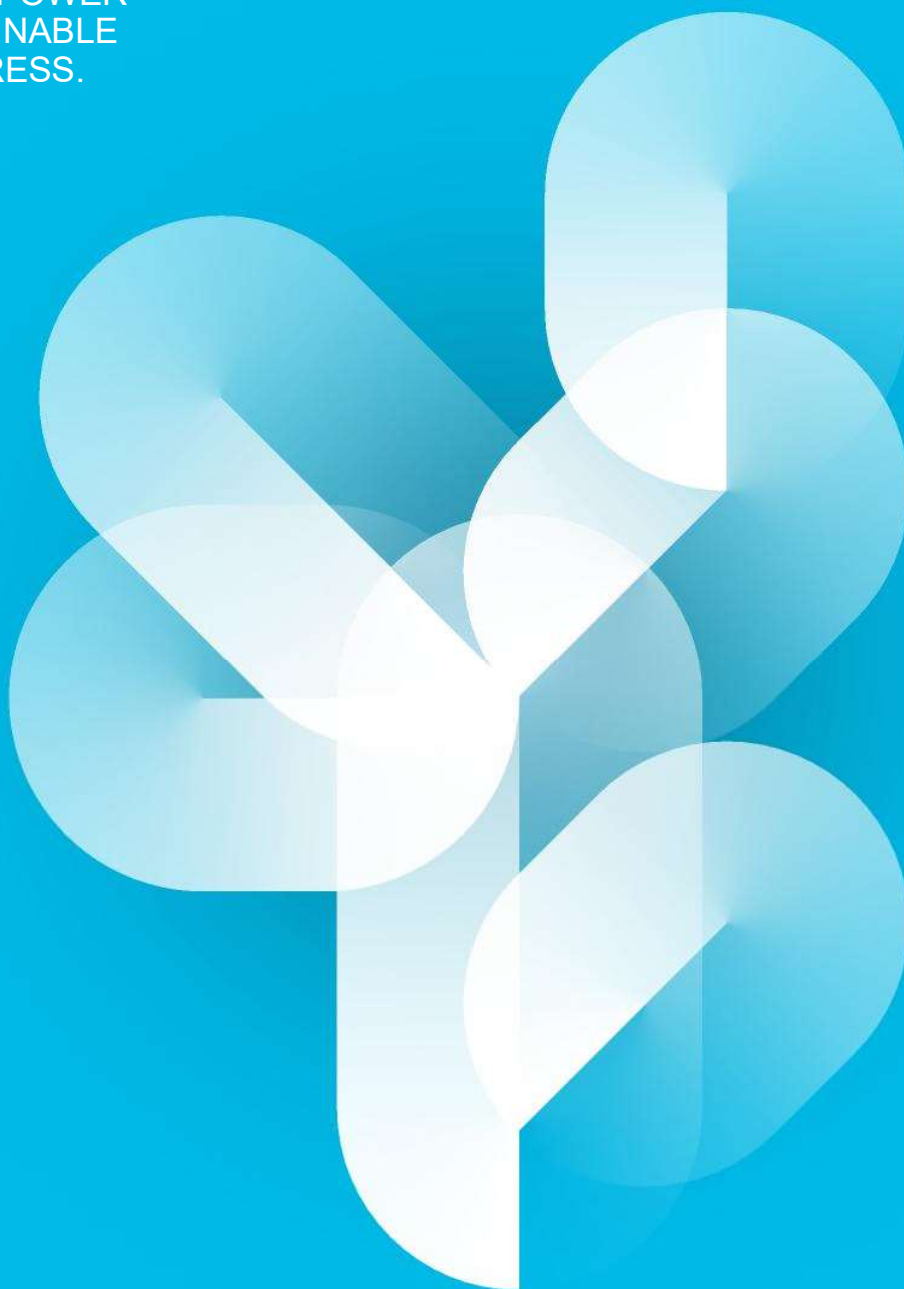


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**Report on proposal for the re-
election of D. Juan Sánchez-Calero
Guilarte as an Independent
Director of the Company**

endesa

Report drawn up by the Board of Directors of Endesa, S.A. for the purposes set forth in Article 529 (10) of the Capital Corporations Law, as relates to the proposal for reappointment of Mr. Juan Sánchez-Calero Guilarte as Independent Director of the Company

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.

1. Purpose

In accordance with Article 529 (10) of the Capital Corporations Law (*Ley de Sociedades de Capital* - LSC), the Endesa, S.A. Board of Directors ("**Endesa**" or the "**Company**") has drafted this Explanatory Report to be submitted with the proposal for reappointment of Mr. Juan Sánchez-Calero Guilarte as Independent Director of the Company to the General Shareholders' Meeting 2023, for approval.

This Report will assess the skills, experience and merits of the proposed candidate and will be attached to the minutes for the General Meeting and/or Board Meeting.

Article 529 (10) LSC:

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 unexpected vacancy, by co-optation by the Board itself.

The appointments and compensation committee shall be responsible for the proposal for appointment or reappointment of the members of the board of directors, in the case of independent directors, and in all other cases, responsibility shall lie with the Board itself.

The proposal for appointment or reappointment shall in any case be accompanied by a justifying report of the board of directors assessing the skills, experience and merits of the proposed candidate. This report shall be attached to the meeting minutes for the general meeting or for the board itself.

The proposal for appointment or reappointment of any non-independent director shall also be preceded by a report from the appointments and compensation committee.

2. Introduction

Mr. Sánchez-Calero was initially appointed as Independent Director of the Company on 12 April 2019 for a term of four years. His mandate is set to expire in the current fiscal year 2023. His proposed reappointment as Independent Director — the approval of which by the General Shareholders' Meeting, in accordance with Article 146 of Regulations of the Spanish Commercial Registry, will mean that he will continue serving as Chairman of the Board — is in accordance with the Capital Corporations Law, which allows this position to be held continuously for up to twelve years. It is also in accordance with the Board of Directors Regulations, according to which the Chairman of the Board may hold office for up to twelve years from the date of his/her first appointment as Director.

Endesa's Corporate Governance Policy requires the number of Independent Directors to be greater than that of Shareholder-Appointed Directors named at the request of the majority shareholder. In addition, best corporate governance practices suggest that if there are controlling shareholders, at least one third of the members of the Board of Directors must be Independent Directors. The approval of this proposed reappointment, together with the other proposed director reappointments reported on by the Board on this date, which are expected to be submitted to the 2023 General Shareholders' Meeting for approval, would ensure the maintenance of the structure of the Board of Directors with 58.33% of Independent Directors vs. 33.33% of Shareholder-Appointed Directors and 8.33%

Executive Directors. Hence, more than half of the directors will continue to be independent, in keeping with the most demanding international good governance standards.

3. Justification of the Proposal

The Board of Directors, at the proposal of the Appointments and Compensation Committee, hereby proposes the reappointment of Mr. Juan Sánchez-Calero Guilarte to the General Shareholders' Meeting, in accordance with the provisions of Article 529 decies, section 4, of the Capital Corporations Law and Article 9 of the Board of Directors Regulations, having analyzed the current composition of the Board and its Committees, as well as the skills and experiences of its current members and the needs of the Company, bearing in mind the complex regulatory framework in which the Company's activities are carried out as well as the corporate governance challenges posed by its shareholder structure and corporate organizational chart, all in accordance with Endesa's Corporate Governance Policy and Endesa's Candidate Director Selection and Diversity Policy.

In particular, the Board of Directors has confirmed the conclusions and arguments of the proposal submitted by the Appointments and Compensation Committee and, in such regard, has concluded that reappointment of Mr. Sánchez-Calero as an Independent Director is appropriate, in light of the following:

- **Board Size:** The current structure of Endesa's Board of Directors, in terms of number of members, complies with all recommendations under the corporate governance code for listed companies (the "CBG") and with best international practices. The Company considers that maintaining the current number of directors would be in its best interests.

Endesa's Board of Directors is comprised of 12 members. This number ensures the efficient and interactive operation thereof and complies with Recommendation 13 of the CBG, which recommends a minimum membership of five and a maximum of fifteen.

It should also be noted that this number falls within the customary practice of Ibex 35 companies, which have an average of 12.4 directors. The most common size is 12 members; each such size is maintained by ten companies.¹

The number of members on Endesa's Board is thus in light of the above considered appropriate at this time.

- **Board Structure:** In accordance with Recommendation 15 CBG, shareholder-appointed and independent directors constitute a broad majority of the Board of Directors and the number of executive directors would thus be maintained in the minimum necessary.

The percentage of shareholder-appointed directors in relation to the total number of non-executive directors, in accordance with Recommendation 16 of the CBG, does not exceed the proportion between the share capital of the Company represented by said directors and the remaining share capital.

¹ Source: Annual Corporate Governance Report of issuers of securities admitted to trading on regulated markets, published by the Spanish Securities Market Commission for financial year 2021.

The internal corporate governance rules and Corporate Governance Policy of Endesa have been drawn up to, as a whole, balance the interests of the different shareholding groups, paying particular attention to minority shareholders, as well as to ensure the equal treatment of all shareholders in identical circumstances and, for such purpose, the number of Independent Directors is greater than the number of Shareholder-Appointed Directors appointed by the majority shareholder.

In addition, with this proposed reappointment and the others submitted to the General Shareholders' Meeting, the percentage of Shareholder-Appointed Directors will continue to be 33.33% and that of Independent Directors 58.33%, with the latter constituting more than half of the members of the Board of Directors, thus ensuring the independence of the highest governing body, in keeping with the most demanding international good governance practices. The weighting of both categories of Directors ensures the proper functioning of the governing body, conforms in all cases to the best international corporate governance practices and enables the implementation of a model of Board structure that especially protects minority shareholders.

Consequently, at this time, with this and the other proposals submitted to the General Shareholders' Meeting, the structure of Endesa's Board is considered appropriate.

- Mr. Sánchez-Calero is a renowned individual with the relevant professional expertise required to perform his duties on Endesa's Board and has shown significant commitment during his years as the Chairman of the Board of Directors and Chairman of the Sustainability and Governance Committee, having made several positive contributions to the functioning of the Board and the Committee. Mr. Sánchez-Calero meets all applicable requirements under law and as set forth in Endesa's corporate regulations on the reappointment of Independent Directors.
- Mr. Sánchez-Calero's professional profile, with broad professional experience and a profound understanding of corporate governance, of the functioning of governing bodies of listed companies and of regulations, being internationally recognized as one of Spain's leading experts on these matters, is ideal for promoting and enhancing good corporate governance on the Board and extending its strategic definition.

In terms of academic qualifications, he holds an undergraduate degree and doctorate in Law and is a university professor in and an expert on corporate governance and commercial law and compliance, thus meeting the requirements set out in the Board's competency matrix defined by the Appointments and Compensation Committee.

- He is currently a practicing attorney and professor of Commercial Law at the Law School of Complutense University of Madrid (CUM).

It should be noted in this regard that these positions do not pose any conflict of interest with Endesa or its Group companies. In accordance with Article 529 duodecies LSC, Mr. Sánchez-Calero has no significant business relationship with the Company or with any company of its Group, either in his own name or as a significant shareholder, director or senior executive of an entity that has or has had such a relationship; in addition, Mr. Sánchez-Calero has not received from Endesa, or from the companies of its Group, any material amounts or benefit that might undermine his status as Independent Director.

- Lastly, the positive evaluation of Mr. Sánchez-Calero's performance stands out in the Board's 2022 assessment, as well as in the assessment carried out for the Board's committees and for the chairpersons of those committees, with the support of an external advisor. There is widespread consensus on his excellent performance as Chairman of the Board of Directors and as Chairman of the Sustainability and Governance Committee.

This information is supplemented by Mr. Sánchez-Calero's CV, a copy of which is attached hereto.

4. Conclusion

As a result of the aforementioned and based on the proposal of the Appointments and Compensation Committee, the Board of Directors of Endesa unanimously concluded that Mr. Juan Sánchez-Calero has the required skills, experience and merits for the purpose of submitting his reappointment to the Annual General Shareholders' Meeting for the statutory period of four years as an Independent Director of the Company, the approval of which by the Board, in accordance with Article 146 of the Commercial Registry Regulations, will mean that he will continue serving as Chairman of the Board.

5. Proposed resolution for submission to the General Shareholders' Meeting

Reappointment of Mr. Juan Sánchez-Calero Guilarte as Independent Director of the Company.

Reappoint Mr. Juan Sánchez-Calero Guilarte as Director, following a proposal from the Appointments and Compensation Committee, for the statutory term of four years.

The Director is considered an independent director in accordance with Article 529 duodecies of the Spanish Capital Corporations Law.

Shareholders may access the report on this proposal as well as a biographical sketch of Mr. Sánchez-Calero through the Company's website.

JUAN SÁNCHEZ-CALERO GUILARTE

Born in 1956. Degree in Law, Doctor of Law and University Professor.

Career Path

Practicing attorney since 1983; broad experience in national and international litigation, as an attorney and arbitrator, and as defense counsel in commercial and criminal-economic affairs; professor of Commercial Law at the Law School of Complutense University of Madrid since 1998; one of Spain's leading experts on commercial law, especially corporate law, financial markets and good corporate governance, and one of the most widely recognized national and international experts. He has carried out several studies and essays on energy law.

Current Position(s)

- Chairman of Endesa and the Endesa Foundation.
- Endesa representative on the board of trustees of several foundations.
- Partner of the Sánchez-Calero Law Firm.
- Professor of Commercial Law at the Faculty of Law of the Complutense University of Madrid.

Other activities

Editor of the *Revista de Derecho Bancario y Bursátil* magazine since 2009. In addition, he takes part on the management, editorial and scientific boards of the leading Spanish journals on commercial law matters.