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APPOINTMENTS AND COMPENSATION COMMITTEE REPORT ON THE PROPOSED RESOLUTION FOR APPROVAL OF THE DIRECTOR COMPENSATION POLICY 2021-2023
Appointments and Compensation Committee Report to the Endesa, S.A. Board of Directors, in compliance with Article 529 (19) of the Capital Corporations Law, on the proposed resolution for approval of the Directors Compensation Policy for 2021-2023

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.
I. Introduction:

This Report has been drafted by Endesa's Appointments and Compensation Committee, following the annual review completed by this Committee, with internal support from the heads of the People and Organization, Economic-Financial and Sustainability areas as well as from the Secretary of the Committee, on the need for amendment of the Directors Compensation Policy, in order to ensure 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; the Directors Compensation Policy shall be submitted to the General Shareholders' Meeting for approval, for a maximum period of three fiscal years, and shall enter into effect as of the date of its approval.

The proposal of the Directors Compensation Policy shall be justified and thus shall be accompanied by a specific report from the Appointments and Compensation Committee.

In this regard, the purpose of the Report is to explain the criteria adopted by the Committee for proposal to the Board of Endesa the Directors Compensation Policy for 2021-2023, which shall be submitted for approval, as a separate agenda item, to the Annual General Shareholders' Meeting, which will be held on 30 April 2021.

Furthermore, and in accordance with Article 541 of the Capital Corporations Law, by proposal of the Board of Directors, the Annual Report on Directors Compensation for fiscal year 2020, shall be submitted, as a separate agenda item, to a binding vote of the General Shareholders' Meeting.

II. Appointments and Compensation Committee: Composition and Duties Relating to the Compensation of Directors and Senior Executives

Composition:
The Appointments and Compensation Committee is comprised of a majority of Independent Directors, which ensures autonomy and freedom of judgment in the exercise of their duties related to making proposals and reporting on key decisions within the scope of their competencies. All members of the Committee have the experience and knowledge required to carry out their duties.

As of the issue date of this Report, the Appointments and Compensation Committee is comprised of five Non-Executive Directors, four of which are Independent Directors.

<table>
<thead>
<tr>
<th>Position</th>
<th>Members</th>
<th>Date First Appointment</th>
<th>Date Last Appointment</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Ignacio Garralda Ruíz de Velasco</td>
<td>07/05/2015</td>
<td>01/09/2020*</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Ms. Eugenia Bieto Caubet</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Antonio Cammisecra</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External/Shareholder-(1)</td>
</tr>
<tr>
<td>Director</td>
<td>Alejandro Echevarría Busquet</td>
<td>24/07/2012</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Ms. Pilar González de Frutos</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Secretary</td>
<td>Borja Acha Besga</td>
<td>01/08/2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Date of appointment as Chairman of the Appointments and Compensation Committee
(1) Represents Enel
Duties Related to the Compensation of Directors and Senior Executives:

In accordance with the Company's Bylaws, the Board of Directors Regulations and the Appointments and Compensation Committee Regulations, the duties of the Appointments and Compensation Committee are, *inter alia*, as follows:

- 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.

- 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.

- 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.

- 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.

- As regards calculating or verifying 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.

### III. Description and Justification of the Directors Compensation Policy for 2021-2023, reported on by the Appointments and Compensation Committee for Proposal to the General Shareholders’ Meeting

The new Compensation Policy for 2021-2023, to be submitted to the Board of Directors for review and presented to the General Shareholders’ Meeting, is consistent with the Directors Compensation Policies for 2016-2018, 2018-2020, 2019-2022 and 2020-2022. It should be noted in general that the proposed changes to the Policy for approval by the General Meeting do not entail changes to the compensation of the executive Directors, independent Chairman or other Directors in their condition as such.

This new Policy has been submitted to the General Shareholders' Meeting for approval, prior to expiration of the term of the current Directors Compensation Policy for 2020-2022, following amendment of the Corporate Governance Code for Listed Companies in June 2020 and, specifically, in response to the new text of Recommendations 62 and 64 on Director Compensation, as well as to incorporate other technical improvements. Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement was also taken into account in preparing this new Policy.

Specifically, the following changes to the Compensation Policy are submitted to the General Meeting for approval:

- Proposal to adapt the wording of the Policy to supplement the explanations regarding how long-term compensation targets contribute to the business strategy, interests and long-term sustainability of the Company; as well as to expressly state that the criteria for payout of the maximum annual compensation of the Directors in their capacity as such (in the form of attendance allowances, fixed monthly compensation, for membership on the Board of Directors, for overseeing its Committees and for performing the duties of Coordinating Director) shall take into account, *inter alia*, the duties and responsibilities attributed to each Director, whether the Director is a member of any Board Committees as well as any other objective circumstances deemed relevant.
In order to adapt the provisions of the Policy on long-term variable compensation of executive directors to the new text of Recommendation 62 of the Corporate Governance Code, a proposal was submitted to limit the transfer by Executive Directors of Company shares received under a long-term variable compensation plan, for a minimum period of at least three years from allocation.

In accordance with the new text of Recommendation 64 of the Corporate Governance Code, a proposal was submitted to amend Section 3.7 (Addition of New Executive Directors), clarifying that payments for contract termination shall be deemed to include amounts not previously vested under long-term savings systems as well as amounts paid under post-contractual non-competition covenants.

A proposal was also submitted to provide a chauffeur-driven car and health insurance to the non-executive Chairman under the same terms as the CEO in light of the non-executive Chairman's duties of institutional representation in the performance of his position.

The Compensation Policy also incorporates updates to the compensation of the Committee Chairmen, as approved by the Board of Directors for fiscal year 2021, based on the specific analysis carried out by the Appointments and Compensation Committee in its annual review of the directors compensation policy. This review is aimed at ensuring that the Policy each year is aligned with the Company's position and strategy as well as with market conditions, contributions to the creation of long-term value and adequate risk control and management. The review concluded, *inter alia*, that the compensation received by the Chairmen of Endesa's Committees was the lowest in the energy sector, and was below the average for Ibex-35 companies. It was therefore concluded, taking into account the significant work and dedication of time required of the Committee Chairmen, that an increase in compensation for the performance of their position was reasonable, in line with their responsibility and dedication. Thus, the following changes to Section 4 of the Policy (Compensation System Applicable to Directors in their Condition as Directors) were proposed: increase in fixed monthly compensation of the Chairmen of the three Committees. Compensation was increased from 1,000 euros (gross) to 3,000 euros (gross) per month (in addition to the fixed monthly compensation received as a member) for the Chairman of the Audit and Compliance Committee, and to 2,000 euros (gross) per month (in addition to the fixed monthly compensation received as a member) for the Chairman of the Appointments and Compensation Committee and the Chairman of the Sustainability and Governance Committee, thus rewarding their elevated dedication and responsibility.

Finally, it should be noted that if the Directors Compensation Policy for 2021-2023 is approved by the Company's General Shareholders' Meeting, said Policy shall enter into effect on the date of its approval and shall remain in force for a maximum period of three fiscal years.

Any amendment or substitution of the policy during said term shall require the prior approval of the General Shareholders' Meeting in accordance with current laws in force.