



**REGULATIONS GOVERNING RELATED-PARTY
TRANSACTIONS IN ENDESA, S.A.**

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This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility. In the event of discrepancy, the Spanish-language version prevails.

CONTENTS

DEFINITIONS

PRELIMINARY TITLE

- Article 1. Purpose
- Article 2. Interpretation
- Article 3. Approval and Modification
- Article 4. Advertising and Dissemination
- Article 5. Subjective Scope
- Article 6. Objective Scope

TITLE I.- APPROVAL OF RELATED-PARTY TRANSACTIONS

- Article 7. Request for approval of the operation
- Article 8. Audit and Compliance Committee Report
- Article 9. Approval of the transaction by the Board of Directors
- Article 10. Approval of the transaction by the General Shareholders' Meeting

TITLE II.- PUBLICATION OF RELATED-PARTY TRANSACTIONS IN THE SPANISH SECURITIES MARKET COMMISSION (CNMV)

- Article 11. Publication of related-party transactions in the CNMV and on Endesa's website

TITLE III.- REGISTRATION OF RELATED-PARTY TRANSACTIONS

- Article 12. Monitoring and control of related-party transactions

PRELIMINARY TITLE

Article 1. Purpose

This Regulation contains guidelines with regard to transactions subject to a conflict of interest between Endesa, S.A. ("**Endesa**" or the "**Company**") and its subsidiaries to guarantee that: (a) shareholders holding ten percent or more of the voting rights (or who are represented on the Board of Directors), (b) Directors, (c) Senior Managers, as well as (d) any other persons to be considered related parties to Endesa, in accordance with international accounting standards, adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Board, of 19 July 2002, relating to the application of international accounting standards, these transactions are undertaken in compliance with the applicable regulations.

Furthermore, this Regulation is developed by means of an "Operational Procedure for Related-Party Transactions", as well as a number of internal procedures that, where appropriate, will develop and detail the operation, functions and responsibilities of a regime which includes the application, approval, publication and supervision of the different types of Related-Party Transactions in accordance with their characteristics.

Article 2. Interpretation

Any doubt with regard to the interpretation of the content of these Regulations should be submitted, through the Secretary of the Board of Directors, to the Audit and Compliance Committee, which may then submit it to the Board of Directors for resolution if it is considered appropriate.

The provisions of these Regulations shall be without prejudice to the provisions of the Law, the Articles of Association, the Board of Directors Regulations, the Audit and Compliance Committee Regulations, General Shareholders' Meeting Regulations, the Code of conduct in Stock Markets and the Emission Rights Markets, as well as of Endesa's Code of Ethics.

Article 3. Approval and Modification

1. The approval of any amendment to these Regulations is the responsibility of Board of Directors.
2. The Audit and Compliance Committee may propose an amendment to these Regulations when, in its opinion, there are circumstances that make it appropriate or necessary.
3. Any amendment to the Regulations shall require a resolution adopted by a majority of the members of the Board of Directors.

Article 4. Advertising and Dissemination

1. These Regulations will be available on Endesa's corporate website.
2. Endesa will disseminate the content of these Regulations and will report on their application in their annual reports in the terms established by law and in the internal corporate governance regulations.

Article 5. Subjective Scope

The transactions subject to this Regulation will be those undertaken by Endesa or its subsidiaries, with: a) Endesa shareholders who hold ten per cent or more of the voting rights

or who are represented on the Board of Directors, b) Directors, c) Endesa's Senior Managers, as well as d) any other persons who should be considered parties related to Endesa, in accordance with International Accounting Standards, adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards ("Persons Related to Endesa") .

Article 6. Objective Scope

The transactions subject to these Regulations will be all those that Endesa or its subsidiaries undertake with the parties defined in Article 5 of these Regulations, which are susceptible to generating a conflict of interest in one of the parties, because it is a transaction that may enable one of the parties to extract exclusive benefits for himself/herself or for a related party.

In any case, all types of transactions, whether or not any consideration is involved, will be subject to this Regulation, provided they are susceptible to generating a conflict of interest.

Without prejudice to the above, the following shall not be considered as related-party transactions for the purposes of these Regulations:

- a. Transactions between Endesa, S.A. and its wholly owned subsidiaries, directly or indirectly.
- b. Transactions by Endesa with subsidiaries not wholly owned or in which Endesa participates, directly or indirectly, provided that no other person linked to Endesa has an interest in these dependent or investee entities.
- c. Dividend distributions, restitutions of contributions in symmetrical capital reductions and other similar transactions that, even if they have as counterparties Persons Related to Endesa, do not raise any conflict of interest. Such transactions shall ensure equal treatment of all shareholders in the same position with regard to information, participation and the exercise of voting rights at the General Shareholders' Meeting.
- d. The approval of the contracts of executive directors and senior managers by the Board of Directors, as well as the determination of their remuneration by the Board of Directors.
- e. The contracting by Persons Related to Endesa of the different goods and services offered by Endesa or its subsidiaries, provided that the goods and services are provided based on global conditions or criteria that are applied en masse to a large number of customers, or are conducted at prices or tariffs established in general and provided that they do not exceed a threshold equivalent to 0.5 percent of the company's turnover.

TITLE I.- APPROVAL OF RELATED-PARTY TRANSACTIONS

Article 7. Request for approval of the transaction

1. The Directorates-General of Endesa whose scope of action and competence includes undertaking a related-party transaction between Endesa, S.A. or its subsidiaries, and Directors or senior managers of the Endesa Group, or Enel, S.p.A. or its subsidiaries or other shareholders who hold ten percent or more of the voting rights or who are represented on the Board of Directors, or any other persons who should be considered parties related to Endesa, should request through the Secretary of the Board of Directors, prior to its conclusion, the approval of this related-party transaction by the Board of Directors or the General Shareholders' Meeting, as applicable.

Under absolutely exceptional circumstances that have been duly justified and that could not have been foreseen, the CEO may authorise transactions, limited to issues that are absolutely essential to guarantee the social interest of Endesa, between companies that are part of the same group and that are conducted under market conditions, which should be submitted immediately to the first Board of Directors meeting to be held after taking the decision, having previously been reported by the Audit and Compliance Committee, and in accordance with the requirements established in the Related-Party Transactions Procedure for the approval of transactions of this nature.

Once a related-party transaction has been approved by the Board of Directors or the General Shareholders' Meeting, any substantial alteration to the object or price, modification to its duration or to any of the other essential conditions previously agreed, will require a new approval by the Board of Directors or the General Shareholders' Meeting, unless the change in the related-party transaction had already been taken into account at the time of its initial approval.

2. A request for approval should comply with the requirements described in the "Operational Procedure for Related-Party Transactions", with regard to the information that should necessarily be provided by the requesting General Directorate and the period in which this documentation should be available to the Secretary of the Board of Directors, for its corresponding processing before the competent bodies in each case, the Audit and Compliance Committee, the Board of Directors or the General Shareholders' Meeting.

Article 8. Audit and Compliance Committee Report

Prior to the approval of a related-party transaction by the Board of Directors or the General Shareholders' Meeting, the Audit and Compliance Committee should issue a report evaluating the transaction and concluding whether it is fair and reasonable from the point of view of Endesa and, where appropriate, of shareholders other than the related party (where this is a shareholder), and to account for the assumptions on which the evaluation is based and the methods used. Directors with a direct or indirect conflict of interest as a result of a related-party operation will not participate in the preparation of the report.

Generally speaking, the Audit and Compliance Committee, through the Secretary of the Board of Directors, prior to the issuing its report, shall require an assessment of the related-party transaction by an independent expert, selected based on the requirements of the "Operational Procedure for Related-Party Transactions", and this evaluation process for the related-party transaction will meet criteria for fairness and reasonableness from the point of view of Endesa and, where applicable, shareholders other than the related party. The Audit and Compliance Committee may also require any other independent external advice that considers appropriate to complete its task. For the purpose of issuing its report, the Audit and Compliance Committee will also assess and analyse the conclusion reached by the General Management that a related-party transaction is required, with regard to the fairness and reasonableness of the transaction, from the point of view of Endesa and, where applicable, of the shareholders other than the related party.

Article 9. Approval of the transaction by the Board of Directors

Generally speaking, in accordance with the Corporate Enterprises Act, related-party transactions whose individual or accumulated value for the amount corresponding to different transactions related to the same counterparty¹ in the last twelve months should be

1. For the purposes of this Regulation, the term "same counterparty" includes both the person, natural or legal, who is related, as well as any other entity under their control and in the case of natural persons, close relatives as defined by the regulations applicable to the Company.

less than ten percent of the total asset items in the last consolidated balance sheet should be approved by Endesa's Board of Directors.

1. Prior to reaching agreement on the approval of a related-party transaction, the Board of Directors should take into account the report issued by the Audit and Compliance Committee that evaluates the transaction and concludes whether it is fair and reasonable from the point of view of Endesa and, where applicable, of shareholders other than the related party (when this is a shareholder).
2. The Director who is directly or indirectly in conflict as a result of the related-party transaction should refrain from participating in the deliberation and voting of the agreement in question.

Nevertheless, in accordance with the Corporate Enterprises Act, any proprietary director of Endesa who represents or is related to Endesa's parent company, who directly or indirectly (related persons) enters into transactions relating to Endesa or its subsidiaries, will participate in the deliberation and voting regarding these agreements.

Article 10. Approval of the transaction by the General Shareholders' Meeting

In accordance with the Corporate Enterprises Act, related-party transactions whose individual or accumulated value for the amount corresponding to different transactions related to the same counterparty in the last twelve months is equal to or more than ten percent of the total asset items in the last consolidated balance sheet should be approved by the Endesa General Shareholders' Meeting.

1. The Board of Directors will submit related-party transactions for approval by the Endesa General Shareholders' Meeting, following a report by the Audit and Compliance Committee that will evaluate the transaction and conclude whether it is fair and reasonable from the point of view of Endesa and, where applicable, of shareholders other than the related party (where this is a shareholder).
2. In accordance with the Corporate Enterprises Act, the shareholder concerned shall be deprived of the right to vote, except in cases where the proposed resolution has been approved by the Board of Directors without the majority of the independent Directors voting against it.

TITLE II.- PUBLICATION OF RELATED-PARTY TRANSACTIONS IN THE SPANISH SECURITIES MARKET COMMISSION (CNMV)

Article 11. Publication of related-party transactions in the CNMV and on Endesa's website

1. In accordance with the Corporate Enterprises Act, Endesa will publicly announce, both on the company's website and on the website of the Spanish Securities Market Commission, the related-party transactions undertaken by Endesa or its subsidiaries when the total amount of the operations individually or the accumulated sum of transaction with the same counterparty in the last twelve months, reaches or exceeds 5 per cent of the total asset items or 2.5 per cent of the annual turnover in the last consolidated financial statements approved by Endesa's General Shareholders' Meeting.
2. Where the related-party transaction individually reaches or exceeds the established thresholds, notification of the related-party transaction shall be made immediately after the meeting has been held, without the need for implementation.

Where approval of a related-party transaction is given by the Board of Directors, for the purposes of these Regulations, the date of approval by the Board shall be understood to be the date the meeting was concluded, and unless the Director General responsible for the transaction communicates otherwise, the contract shall be deemed to have been signed at the same time as the approval by the Board, so, where appropriate, it will need to be published "immediately" after its approval.

In cases of approval by the General Shareholders' Meeting, it will be understood that the transaction was concluded on the date of the agreement by the Meeting, and unless the General Director responsible for the transaction communicates otherwise, for the purposes of these Regulations the contract will be understood to have been signed at the same time the Meeting approved it. The obligation to notify with regard to the transaction will be understood to have been met with the announcement of the call for the Meeting whose agenda includes this proposal for approval together with the report by the Audit and Compliance Committee, as well as with the subsequent publication of the agreements reached.

3. In the event that the threshold is exceeded with the same counterparty due to the aggregation of different transactions during the last twelve months, notification should be made at the latest at the time of the conclusion of the last agreement. All transactions undertaken in the last 12 months should be notified, including the reports by the Audit and Compliance Committee referred to in the regulations that have been drawn up, the data for each of the transactions and, where applicable, any reports issued by independent third parties. Since this communication arises from adding together operations that individually do not exceed the legal thresholds, there will be a single communication that jointly includes all the transactions concluded in the last 12 months.

Once one or more transactions have been published as a result of the thresholds being exceeded individually or jointly, it shall not be necessary to publish each of the new transactions to be undertaken thereafter until the threshold detailed in the paragraph one is reached again.

TITLE III.- REGISTRATION OF RELATED-PARTY TRANSACTIONS

Article 12. Monitoring and control of related-party transactions

1. The Secretary of the Board of Directors, in coordination with the Tax Advisory Unit and with the collaboration of all those Directorates-General that request authorisation to undertake related-party transactions, shall create and permanently update a register with the related-party transactions authorised by the Board of Directors or the General Shareholders' Meeting ("the Register"), which should include: The amounts for the related-party transactions at the time of their conclusion, the date of conclusion, a copy of the contracts signed and reports from third parties, etc.
2. The Register should contain a list of related-party transactions concluded in the last twelve months, their updated value, where applicable, as well as the aggregate amount for those concluded with the same counterparty.