



Seeding Energies

Report on the proposal for reappointment
of Helena Revoredo Delvecchio



endesa

Report formulated by the Board of Directors of Endesa, S.A, for the purposes set forth in article 529 decies of the Corporate Enterprises Act, in relation to the proposal for the re-election of Board Member Helena Revoredo Delvecchio as an 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 justifying Report, which accompanies the proposal for re-election, item 8 of the agenda, of Helena Revoredo Delvecchio as an independent Director of the Company.

This Report assesses the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the General Meeting and/or of the Board.

Article 529 decies 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 early vacancy, by the Board by co-optation.

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

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

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

2. Introduction

The mandate of the Independent Director Mrs Revoredo, initially appointed on 4 November 2014 by co-option, and ratified at the General Shareholders' Meeting held on 27 April 2015, for four years, comes to an end this year (2019). She is re-elected as Director independent in accordance with the Corporate Enterprises Act, which allows for such condition to be maintained for a continuous period of up to 12 years.

3. Justification of the proposal

The Board of Directors submits this re-election to the General Shareholders' Meeting, at the proposal of the Appointments and Remuneration Committee, in accordance with the provisions of article 529 decies, section 4 of the Corporate Enterprise Act and article 9 of the Regulations of the Board of Directors, taking into account the content of the External PricewaterhouseCoopers Advisor Report and after analysing the current composition of the Board and its Committees, of their needs, of the assessment of the conditions that directors must meet to exercise their charges, and the dedication required to adequately perform their duties, all in accordance with Endesa's Corporate Governance Policy and the Candidate Selection Policy for Directors of Endesa.

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 assessed the advisability of re-electing Mrs Revoredo as Independent Director for the following reasons:

- Size of the Board: At present, the structure, with respect to the number of directors of Endesa's Board of Directors, complies with all the recommendations of the good

governance code of listed companies (the "CBG") and with the standards of international best practices. It is advisable to maintain this number for social interest.

Endesa's Board of Directors consists of 11 members, which is the size required to obtain effective and participative operations and is in line with recommendation 13 of the CBG, which advises between five and fifteen members.

It should also be noted that it is within the parameters of the Ibex 35 companies, whose average is 12.9 directors. The most common size is 10 and 13 members, each number being repeated in six companies¹.

Therefore, at this time, the number of members of the Board of Endesa is considered suitable.

- Structure of the Board: Proprietary and independent directors, in accordance with recommendation 15 of the CBG, constitute the majority of the Board of Directors and the number of executive directors would be reduced to the necessary minimum.

The percentage of proprietary directors of the total non-executive directors should not be greater than the proportion between Company capital represented by those directors and the rest of the capital, in accordance with CBG recommendation 16.

The internal corporate rules and the Corporate Governance Policy of Endesa as a whole have been configured to ensure the balance of the interests of all the shareholders, with particular attention to minority shareholders, and ensure equal treatment for all shareholders that have the same conditions and for that purpose, the number of independent Directors is greater than the number of Proprietary Directors appointed at the request of the majority shareholder.

Additionally, with this proposal for appointment and the other proposals submitted to the General Shareholders' Meeting, the percentage of Proprietary Directors will remain at 36% and that of independents will rise to 54%, representing more than half of the members of the Administration Body, thereby reinforcing the independence of the highest governing body, in line with the most demanding good governance practices at international level. The weight of both categories of Directors continues to ensure a suitable functioning of the management body, and in any case is in accordance with the best international corporate governance practices and enables the implementation of a Board structure model that protects the minority shareholder.

Therefore, at this time, with this proposal and the others that are submitted to the General Shareholders' Meeting, the structure of the Board of Endesa is considered appropriate.

- Mrs Revoredo is a person of recognised prestige, who has the appropriate professional experience, merits and knowledge to exercise the role of Director of

¹ Source: Corporate Governance Report of the issuers of securities admitted to trading in official secondary markets published by the National Securities Market Commission in relation to 2017.

Endesa and who has assumed a high commitment of dedication in the years he has held the position of Director with a very positive contribution to the functioning of the Board. Mrs Revoredo meets all the requirements established in the Law and in the corporate regulations of Endesa to be re-elected Director.

- The professional profile of Mrs Revoredo, with a long career in the service sector and extensive professional experience, occupying positions of high responsibility, complexity and competence in the field of business strategy, is adapted to the needs of the Board.
- Academically, Helena Revoredo Delvecchio holds a degree in Business Administration and Management from the Catholic University of Buenos Aires and a post-graduate degree in Business Management (PADE) from IESE.
- She is currently the Chairwoman of Prosegur Compañía de Seguridad, S.A. and Chairwoman of the Prosegur Foundation. She is also a Director of Mediaset España Comunicación.

In this regard, it should be noted that these positions have not generated any conflict of interest with Endesa or its Group companies. Pursuant to article 529 duodecies LSC, the Director has not held a significant business relationship with the Company or any company of its Group in her terms of office, either in her own name or as a significant shareholder, director or senior executive of an entity that maintains or has maintained such a relationship; additionally, Mrs Revoredo has not received any significant amount or benefit from Endesa, or from the companies of its Group, for any concept other than Director remuneration, which could have disrupted her status as an independent director of Endesa.

In this regard, in 2018, as reported in the 2018 Annual Corporate Governance Report: "*(...) the Prosegur Group has entered into service agreements with the Endesa Group, which were awarded by the Board of Directors of Endesa, following a report from the Audit and Compliance Committee, based on the results of the corresponding bidding processes. As part of these transactions it must be noted that: the nature of the services is ordinary; the services are provided under market conditions, as also demonstrated in the external advisor report issued to this end; and pursuant to international good corporate governance practice criteria, the amount is not significant or material, as these amounts come to less than 1% of the income or billing volume of both companies*".

- Endesa is convinced that diversity in all of 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.

This re-appointment of Mrs Revoredo is a testament to Endesa's dedication to promoting the participation and development of women in the Organisation, especially in leadership positions and, in particular, on the Board of Directors and to fulfilling the objective of female directors accounting for at least 30% of Board members by 2020.

For the purposes of completing this information, the curriculum vitae of Mrs Helena Revoredo Delvecchio is attached to this report.

4. Conclusion

As a result of the aforementioned and therefore attending to the proposal of the Appointments and Remuneration Committee, the Board of Directors of Endesa has unanimously concluded that Helena Revoredo Delvecchio has the competence, experience and merits necessary to propose her re-appointment as an independent Director to the Ordinary General Shareholders' Meeting of the Company for the statutory period of four years.

The Appointments and Remuneration Committee has received the external advice of the PricewaterhouseCoopers expert, which concludes in its "Report on the analysis of the proposal for appointment and re-election of directors" that, with respect to the Directors proposed for re-election, the profiles ensure that the evolution in the capabilities of the Board of Directors is maintained, supporting the continuous alignment of its composition with the defined qualities and that, given that all the Directors proposed for Re-election have had a positive assessment in the Evaluation Report regarding their performance, PricewaterhouseCoopers sees no impediment for said directors to be considered suitable to be re-elected as Company directors.

5. Proposal for an agreement submitted to the General Shareholders' Meeting

Re-election of Helena Revoredo Delvecchio as Independent Director of the Company, on a proposal by the Appointments and Remuneration Committee.

Re-elect Helena Revoredo Delvecchio as Director of the Company, on a proposal by the Appointments and Remuneration Committee, for the four-year term of office provided for in the Bylaws.

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 biographical sketch on Ms. Revoredo is available to shareholders on the Company's website.

HELENA REVOREDO DELVECCHIO

Born in 1947. She holds a degree in Business Management and Administration from the Pontifical Catholic University of Argentina and PADE (Business Senior Management Programme) from the IESE Business School.

Professional Experience

Director of Mediaset Spain Communication since 2009; Chairwoman of Euroforum since 2004; and Director of Prosegur Compañía de Seguridad, S.A. since 1997 and Chairwoman since 2004; Chairwoman of the Prosegur Foundation since 1997.

Current position

Chairwoman of Prosegur Compañía de Seguridad, S.A.
Chairwoman of Fundación Prosegur

Other Boards of Directors

Director of Mediaset España Comunicación.
Chairwoman of Euroforum Escorial, S.A.

Other activities

Member of the Board of Trustees of the Reina Sofia School of Music, of the Prince of Asturias Foundation, and also collaborates with the Royal Association of Friends of the Reina Sofía National Art Centre Museum, the Amigos del Prado Museum Foundation and the Royal Theatre of Madrid, where she was appointed as Chairwoman of the International Board in 2015.

She has been awarded the Juan Lladó Prize, the most prestigious award granted in Spain in the field of cultural patronage and research, the Gold Medal of the Forum of Senior Management, the Ramón Borredá Trophy, and the Montblanc Prize for Culture.