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REPORT ON THE PROPOSAL FOR THE APPOINTMENT OF MS.
EUGENIA BIETO CAUBET AS AN INDEPENDENT DIRECTOR OF
THE COMPANY

endesa

Report prepared by the Board of Directors of Endesa, S.A., for the purposes provided in Article 529 *decies* of the Corporate Enterprises Act, in relation to the proposal for the appointment of Ms. Eugenia Bieto Caubet as independent Director of the Company

1. Purpose of the Report

In accordance with Article 529 *decies* of the Corporate Enterprises Act, the Board of Directors of Endesa, S.A. ("**Endesa**" or the "**Company**") formulates this supporting Report, which accompanies the proposed appointment, point fifteen of the Agenda, of Ms. Eugenia Bieto Caubet, as independent Director of the Company.

This Report evaluates the competence, experience and merits of the proposed candidate, and will be attached to the minutes of the General Shareholders' Meeting and/or of the Board meeting.

Article 529 decies of the Corporate Enterprises Act:

The members of the Board of Directors of a listed company shall be appointed by the General Shareholders' Meeting or, in the event of an early vacancy, by the Board itself by co-option.

The proposal for the appointment or re-election of members of the board of directors corresponds to the appointments and remuneration committee in the case of independent directors, and to the board itself in other cases.

The proposal for appointment or re-election must be accompanied in any case by a supporting report from the Board evaluating the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the general meeting or to those of the board meeting.

The proposal for appointment or re-election of any non-independent director must also be preceded by a report from the appointments and remuneration committee.

2. Introduction

In order to fill the vacancy arising on 15 January 2020 as a result of the resignation presented by Ms. Helena Revoredo, for personal reasons; and in order to comply with the objective of the Policy for the selection of candidates for Directors of Endesa, which is that in 2020 the number of female directors should represent at least 30% of the total number of members of the Board of Directors, the General Shareholders' Meeting of 5 May 2020 will be asked to approve the expansion of the Board to thirteen members, and the proposal for the appointment of Ms. Eugenia Bieto Caubet as independent director.

This proposal for appointment, together with those of items fourteen and sixteen on the Agenda of the General Shareholders' Meeting, will achieve the objective of having the number of female directors represent at least 30% of the total number of members of the Board of Directors in 2020. Additionally, the independence of the Board of Directors will be strengthened, such that independent Directors will represent 61.54% and more than half of the directors will be independent, in line with the most demanding good governance standards on an international level.

The Appointments and Remuneration Committee has used the services of the external consultant Egon Zehnder, which specialises in the search and selection of candidates, in order to strengthen the efficiency, effectiveness and impartiality of the procedure for identifying the candidate finally proposed, Ms. Bieto Caubet.

3. Justification of the proposal

The Board of Directors submits the appointment of Ms. Eugenia Bieto Caubet, at the proposal of the Appointments and Remuneration Committee, in accordance with the provisions of Article 529 *decies*, section 4, of the Corporate Enterprises Act and Article 9 of the Regulations of the Board of Directors, with the advice of Egon Zehnder, and after carrying out an analysis of the current composition of the Board and its Committees, the skills and experience of its current members, as well as the needs of the Company, aiming to integrate different experiences and professional and management skills and to promote diversity of knowledge, experience, culture, nationality and gender in view of the complex regulatory framework in which it operates and the challenges in terms of corporate governance posed by its shareholding structure and its corporate organisation chart, all this in accordance with Endesa's Corporate Governance Policy and the Selection Policy for Candidates as Endesa Directors.

In particular, the Board of Directors endorses the conclusions and arguments of the proposal of the Appointments and Remuneration Committee and, in this regard, has evaluated the advisability of appointing Ms. Bieto Caubet as an independent Director based on said Report:

- Size of the Board: Currently, the structure, as regards the number of members of Endesa's Board of Directors, complies with all the recommendations of the code of good governance for listed companies (the "CGG") and with the standards of best international practices.

Endesa's Board of Directors, at the date of this report, is made up of 10 members. As indicated in section 2, there is a vacancy and additionally we wish to attain the objective of the Policy for the selection of candidates for Directors of Endesa whereby in 2020 the number of female directors should represent at least 30% of the total number of members of the Board of Directors.

In accordance with the foregoing paragraph, the Board of Directors has proposed to the General Shareholders' Meeting that it increase the number of Board members to thirteen. In this regard, it proposes the ratification of the appointment of Mr. Cammisecra, as well as the appointment of Ms. Pilar González de Frutos, Ms. Eugenia Bieto and Ms. Alicia Koplowitz y Romero de Juseu.

The Board will be of an appropriate size to achieve effective and participatory operation and will conform to recommendation 13 of the CGG, which advises a number of members between five and fifteen.

We would point out that it will also be within the parameters of the Ibx 35 companies, whose average number of directors is 13.1.

For all these reasons, we consider the proposal to the General Shareholders' Meeting to increase the number of members of the Board to thirteen appropriate.

- Board Structure: Proprietary and independent directors, in accordance with recommendation 15 of the CGG, constitute the majority of the Board of Directors and the number of executive directors is the minimum necessary.

Below, we indicate the structure of the Board of Directors as it will be if the proposals for appointment and re-election that will be submitted to the Ordinary General Shareholders' Meeting of 5 May 2020 are approved:

	Total Directors	2020	
		number	%
		13	100%
Class of Directors	Proprietary*	4	30.77%
	Independent	8	61.54%
	Executive	1	7.69%
Gender Diversity	Women	4	30.77%

*Representatives of Enel, S.p.A.

The number of proprietary directors as a percentage of the total number of non-executive directors, in accordance with recommendation 16 of the CGG, will not be greater than the Company's capital represented by said directors as a percentage of the total capital (the controlling shareholder Enel holds 70.10% of Endesa's share capital).

The internal corporate rules and the Corporate Governance Policy of Endesa as a whole have been configured to ensure the reconciliation of the interests of all shareholders, with particular attention to minority shareholders, and to ensure equal treatment of all shareholders that are in identical conditions and to this end the number of independent Directors is greater than the number of proprietary Directors appointed at the request of the majority shareholder.

With the proposal for the appointment of Ms. Bieto Caubet and the other three proposals for appointments submitted to the Ordinary General Shareholders' Meeting of 5 May 2020, the proportion of independent Directors will increase to 61.54% and that of proprietary directors will represent 30.77% of the Board of Directors. The weight of both categories of Directors will guarantee the proper functioning of the administrative body, as established in recommendation 17 of the CGG and international practices and proxy advisers, which normally establish minimum thresholds of between 33% (when the company has a shareholder that controls more than 30% of the share capital) and 50% of independent directors.

For all these reasons, the structure of the Board of Endesa is considered appropriate to the capital structure of the Company and aligned with the best corporate governance practices.

- Endesa is convinced that diversity in all its facets, at all levels of its professional team, is an essential factor for ensuring the Company's competitiveness and a key element of its corporate governance strategy.

With the proposal for the appointment of Ms. Bieto Caubet and the other two proposals for the appointment of female Directors, Endesa continues in its efforts to promote the participation and development of women in the organisation, especially in leadership positions and, in particular, on the Board of Directors, and will attain the objective set by the Company itself and by the Code of Good Governance for Listed Companies of the CNMV (National Securities Market Commission) of 15 February 2015, whereby in 2020 the number of female directors should represent at least 30% of the total number of Board members.

- Ms. Bieto Caubet is a person of recognised standing, who has the experience, merits and professional knowledge appropriate to the exercise of the role of Director of Endesa, has the time available to successfully assume her responsibilities as an independent director of Endesa, meets all the requirements established in the Law and in Endesa's corporate regulations to be appointed Director and has no conflicts of interest relating to this position.
- Ms. Bieto Caubet's professional profile is linked to teaching and managing top-level business schools where she has served as chief executive with overall responsibility for all operations, business strategy and institutional representation. Her specialisation in strategy, entrepreneurship, open innovation systems, gender diversity policies and social responsibility plans also stands out.
- At the academic level, Ms. Eugenia Bieto Caubet has a Degree in Business Sciences and a Master's in Business Administration from ESADE. Advanced Studies Diploma, ESADE-Ramón Llull University. Doctor cum laude with a doctoral thesis on the adoption of Corporate Entrepreneurship strategies by Spanish companies, Ramón Llull University.
- Currently, her main professional activity is focused on ESADE as Teacher in the Department of Strategy and General Management, and Director of the ESADE Women Initiative.

In order to complete this information, attached to this report please find the curriculum vitae of Ms. Eugenia Bieto Caubet.

4. Conclusion

In view of the foregoing and therefore following the Proposal of the Appointments and Remuneration Committee, the Board of Directors of Endesa has unanimously concluded that Ms. Eugenia Bieto Caubet has the necessary competence, experience and merits for her appointment as independent Director to be proposed to the Ordinary General Shareholders' Meeting of the Company for the statutory period of four years.

5. Proposed resolution submitted to the General Shareholders' Meeting

Appointment of Ms. Eugenia Bieto Caubet as independent Director of the Company.

To appoint Ms. Eugenia Bieto Caubet as Director of the Company, at the proposal of the Appointments and Remuneration Committee, for the statutory four-year term of office.

In accordance with Article 529 duodecies of the Corporate Enterprises Act, the Director is considered an Independent Director.

The report on this proposal together with a brief résumé of Ms. Bieto Caubet is available to shareholders on the Company's website.

Eugenia Bieto Caubet

Born in Barcelona in 1950. Bachelor of Business Sciences and Master of Business Administration, ESADE. Advanced Studies Diploma, ESADE-Ramón Llull University. Doctor cum laude with a doctoral thesis on the adoption of Corporate Entrepreneurship strategies by Spanish companies, Ramón Llull University.

Work experience

ESADE: Director General (2010-2018), Corporate Deputy Director General (2006-2010), Deputy to the Dean (1980-1982) and Teacher in the Department of Quantitative Methods (1973-1982).

Chair (2016-2018) of the CEMS Global Alliance in Management Education.

Deputy Director of Territorial Rebalancing, CIDEM (Innovation and Business Development Centre), Catalan Government (1994-1997)

Responsible for training and promoting business creation (1992-1994) with CEEI (European Centre for Innovative Companies), Alcoy (Valencia)

Director of the Association of Entrepreneurs of the El Comtat and l'Alcoià zone of Alicante, DATO Association (education for persons with disabilities) (1988-1992)

Current occupation

Teacher in the Department of Strategy and General Management (since 2018) - Director of the ESADE Women Initiative, which promotes the gender perspective in all ESADE activities (training, research and social debate) and in the organisation itself

Director of the "Youth and Leadership" programme in collaboration with CEOE and the Institute of Women, aimed at 50 first-year baccalaureate girls in the Autonomous Region of Madrid

Teacher and mentor of the 'Promociona' Programme, promoted by CEOE, aimed at women Business Managers

President of the ESADE Alumni WE (Women Empowerment) Club

Vice-President of the ESADE Senior Alumni Club

Other activities

Member of the ESADE Creapolis Board of Directors

Accountant on the Governing Board of the Círculo del Liceo de Barcelona (private social and cultural club)

Board of Directors of the Catalan Foundations Coordinator

Board of Trustees, SM (Society of Mary) Foundation (educational non-profit)

Member of the International Advisory Boards of University of St. Gallen, Switzerland; Université Paris-Dauphine, France; Fundação Getulio Vargas EBAPE, Brazil; SKEMA Business School, France and School of Economics and Management of the University of Lisbon, Portugal

She also belongs to various award panels, including the International Cooperation Panel for the Princess of Asturias Awards

She collaborates with AACSB and EFMD, the two leading international accreditation agencies in the business school sector.