Governance Responsibilities
- Article 19. Other Responsibilities

TITLE VI. SUSTAINABILITY AND GOVERNANCE COMMITTEE POWERS AND MEMBER DUTIES

- Article 20. Powers and Advising
- Article 22. Duties of the Sustainability and Governance Committee Members
- Article 22. Conflicts of Interest
- Article 23. Assessment

TITLE I. NATURE, PURPOSE AND APPROVAL

Article 1. Purpose

The purpose of the Sustainability and Governance Committee Regulations (hereinafter, the "Regulations") is to govern the duties, organization and operations of the Sustainability and Governance Committee in accordance with 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 Sustainability and Governance 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 Sustainability and Governance 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. SUSTAINABILITY AND GOVERNANCE COMMITTEE COMPOSITION

Article 4. Number and Type of Directors on the Sustainability and Governance Committee

The Sustainability and Governance Committee shall be comprised of a minimum of three and a maximum of six members of the Board of Directors. The Committee shall be exclusively comprised of non-executive directors, the majority of which shall be independent directors.

Article 5. Appointment

The members of the Sustainability and Governance Committee shall be appointed by the favorable vote of the majority of the Board of Directors, at the proposal of the Appointments and Compensation Committee.

The Board of Directors shall aim to appoint members to the Sustainability and Governance 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 Sustainability and Governance Committee shall be carried out such that the members as a whole have knowledge, experience, and proper training in the areas of sustainability and corporate governance.

The Sustainability and Governance Committee shall establish an induction program for its new members 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.

The Sustainability and Governance Committee shall also establish a permanent training plan for its members to ensure that they are updated regarding any developments related to sustainability and corporate governance regulations and best practices.

Article 6. Term of Office

The members of the Sustainability and Governance 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 Sustainability and Governance 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. SUSTAINABILITY AND GOVERNANCE COMMITTEE OFFICERS

Article 7. Chairman of the Sustainability and Governance Committee

The Chairman of the Sustainability and Governance Committee shall be appointed by the Board of Directors, by a favorable vote of the majority thereof, from among the independent directors on the Committee.

In the Chairman's absence, the independent director with the most seniority on the Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance Committee shall serve as the spokesperson for the Committee at all meetings of the Board of Directors. In particular, the Chairman of the Sustainability and Governance 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 Sustainability and Governance Committee

The Secretary of the Board of Directors shall serve as Secretary of the Sustainability and Governance Committee and shall draw up the meeting minutes, recording therein all resolutions adopted. The minutes of the Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance 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 a Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance Committee meetings shall be validly assembled when the majority of its members are in attendance, in person or by proxy.

Each member of the Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance 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. RESPONSIBILITIES OF THE SUSTAINABILITY AND GOVERNANCE COMMITTEE

Article 15. Committee Duties

The main role of the Sustainability and Governance Committee is to advise the Board of Directors on and to monitor, inter alia, all environmental, sustainability, human rights and diversity matters in relation to the strategy for social action, as well as on the scope of the Company's corporate governance strategy.

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

Article 16. Responsibilities Relating to Endesa's Mission, Vision and Values

The Sustainability and Governance Committee shall notify the Board of Directors of any proposed amendments to the Company's mission, vision and values.

The Committee shall also ensure that the corporate culture is aligned with the Company's mission, vision and values.

Article 17. Sustainability Responsibilities

The Sustainability and Governance Committee shall have the following responsibilities as relate to sustainability:

1. To review the Company's sustainability and environmental policies, and to report any potential amendments and periodic updates to the Endesa Group's sustainability strategy or Plan to the Board of Directors.
2. To monitor the sustainability plan or strategy and to regularly assess the degree of compliance with the established targets, including monitoring the materiality matrix that shows the relevant sustainability issues for the company's stakeholders.
3. To receive information on the listing and position of the Endesa Group on the most widely recognized international sustainability indexes.
4. To regularly monitor the degree of compliance by the Endesa Group with the Human Rights Policy, as well as to propose amendments thereto.
5. To review the establishment and amendment of the diversity, integration, equal opportunity, and work-life balance policies, as well as to receive follow-up information that can be used to regularly assess the degree of compliance with such policies.
6. To review the Endesa Group's strategy as relates to its social actions and sponsorship and patronage plans.
7. To receive regular reports on the activities carried out by Fundación Endesa.
8. To review and report on the non-financial information statement to verify that the contents thereof are in line with the Endesa Group's Sustainability Plan, prior to its review and reporting by the Audit and Compliance Committee and prior to the subsequent drafting thereof by the Board of Directors.

Article 18. Corporate Governance Responsibilities

The Sustainability and Governance Committee shall have the following responsibilities as relate to corporate governance:

1. To report to the Board of Directors the Corporate Governance Policy for the Company and its Group, including any amendments thereto, as well as any other internal corporate policies and regulations of the Company that are included in Endesa's corporate governance system, excluding any matters arising under the

responsibility of other Committees.

2. To monitor compliance with the Company's corporate governance rules, excluding those falling within the purview of other Committees, and to regularly assess whether the corporate governance system of Endesa is appropriate with a view to ensuring that its objective of promoting corporate interests is met and taking into account, as applicable, the legitimate interests of all interest groups.
3. To report to the Board of Directors on the Corporate Governance Annual Report, for approval and publication on an annual basis, in accordance with applicable legal provisions and regulations, except for those matters falling within the purview of other Committees.
4. To evaluate any decisions or resolutions of the Company that may impact compliance with the corporate governance recommendations applicable to Endesa and, as applicable, assess their impact.
In addition and prior to approval of the Annual Corporate Governance Report, to assess compliance with the recommendations of the Code or, where appropriate, assess the explanation for failure to comply, taking into account the particular perspective and circumstances relating to Endesa's corporate governance.
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 the Company's strategies for communicating with different stakeholders, such as employees, customers, suppliers and society in general.
7. Any other actions which may be necessary to promote proper corporate governance in all of the Company's actions.

Article 19. Other Responsibilities

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

1. To submit the Sustainability and Governance Committee Report to the Board of Directors for approval and publication, on an annual basis.
2. 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.
3. To participate in the updates to the Board of Directors Regulations as relates to matters within its purview.
4. To receive information on reports, writings or communications of external supervisory bodies within the scope of this Committee's purview.

These duties will be deemed to be without limitation and without prejudice to 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. SUSTAINABILITY AND GOVERNANCE COMMITTEE POWERS AND MEMBER DUTIES

Article 20. Powers and Advising

The Sustainability and Governance 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 Sustainability and Governance 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 Sustainability and Governance Committee.

Article 21. Duties of the Sustainability and Governance Committee Members

1. The members of the Sustainability and Governance 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 Sustainability and Governance Committee representing him/her, if any.
2. The members of the Sustainability and Governance Committee shall be subject to the duties of diligence, loyalty and confidentiality provided for in the Board of Directors Regulations.

Article 22. Conflicts of Interest

The members of the Sustainability and Governance 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.

Article 23. Assessment

The Sustainability and Governance Committee shall, as part of the annual assessment of the Board, assess its own performance in order to strengthen its operations and better plan for the following fiscal year, in coordination with the Appointments and Compensation Committee. Regardless of the procedures selected, the Board shall be notified, through the Appointments and Compensation Committee, regarding the areas assessed and the results of the assessment, which shall be taken into account as part of the annual assessment of the Board.