



**REPORT OF THE BOARD OF DIRECTORS OF ENDESA, S.A. ISSUED ON SEPTEMBER 17, 2014 JUSTIFYING THE PROPOSALS MADE UNDER AGENDA ITEMS 1 & 3 OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD ON OCTOBER 21, 2014, IN SINGLE CALL**

**I. INTRODUCTION AND AIM OF REPORT**

On July 30, 2014, the Board of Directors of Endesa, S.A. (“**Endesa**” or the “**Company**”) received a letter from Enel Energy Europe, Single-Member Limited Liability Company (*Sociedad Limitada Unipersonal*) (“**Enel Energy**”), a wholly-owned subsidiary of Enel, S.p.A. (“**Enel**”) and majority shareholder of Endesa (holding 92.06% of its capital stock), which made a formal invitation to the Company to consider the two-part transaction described below:

1. Corporate Reorganization: an acquisition offer by Enel Energy for (i) 20.3% of the shares of Enersis, S.A. held directly by Endesa and (ii) 100% of the shares of Endesa Latinoamérica, S.A. (holding 40.32% of the capital stock of Enersis, S.A.) currently held by Endesa (“**Purchases**”).
2. Distribution of a Special Dividend: if the offer is accepted, and conditional upon the relevant Purchases being carried out, the distribution of special cash dividends equal to the compensation received by Endesa for the Purchases (“**Distribution of Dividends**” and together with the Purchases, “**Transaction**”) is submitted to the General Shareholders' Meeting of Endesa.

The Board of Directors of Endesa raised the Transaction proposed by Enel Energy and resolved to carry out, with the help of qualified and independent experts, a financial, legal, and strategic analysis of the Transaction from the perspective of the corporate interests of Endesa, bearing in mind at all times the interests of the employees, shareholders, clients, and suppliers of Endesa, with a view to, as the case may be, determining the terms and conditions of the Transaction as related to all aspects thereof.

To such effect, and in accordance with the best corporate governance practices on conflict of interest and related-party transactions, the Board of Directors of Endesa decided to establish an action plan (detailed below), which must be followed at all times during the analysis and evaluation of the Transaction as well as when making any subsequent decisions on the matter, in order to ensure that such decisions are made independently and objectively from the perspective of the corporate interests of Endesa and in particular, of its minority shareholders.

In this regard, this report aims to summarize the actions Endesa took to analyze the Transaction and justify the proposals related to the Purchases and Distribution of Dividends, which will be submitted for approval at the Extraordinary General Shareholders' Meeting to be held on October 21, 2014, at 12:30 pm, in single call.

This report was unanimously approved by the members of the Board of Directors of Endesa at a meeting held on September 17, 2014, in accordance with the proposals of the Independent Experts Committee (described below).

**II. ACTION PLAN**

Taking into account that the majority shareholder of the Company (Enel Energy) proposed the Transaction, the Board of Directors of Endesa resolved to establish an action plan for the analysis and evaluation of the Transaction in order to ensure that decisions made, as the case may be, by the Board of Directors itself and by the General Shareholders' Meeting are based on the corporate interests of Endesa and its minority shareholders. In particular, the following was included in the action plan:

- (i) It created an *ad hoc* Board committee comprised exclusively of independent directors of the Company ("**Independent Directors Committee**"), which was charged with analyzing and managing the Transaction in accordance with general corporate governance protocols.
- (ii) Qualified and independent experts were identified and hired on the motion of the Independent Directors Committee in order to advise the Company with regard to the financial, strategic, and legal aspects of the aforementioned Transaction. Specifically, Merrill Lynch Capital Markets España, S.A., S.V. and Deutsche Bank, S.A.E. were hired as the financial advisors, PricewaterhouseCoopers Asesores de Negocios, S.L. was hired as the strategic advisor, and Clifford Chance LLP was hired as the legal advisor to the Independent Directors Committee.
- (iii) The members of the Company's management team collaborated with and made themselves available to the Independent Directors Committee with regard to the work and deliberations of the latter.
- (iv) With a view to avoiding potential conflicts of interest, the Board of Directors granted the Independent Directors Committee the authority to make decisions related to the analysis of the Transaction, including the authority to pass as many resolutions or decisions as necessary or advisable to implement the decisions of the aforementioned Committee.
- (v) It has been resolved that approval of the Transaction, and in particular of the Purchases, will be submitted to a referendum of the General Shareholders' Meeting of Endesa. Despite the fact that the internal regulations in force governing the Board of Directors, through Article 6.3.D), grant the Board of Directors "*the authority to approve the disposal of substantial assets and equity interests*," given the size and relevance of the Transaction, and with a view to guaranteeing maximum transparency and publicity, the Board of Directors of Endesa has determined that it would be more appropriate to leave the decision regarding the Transaction, and in particular, regarding the Purchases, to the General Shareholders' Meeting as a sovereign body of the Company. This decision of the Board is supported by Article 6.g) of the General Meeting Regulations of Endesa, by virtue of which the General Meeting is entrusted with the power to "[...] *consider and resolve on any topic which the Board of Directors resolves should be subject, because of its particular relevance for the corporate interests, to the consideration or resolution of the General Meeting.*"
- (vi) Together with the notice of meeting of the Shareholders' Meeting to which the Transaction is submitted, the fairness opinions on the compensation received for the Purchases, from a financial perspective, issued by the financial advisors as requested by the Independent Directors Committee in order to analyze and evaluate the Transaction, will be made available to the shareholders.

With regard to the composition of the Independent Directors Committee, the Committee was composed of Mr. Miquel Roca Junyent and Mr. Alejandro Echevarría Busquet, both Independent Directors of the Company. Their primary functions were (a) to complete a financial, legal, and strategic analysis of the Transaction based on the corporate interests of Endesa, bearing in mind at all times the interests of the employees, shareholders, clients, and suppliers of Endesa and (b) to provide the Board of Directors with those proposals related to the Transaction which they consider advisable.

### **III. BINDING OFFER AND EXPERT REPORTS**

On September 11, the Board of Directors of Endesa received a letter from Enel Energy specifying the terms of the binding offer for the Transaction. In particular, the total offer price for completing the Purchases is 8,252.9 million Euros (based on an implied value per Enersis share of 215 Chilean pesos,



which based on the September 10, 2014 exchange rate equals 0.28 Euros, and after deducting the overheads and net liabilities of Endesa Latam, which equal negative 144 million Euros) and, in the event that the offer for the Purchases is accepted, and conditional on the effective execution thereof, it was requested that this Board submits the proposal for the distribution of special cash dividends, equal to the total Purchases proceeds received by Endesa, to the General Shareholders' Meeting of Endesa.

With regard to the agreement through which the Purchases will be formalized, its worth highlighting the inclusion of a clause therein which establishes that if, within two years of the execution of the Purchases, a third-party, not connected to the Enel or Endesa Group, purchases from Enel Energy (or any Enel Group company) all or part of the Enersis shares held directly or indirectly by Enel Energy (or by any other Enel Group company), for a price per share, in cash, that exceeds the price per Enersis share under the Purchases, where acquisition of such shares causes the participation of Enel Energy (or any other Enel Group company) in Enersis (directly or indirectly) to fall below 60.62% of capital stock, Enel Energy shall be required to pay Endesa an amount equal to the difference between (i) the price per Enersis share of said acquisition and (ii) the price per Enersis share as calculated for the Purchases, multiplied by the number of Enersis shares subject, directly or indirectly, to such acquisition by a third-party, to the extent that such acquisition causes the Enel Group's participation to fall below 60.62% of capital stock. This clause does not apply, under any circumstances, to corporate restructuring within the Enel Group.

Furthermore, because the agreement includes a clause through which Enel Energy waives its right to bring any claims it may have against Endesa for liability for hidden defects, the price of the Purchases will in no case be adjusted downwards.

The terms of the offer made to Endesa by Enel Energy to complete the Purchases and, as the case may be, the proposal to Distribute Dividends, were sent on September 11 to the financial, strategic, and legal advisors hired by Endesa on the motion of and by virtue of the agreements adopted by the Independent Directors Committee and the Board of Directors of Endesa on July 30, with a view to evaluating the offer and issuing the reports needed for the Independent Directors Committee to be fully informed and properly analyze and evaluate the proposal received from Enel Energy from the perspective of the corporate interests of Endesa and its minority shareholders.

In particular, they have received the following reports:

- (i) Merrill Lynch Capital Markets España, S.A., S.V. and Deutsche Bank, S.A.E. have drawn up and issued valuation reports and fairness opinions on the fairness, from a financial perspective, of the compensation offered by Enel Energy in its binding offer to Endesa. These fairness opinions are attached to this report as Annex I and conclude, based on the analysis and in view of the rationale provided in the body of both fairness opinions, that the compensation offered for the Purchases is, from a financial perspective, fair to Endesa.
- (ii) PricewaterhouseCoopers Asesores de Negocios, S.L., as the strategic and business advisor for the Transaction, issued a report attesting to the strategic fairness of the Transaction from the perspective of the business interests of Endesa. Based on the content of the report it can be concluded that the Transaction proposed by Enel is fair to Endesa and its shareholders for various reasons:
  - Transaction Value: The transaction will be financially fair, justified by the fairness opinions, and will be completed at a price higher than the market value of Enersis (at record highs) once Endesa has reached the end of the value cycle for Enersis.
  - Value Creation in Spain: Regulated business would carry greater weight in the new Endesa, which would be operating in a consolidated market. In this context, the strategic

plan should extract maximum value from two areas: financial and operating efficiency.

From a financial perspective, the new Endesa could substantially increase its leverage, putting it on equal playing field with comparable companies in its area and in addition, it would limit exposure to various risks (country risk and exchange and interest rate risks), which could reduce the cost of capital. Furthermore, the increase in proportional weight of regulated business would increase the predictability of its cash flows and, therefore, would allow a sustainable dividends policy to be established.

From an operating perspective, the new Endesa, already holding a consolidated position in the Iberian market, would be able to capitalize on value creation opportunities arising on the Iberian Peninsula in the coming years, including, among others: selective development of businesses that can extract higher value and certain investment opportunities which may arise in the energy sector. These efforts will be supported by the group synergies made available through the large size of Enel.

- Shareholder Flexibility: Once the proposed special dividend is distributed, the shareholders of Endesa will have the freedom to decide between investing in a developing market (Latin America through Enersis), a consolidated market (Spain and Portugal through Endesa), or in a holding present in both markets (Enel).
- (iii) Finally, Clifford Chance LLP, as legal advisor to the Independent Directors Committee, issued a report on the commercial issues raised by the Transaction and, in particular, on valuation of the Transaction from the perspective of the corporate interests of Endesa and its minority shareholders, in which they conclude that:
- Endesa's procedures for approving the transaction are fully adequate under the business judgment rules legally applicable to business or strategic decisions, including those related to the disposal of assets and corporate reorganizations, resulting specifically from the approval of the Transaction by the Independent Directors Committee, comprised exclusively of independent directors of Endesa, and from the comprehensive information gathered by such Committee in carrying out its functions, which, as a matter of principle, guarantees that the decision to approve the Transaction was an informed and justified decision;
  - at the substantive level, the Transaction should be considered in line with the corporate interests of Endesa, given that the transaction is an intra-group realignment or restructuring initiative, therefore subject to the decision-making authority of the controlling partner, which, from the perspective of the interests of the Company's minority shareholders, provides rigorous protections for the equal treatment of all partners and from which the sales price set for the Purchases can be considered "fair" or "arms-length," based on the fairness opinions developed by the financial advisors hired specifically by the Independent Directors Committee; and
  - apart from the compensation provided for the acquisition, it shall be understood that the remaining terms of the acquisition are sufficient to guarantee due protection of the corporate interests of Endesa because of the minimum price guarantee in favor of Endesa, which ensures that Endesa will receive any potential surplus earned by Enel for any transfer of the acquired shares that is made within two years from such acquisition, as well as the absence of any liability on the part of Endesa as the seller with regard to the legal and financial circumstances of Endesa Latin America and Enersis.

#### **IV. DECISIONS OF THE INDEPENDENT DIRECTORS COMMITTEE ON THE TRANSACTION AND OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE PURCHASES**

After evaluating the reports mentioned in the previous III section, and bearing in mind the rationale laid out in Section IV below, the Independent Directors Committee advises the Board of Directors of the Company to carry out the Purchases and to submit to the Extraordinary General Shareholders' Meeting of Endesa for approval both the Purchases and the proposal for the Distribution of Dividends in the terms proposed by Enel Energy in its aforementioned letter dated September 11.

Furthermore, in accordance with the provisions of Article 14.10 C) of the Endesa Board of Directors Regulations, among the powers granted to the Audit and Compliance Committee is the authority to inform the Board of any related-party transactions that the Company intends to carry out. In particular, carrying out the proposed Purchases would constitute a related-party transaction given that the Purchases would be completed with the Company's majority shareholder (Enel Energy).

Based on that, and in accordance with the provisions of Article 2 of the Regulations on Related-Party Transactions involving Directors and Significant Shareholders of Endesa, the Audit and Compliance Committee has also evaluated the terms of the offer of the Purchases and, bearing in mind the reports issued by the financial, strategic, and legal advisors appointed on the proposal of the Independent Directors Committee, it resolved, with Directors Mr. Borja Prado Eulate and Mr. Luigi Ferraris abstaining from deliberation and voting (due to the conflict of interest arising from Mr. Eulate's status as a member of the Board of Directors of Enel Energy and Mr. Ferraris' status as a senior manager of Enel), to give a favorable opinion of the related-party transaction involving the Purchases to the Board of Directors.

#### **V. SUPPORT OF THE PROPOSALS RELATED TO THE TRANSACTION**

The Board of Directors of Endesa, in accordance with the proposals drawn up by the Independent Directors Committee, has decided to submit a proposal for the Purchases and proposed Distribution of Dividends to the General Shareholders' Meeting for the following reasons:

The Transaction proposed by the Enel Group is fair for all Endesa shareholders because:

- (i) The Transaction generates and distributes value to Endesa shareholders because:
  - It allows shareholders to realize the value from the disposed asset; and
  - it involves an immediate distribution of the cash proceeds from the sale of assets in Latin America by distributing special dividends.
- (ii) The surviving company surviving after the transaction, the new Endesa, would have the potential to create value by adapting its strategic plan to the needs of its new market.
- (iii) The Transaction would reinforce Endesa's leadership as the most significant utility company in Spain and Portugal, present in virtually the entire electricity value chain and being an important operator in the gas business, through:
  - defining an industrial plan dedicated to the Spanish market that allows it to take advantage of the opportunities that an improved macro-economic and adequate and stable macro-regulatory context can offer;
  - designing an investment plan aimed at innovating the Spanish energy model and developing existing business platforms;
  - a management team entirely focused on local business; and
  - the alignment of interests and collaboration in defining a common energy policy project within an adequate and stable regulatory framework.



- (iv) Once the transaction is completed, using the special dividend linked thereto, Endesa shareholders will be able to choose between distinct investment alternatives.
- (v) The amount of the dividend distributed does not effect the financial viability or sustainability of the Company or its Consolidated Group.
- (vi) The Company has enough reserves to pay the dividend. In addition, the Company's ability to generate cash flows reduces the risks of a treasury deficit or inability to fulfill future payment obligations.

## **VI. CONCLUSIONS**

In light of the resolutions passed by the Independent Directors Committee and of the favorable report drawn up by the Audit and Compliance Committee and sent to the Board, the Board of Directors concludes that:

- (a) the Purchases are adequately justified under the lens of the corporate interests of Endesa, and thus confirms the reports issued by the advisors hired by Endesa to evaluate the strategic, business and legal aspects of the Transaction;
- (b) the compensation offered for the shares subject to Purchase is justified and fair from a financial perspective, as the fairness opinions issued by Endesa's financial advisors considered such compensation to be adequate; and
- (c) the representatives of the Company followed the transparency and independence protocol established in their decision making, guaranteeing the validity of the procedure followed to approve the Transaction, as confirmed by the report issued by the legal advisors hired by Endesa.

To that effect, the proposed resolutions of the Board of Directors of Endesa to be submitted to the General Shareholders' Meeting related to the Purchases and Distribution of Dividends are attached hereto as Annex II.

Madrid, September 17, 2014



**ANNEX I**

***FAIRNESS OPINIONS***

CONFIDENTIAL

**17 September 2014**

The Board of Directors  
Endesa, S.A.  
Ribera del Loira, 60  
28042, Madrid, Spain

Members of the Board of Directors:

We understand that Endesa, S.A. (“**Endesa**” or the “**Company**”) has received a proposal from Enel SpA (“**Enel**”), acting through Enel Energy Europe, S.L. (“**Enel Energy**”), a wholly owned subsidiary of Enel, to enter into a Sale and Purchase Agreement (the “**Agreement**”) among Endesa, Enel and Enel Energy pursuant to which, among other things, Endesa will sell to Enel Energy: (a) the entire issued share capital of Endesa Latinoamérica, S.A. (“**Endesa Latinoamérica**”, which in turn owns 40.32% of the issued share capital of Enersis, S.A. (“**Enersis**”)) and (b) 20.30% of the issued share capital of Enersis (together, the “**Latin American Operations**”, and such sale, the “**Transaction**”) for aggregate consideration of €8,252.9 million in cash (the “**Consideration**”).

You have requested, through the committee of the Board of Directors composed of independent members and specifically created in order to evaluate the Transaction, our opinion as to the fairness, from a financial point of view, to Endesa of the Consideration to be received by Endesa in the Transaction.

In connection with this opinion, we have, among other things:

- a) reviewed certain publicly available business and financial information relating to the Latin American Operations;
- b) reviewed the interim financial statements for 1H 2014 of Endesa Latinoamérica;
- c) reviewed certain research analyst reports on Enersis and Empresa Nacional de Electricidad S.A. (“**Endesa Chile**”) which contain, among other items, estimate revenues, EBITDA, earnings and capex for such companies, which we have combined to produce consensus public forecast information (the “**Enersis and Endesa Chile Public Forecasts**”);
- d) conducted discussions with members of senior management of Endesa concerning the matters described in clauses a), b), and c) above;
- e) reviewed publicly available independent valuation reports prepared in the context of previous corporate transactions at Enersis;
- f) reviewed the trading history for Enersis and a comparison of such trading histories with the trading histories of other companies we deemed relevant;
- g) compared certain financial and stock market information of Enersis with similar information of companies we deemed relevant;

- h) compared certain financial terms of the Transaction to financial terms of the 2013 capital increase of Enersis;
- i) reviewed Enel's and Endesa's press releases dated 31 July 2014 which informed on the approval by the Board of Directors of Enel of the reorganisation of the group operations in Iberia and Latin America and the new organizational structure, including the main objectives of the plan according to Enel (the "**Press Releases**");
- j) reviewed a draft, dated 11 September 2014, of the Agreement (the "**Draft Agreement**"); and
- k) performed such other analyses and studies and considered such other information and factors as we deemed appropriate.

In arriving at our opinion, we have, with the consent of Endesa, assumed and relied upon, without independent verification or assumption of responsibility, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us (including the Enersis and Endesa Chile Public Forecasts) and have relied upon the assurances of the management of Endesa that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. Endesa has been advised that it may not provide any non-public information regarding Enersis to us and, accordingly, we have not had access to Enersis' management nor have we been provided, directly or indirectly, with Enersis financial forecasts prepared by the management of Enersis or any other non-public information regarding Enersis. Furthermore, we have not been able to discuss with Endesa's management any such Enersis financial forecasts or other non-public information regarding Enersis. Accordingly, we have been advised by Endesa and have assumed, with the consent of Endesa, that the Enersis and Endesa Chile Public Forecasts are a reasonable basis upon which to evaluate the future financial performance of Enersis and Endesa Chile and we have agreed with Endesa that we will use the Enersis and Endesa Chile Public Forecasts in performing our analyses. Accordingly, for the purposes of this Opinion, we have assumed and have relied upon the accuracy and completeness of all such information. We have not made any physical inspection of the properties or assets of the Latin American Operations. We have not evaluated the solvency or fair value of the Latin American Operations under any laws relating to bankruptcy, insolvency or similar matters. We have assumed, at the direction of Endesa, that the Transaction will be completed in accordance with the terms described at the beginning of this letter, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Transaction, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on Endesa, Endesa Latinoamérica, Enersis or the contemplated benefits of the Transaction. We also have assumed, at the direction of Endesa, that the final executed Agreement will not differ in any material respect from the Draft Agreement reviewed by us. Finally, without prejudice to the important disclosures contained in the below paragraphs in connection with the scope and limits of our analysis, we have also reviewed the Press Releases to confirm that nothing contained therein would affect our Opinion.

We express no view or opinion as to any terms or other aspects of the Transaction, the Agreement or any other agreement or instrument contemplated by the Agreement or to be entered into or amended in connection with the Transaction (other than the Consideration to the extent expressly specified herein), including, without limitation, the fairness of the Transaction itself, the form or structure of the Transaction or the corporate benefit for the Company deriving from the Transaction. We were not requested to, and we did not, participate in the negotiation of the terms of the Transaction, nor were we requested to, and we did not, provide any advice or services in connection with the Transaction other than the delivery of this opinion. We express no view or opinion as to any such matters. Our opinion is limited to the fairness, from a financial point of view, to Endesa of the Consideration to be received by Endesa in the Transaction and no opinion or view is expressed with respect to any consideration received in connection with the Transaction by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the

officers, directors or employees of any party to the Transaction, or class of such persons, relative to the Consideration. Furthermore, no opinion, view or recommendation is expressed as to the relative merits of the Transaction in comparison to other strategies or transactions that might be available to Endesa or the underlying business decision of Endesa to proceed with or execute the Transaction. Accordingly, no opinion is expressed whether any alternative transaction might be more beneficial to the Company, its shareholders, employees, creditors or clients. The Company did not ask us to, nor did we, solicit, any third-party indications of interest for the acquisition of all or any part of the Latin American Operations. In addition, we express no opinion or recommendation as to how any member of the Board of Directors of Endesa or shareholder should vote or act in connection with the Transaction or any related matter. Furthermore, we do not express any opinion as to any tax or other consequences that might result from the Transaction, nor does our opinion address any legal, tax, regulatory or accounting matters.

We have acted as financial advisor to the Board of Directors of Endesa solely to render this opinion strictly in accordance with the terms of this letter and subject to our engagement letter with Endesa dated 4 September 2014 and will receive a fee for our services which accrual may depend on the delivery of this Opinion. In addition, Endesa has agreed to reimburse our expenses and indemnify us against certain liabilities arising out of our engagement.

We and our affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of our businesses, we and our affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make, vote or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Endesa, Enel and certain of their respective affiliates.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Endesa and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as Global Coordinator and Bookrunner in connection with the capital increase of Enersis in March 2013.

In addition, we and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Enel and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as (i) joint lead manager in connection with Enel's issuance of hybrid financial instruments totaling \$1.25bn in September 2013 and (ii) joint lead-manager in connection with Enel's €1.6bn equivalent Euro and Sterling hybrid in January 2014.

It is understood that this letter is for the benefit and use of the Board of Directors of Endesa (in its capacity as such) in connection with and for purposes of its evaluation of the Transaction and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of Endesa. Except to the extent legally required or required by any governmental body, this opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except with our prior written consent in each instance, except that (i) a complete copy of this letter may be attached to the Board of Directors' report on the Transaction (if any) and may be disclosed to the Company's shareholders, together with such Board of Directors' report, at any time prior to the general shareholders' meeting of the Company which is to resolve on the approval of the Transaction or at the request of any competent regulatory authority and (ii) references to our opinion, which are not a complete copy of this letter, may also be included in any communication sent to shareholders of the Company in connection with said shareholders' meeting, subject to our prior approval, which shall not be unreasonably denied or withheld and which shall not be required to reference the fact that "*BofA Merrill Lynch has issued an Opinion in connection with the Transaction*" and that "*according thereto, and based upon and subject to the assumptions and limitations set forth therein, the Consideration to be received by Endesa pursuant to the Transaction is fair from a financial point of view to Endesa*". There will be no references to this Opinion in the Board of Directors' report on the Transaction if this Opinion is not also attached to said report.

Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion. The issuance of this opinion was approved by our EMEA Fairness Opinion Review Committee.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, we are of the opinion on the date hereof that the Consideration to be received in the Transaction by Endesa is fair, from a financial point of view, to Endesa.

Yours faithfully,

MERRILL LYNCH CAPITAL MARKETS ESPAÑA, S.A., S.V.

17 September 2014

The Board of Directors  
Endesa, S.A.  
C/ Ribera del Loira 60  
28042 Madrid  
Spain

Dear Sirs,

Deutsche Bank, S.A.E. ("**Deutsche Bank**") is acting as financial adviser to the board of directors (the "**Board**") of Endesa, S.A. ("**Endesa**") in connection with the proposed sale by Endesa (the "**Sale**") of (i) all of the issued and outstanding ordinary shares in the share capital of Endesa Latinoamérica (as defined below) and (ii) 20.3% of the ordinary shares in the share capital of Enersis (as defined below) held directly by Endesa ((i) and (ii) together, the "**Latin American Businesses and Assets**") to Enel Energy Europe, S.L. ("**Enel**") made pursuant to the terms and conditions set forth in the offer letter addressed to the Board and dated 11 September 2014 which has been provided by Endesa to Deutsche Bank (the "**Offer Letter**"). The Offer Letter provides, amongst other things, that the consideration proposed to be paid by Enel to Endesa pursuant to the Sale (the "**Consideration**") is EUR 8,252.9 million, to be paid in cash.

Endesa has requested that Deutsche Bank provides an opinion addressed to the Board as to whether the Consideration proposed to be received by Endesa is fair, from a financial point of view, to Endesa.

In connection with Deutsche Bank's role as financial adviser to Endesa, and in arriving at its opinion contained in this letter, Deutsche Bank has:

- (a) reviewed the Offer Letter, which contains a draft of the sale and purchase agreement (the "**SPA**") pursuant to the terms and conditions of which the Sale will be made;
- (b) reviewed certain publicly available business, financial and other information relating to Enersis and its subsidiary undertakings, including, without limitation, Endesa Chile (as defined below);
- (c) reviewed certain business, financial and other information relating to Endesa Latinoamérica;
- (d) reviewed certain research analyst reports on Enersis and Endesa Chile which contain, among other things, financial forecasts for Enersis and Endesa Chile which Deutsche Bank has combined to produce a consensus of forecast financial information (the "**Enersis and Endesa Chile Public Forecasts**");
- (e) conducted discussions with members of senior management of Endesa;
- (f) reviewed the reported prices and trading activity for the ordinary shares in the share capital of Enersis;
- (g) to the extent publicly available, compared certain financial information for Enersis and its subsidiary undertakings with similar financial and stock market information for selected

companies which Deutsche Bank has considered comparable to Enersis and its subsidiary undertakings and whose securities are publicly traded;

- (h) reviewed the press release issued by Enel S.p.A. on 31 July 2014 in relation to the approval by its board of directors of the reorganisation of the operations of the Enel Group (as defined below) in Iberia and Latin America, and the new organizational structure of the Enel Group (the "**Press Release**"); and
- (i) performed such other studies and analyses and considered such other factors as it deemed appropriate.

In arriving at its opinion contained in this letter, the analyses performed by Deutsche Bank were prepared solely for the purpose of enabling Deutsche Bank to provide its opinion to the Board as to the fairness, from a financial point of view, of the Consideration to Endesa and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities may actually be sold, which are inherently subject to uncertainty.

Deutsche Bank has not assumed responsibility for, and has not independently verified, any information, whether publicly available or furnished to it, concerning Enersis, Endesa Latinoamérica, Endesa, the Latin American Businesses and Assets or Enel, including, without limitation, any financial information, forecasts or projections considered in connection with the rendering of its opinion contained in this letter. Accordingly, for the purposes of its opinion contained in this letter, Deutsche Bank has, with Endesa's permission, assumed and relied upon the accuracy and completeness of all such information. Without prejudice to the generality of the foregoing, in arriving at its opinion contained in this letter, Deutsche Bank, with the consent of Endesa, has assumed and relied upon, without independent verification or assumption of responsibility, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Deutsche Bank (including the Enersis and Endesa Chile Public Forecasts) and has relied upon the assurances of the management of Endesa that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect.

Endesa has been advised that it may not provide any non-public information regarding Enersis to Deutsche Bank and, accordingly, Deutsche Bank has not had access to Enersis' management nor has Deutsche Bank been provided, directly or indirectly, with Enersis financial forecasts prepared by the management of Enersis or any other non-public information regarding Enersis and its subsidiary undertakings. Furthermore, Deutsche Bank has not been able to discuss with Endesa's management any such Enersis financial forecasts or other non-public information regarding Enersis.

Deutsche Bank has been advised by Endesa and has assumed, with the consent of Endesa, that the Enersis and Endesa Chile Public Forecasts are a reasonable basis upon which to evaluate the future financial performance of Enersis and Endesa Chile and Deutsche Bank has agreed with Endesa that it should use the Enersis and Endesa Chile Public Forecasts in performing its analyses.

In arriving at its opinion contained in this letter, Deutsche Bank has assumed that there is no non-public information that may have a material effect on the value of the ordinary shares in the share capital of Enersis and that such ordinary shares in the share capital of Enersis are fairly valued in the market.

Deutsche Bank has not conducted a physical inspection of any of the properties or assets,

and has not prepared or obtained any independent valuation or appraisal of the Latin American Businesses and Assets or any of the assets or liabilities (including any contingent, derivative, or off-balance sheet assets and liabilities) of Endesa, Enersis or any other member of their respective Groups, nor has Deutsche Bank evaluated the solvency or fair value of Endesa, the Latin American Businesses and Assets or Enersis under any applicable law relating to bankruptcy, insolvency or similar matters. In rendering its opinion contained in this letter, Deutsche Bank expresses no view as to the reasonableness of such financial information, forecasts and projections or the assumptions on which they are based.

For the purposes of rendering its opinion contained in this letter, Deutsche Bank has assumed with Endesa's permission that, in all respects material to its analysis, the Sale will be consummated in accordance with its terms, without any material waiver, modification or amendment of any term, condition or agreement. Deutsche Bank has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Sale will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, no material restrictions will be imposed. Deutsche Bank is not a legal, regulatory, tax or accounting expert and has relied on the assessments made by Endesa and its advisers with respect to such issues. Representatives of Endesa have informed Deutsche Bank that, and Deutsche Bank has further assumed that, the final terms of the SPA will not differ materially from the terms set forth in the draft SPA which Deutsche Bank has reviewed and which is contained in the Offer Letter.

This letter has been approved and authorized for issuance by a fairness opinion review committee, is addressed to, and for the use and benefit of, the Board to assist the Board in evaluating the Sale and is not a recommendation to Endesa or to the shareholders of Endesa to approve the Sale. Deutsche Bank expresses no opinion or recommendation in relation to the Sale itself (including, without limitation, the existence or not of any corporate benefit for Endesa derived from the Sale) or as to how any member of the Board or shareholder should vote or act in connection with the Sale. The opinion contained in this letter is limited to the fairness, from a financial point of view, of the Consideration to Endesa, and is subject to the assumptions, limitations, qualifications and other conditions contained herein and is necessarily based on financial, economic, market and other conditions, and the information made available to Deutsche Bank, as of the date of this letter. Endesa has not asked Deutsche Bank to, and the opinion contained in this letter does not, address the fairness of the Sale, or any consideration received in connection therewith, to the holders of any class of securities, creditors or other constituencies of Endesa, nor does it address the fairness of any potential contemplated benefits of the Sale. Deutsche Bank expressly disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting its opinion contained in this letter of which it becomes aware after the date of this letter. Deutsche Bank expresses no opinion as to the merits of the underlying decision by Endesa to engage in the Sale. In addition, Deutsche Bank does not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received as a result of the Sale by any of the officers, directors, or employees of any party to the Sale, or any class of such persons. Deutsche Bank was not requested to, and it did not, provide any advice or services in connection with the Sale other than the delivery of this letter and a valuation report on the Latin American Businesses and Assets.

Deutsche Bank was not requested to, and did not, solicit third party indications of interest in the possible acquisition of all or part of the Latin American Businesses and Assets, nor was Deutsche Bank requested to consider, and its opinion contained in this letter does not address, the relative merits of the Sale as compared to any alternative business strategies. Furthermore, Deutsche Bank was not requested to consider, and its opinion contained in this

letter does not address, any issues arising out of or in connection with any proposed or actual return of capital to the shareholders of Endesa or any issuance or offering of ordinary shares in the share capital of Endesa or any other securities that might take place after the Sale has been completed. The opinion contained in this letter does not address the prices at which the ordinary shares in the share capital of Endesa or any other member of the Endesa Group or any other securities will trade following the announcement or consummation of the Sale.

Deutsche Bank will be paid a fee for its services as financial adviser to Endesa in connection with the Sale, which is contingent upon the delivery of this letter. Endesa has also agreed to indemnify Deutsche Bank and each other member of the DB Group (as defined below) against certain liabilities in connection with its engagement. One or more members of the DB Group has, from time to time, provided investment banking, commercial banking (including extension of credit) and other financial services to Endesa, Enersis, Enel or other members of their respective Groups for which it has received compensation. In the ordinary course of their business, one or more members of the DB Group may actively trade in the securities and other instruments and obligations of Endesa, Enersis or Enel or any other member of their respective Groups for their own accounts and for the accounts of their customers. Accordingly, one or more members of the DB Group may at any time hold a long or short position in such securities, instruments and obligations. For the purpose of this opinion contained in this letter, Deutsche Bank has not considered any information that may have been provided to it in those capacities or in any other capacity than fairness opinion provider.

Based upon and subject to the foregoing, it is Deutsche Bank's opinion as investment bankers that, as of the date of this letter, the Consideration is fair, from a financial point of view, to Endesa.

Without prejudice to the important disclosures contained in the above paragraphs in connection with the scope and limits of Deutsche Bank's analysis, Deutsche Bank has reviewed the Press Release to confirm that nothing contained therein would affect its ability to deliver this letter.

For the purposes of this Letter: "**DB Group**" shall mean Deutsche Bank AG and its subsidiary undertakings from time to time; "**Endesa Chile**" shall mean Empresa Nacional de Electricidad S.A.; "**Endesa Group**" shall mean Endesa and its subsidiary undertakings from time to time; "**Endesa Latinoamérica**" shall mean Endesa Latinoamérica, S.A.U.; "**Enel Group**" shall mean Enel, the parent undertakings and subsidiary undertakings of Enel and any subsidiary undertakings of such parent undertakings from time to time; "**Enersis**" shall mean Enersis S.A.; "**Enersis Group**" shall mean Enersis and its subsidiary undertakings from time to time; "**respective Group**" shall mean, in the case of Endesa, the Endesa Group, in the case of Enel, the Enel Group and, in the case of Enersis, the Enersis Group; "**parent undertaking**" and "**subsidiary undertaking**" shall each be construed in accordance with article 42 of Spanish Commercial Code; and "**person**" shall include a reference to an individual, body corporate, association or any form of partnership (including a limited partnership).

This letter may not be reproduced, summarised or referred to in any public document or given to any person without the prior written consent of Deutsche Bank, *provided, however, that* (a) this letter may be disclosed as required by applicable law or regulation or required by any government body or authority, (b) this letter may be disclosed on a confidential and non-reliance basis to the professional advisers of Endesa or any relevant other member of the Endesa Group and (c) this letter may be attached to the Board's report on the Sale (the "**Board Report**") (if any) and may be disclosed to Endesa's shareholders, together with such Board Report, at any time prior to the general shareholders' meeting of Endesa which is to resolve on the approval of Sale, *provided, however, that* it is attached to such Board Report

or, as applicable, disclosed in full, and that any description of, or reference to, Deutsche Bank and any summary of this letter in such Board Report or disclosure is in a form reasonably acceptable to Deutsche Bank and its legal advisers and *provided further that* no reference will be made to this letter in the Board Report if this letter is not also attached to such Board Report.

Yours faithfully,

**DEUTSCHE BANK S.A.E.**



## **ANNEX II**

### **PROPOSED RESOLUTIONS FOR THE GENERAL SHAREHOLDERS' MEETING**



**PROPOSED RESOLUTIONS**  
**EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING**  
**OCTOBER 21, 2014**

- 1. Review and approval, as the case may be, of the sale to Enel Energy Europe, Single-Member Limited Liability Company (*Sociedad Limitada Unipersonal*) of (i) 20.3% of the shares of Enersis, S.A. which are held directly by Endesa and (ii) 100% of the shares of Endesa Latinoamérica, S.A. (holding 40.32% of the capital stock of Enersis, S.A.) currently held by Endesa, for a total amount of 8,252.9 million Euros.**

On September 11, Enel, S.p.A., through the company Enel Energy Europe, Single-Member Limited Liability Company (*Sociedad Limitada Unipersonal*) ("**Enel Energy**"), a wholly-owned subsidiary of Enel and the majority shareholder of Endesa (holding 92.06% of capital stock), made a binding purchase offer for the 60.62% stake that Endesa holds, directly and indirectly, in the capital stock of the Chilean company Enersis S.A. ("**Enersis**"), which leads the Latin American business. In particular, the purchased shares would be (i) 20.3% of the shares of Enersis held directly by Endesa and (ii) 100% of the shares of Endesa Latinoamérica, S.A. ("**Endesa Latam**") (holding 40.32% of the capital stock of Enersis) currently held by Endesa ("**Purchases**").

The price of the purchase offer is 8,252.9 million Euros (based on an implied value per Enersis share of 215 Chilean pesos, which based on the September 10, 2014 exchange rate equals 0.28 Euros, after deducting the overheads and net liabilities of Endesa Latam, which equal negative 144 million Euros). This price was calculated using generally accepted international valuation procedures and methodologies for this type of transactions.

The purchase offer includes a clause establishing that if, within two years of the execution of the Purchases, a third-party, not connected to Enel Group or Endesa Group, purchases from Enel Energy (or any Enel Group company) all or part of the Enersis shares held directly or indirectly by Enel Energy (or by any other Enel Group company), for a price per share, in cash, that exceeds the price per Enersis share under the Purchases, where acquisition of such shares causes the participation of Enel Energy (or any other Enel Group company) in Enersis (directly or indirectly) to fall below 60.62% of capital stock, Enel Energy shall be required to pay Endesa an amount equal to the difference between (i) the price per Enersis share of said acquisition and (ii) the price per Enersis share as calculated for the Purchases, multiplied by the number of Enersis shares subject, directly or indirectly, to such acquisition by a third-party, to the extent that such acquisition causes the Enel Group's participation to fall below 60.62% of capital stock. This clause does not apply, under any circumstances, to corporate restructuring within the Enel Group.

Furthermore, because the agreement includes a clause through which Enel Energy waives its right to bring any claims it may have against Endesa for liability for hidden defects, the price of the Purchases will in no case be adjusted downwards.

On September 11, the terms of the offer were sent to Endesa's financial and strategic advisors, hired on the motion and by virtue of the resolutions adopted by Endesa's Independent Directors Committee and Board of Directors this past July 30, so that they can evaluate the offer and issue reports as necessary. Specifically, Merrill Lynch Capital Markets España, S.A., S.V. and Deutsche Bank, S.A.E. issued fairness opinions, made available to Endesa shareholders together with the convening notice of this Extraordinary General Meeting, which concluded that the compensation for the Purchases is, based on the analysis and in view of the rationale provided in the body of both fairness opinions, from a financial perspective, fair to Endesa shareholders. PricewaterhouseCoopers Asesores de Negocios, S.L. issued a report justifying the strategic fairness, from the perspective of the corporate interests of Endesa, of divestment of its activity in Latin America in accordance with the binding offer made by Enel.

Finally, Endesa asked Clifford Chance LLP, as legal advisor to the Independent Directors Committee, to issue a report dealing with the commercial questions raised by the transaction and, in particular, to evaluate the Transaction from the perspective of the corporate interests of Endesa and its minority shareholders.

On the basis of the aforementioned reports, the Board of Directors of Endesa also drew up a report on the Purchases and distribution of dividends to shareholders proposed under item three of the Agenda. This report was made available to the shareholders at the time the Shareholder Meeting was called.

In light of the resolutions passed by the Independent Directors Committee and of the favorable report drawn up by the Audit and Compliance Committee and sent to the Board, the Board of Directors concludes that:

- (a) the Purchases are beneficial for both companies and, for that matter, for their respective shareholders, and that such Purchases are adequately justified according to the corporate interests of Endesa, and thus confirms the reports issued by the advisors hired by Endesa to assess the strategic, business, and legal aspects of the transaction;
- (b) the compensation offered for the shares subject to the Purchases is justified and fair from a financial perspective, as the fairness opinions issued by Endesa's financial advisors considered such compensation to be adequate; and
- (c) the representatives of the Company followed the transparency and independence protocol established in their decision making, guaranteeing the validity of the procedure followed to approve the Transaction, as confirmed by the report issued by the legal advisors hired by Endesa.

Based on the above, following the proposal of the Independent Directors Committee, and with the prior favorable opinion of the Audit and Compliance Committee, **it is hereby resolved to accept the offer of Enel Energy under the terms received.** Accordingly, the **60.62% of the capital stock that Endesa holds**, directly and indirectly, in the Chilean company **Enersis**, will be transferred to Enel Energy. That is, (i) 20.3% of the shares of Enersis directly held by Endesa and (ii) 100% of the shares of Endesa Latam (holding 40.32% of the capital stock of Enersis) currently held by Endesa. The **total sale consideration will be 8,252.9 million Euros** (based on an implied value per Enersis share of 215 Chilean pesos, which based on the September 10, 2014 exchange rate equals 0.28 Euros, after deducting the overheads and net liabilities of Endesa Latam, which equal negative 144 million Euros).

**2. Review and approval, as the case may be, of the proposed division and transfer of share premiums and merger reserves, and of the partial transfer of legal and revaluation reserves (Royal Decree-Law 7/1996), to voluntary reserves.**

With regard to share premiums, it is hereby resolved that the share premium account will be divided into three sub-accounts (share premium from equity and 1999 merger premium, share premium from unrestricted reserves, and share premium from retained earnings). It is further resolved that the necessary transfers among the three aforementioned sub-accounts will be made, such that the resulting balances will be 612,272,895.39 Euros, 675,000,000.00 Euros, and 88,799,794.10 Euros, respectively.

With regard to merger reserves, it is hereby resolved that the merger reserves account will be divided into three sub-accounts (merger reserves from equity and 1999 merger premium, merger reserves from unrestricted reserves, and merger reserves from retained earnings). It is further resolved that the necessary transfers among the three aforementioned sub-accounts will be made, such that the resulting balances will be 993,618,046.37 Euros, 867,296,045.36 Euros, and 189,709,356.27 Euros, respectively.

With regard to the legal reserves account, it is hereby resolved that 30,933,866.06 Euros will be transferred to voluntary reserves.

With regard to the revaluation reserves under Royal Decree-Law 7/1996, it is hereby resolved that 1,310,000,000 Euros will be transferred to voluntary reserves.

**3. Review and approval, as the case may be, of the distribution of special dividends for a gross amount per share of 7.795 Euros (i.e. a total of 8,252,972,752.02 Euros) charged to unrestricted reserves.**

Subject to prior approval of Item One on the Agenda for this Extraordinary General Shareholders' Meeting, the distribution of a special cash dividend for a gross amount per share of 7.795 Euros, resulting in a total distribution of 8,252,972,752.02 Euros, charged to the following reserves, is hereby approved:

- Retained Earnings: 3,154,355,362.52 Euros
- Voluntary Reserves: 2,227,000,000.00 Euros
- Royal Decree 1514/2007 Reserves: 200,923,808.37 Euros
- Share Premium from Equity and 1999 Merger Premium Shares: 612,272,895.39 Euros
- Share Premium from Unrestricted Reserves: 675,000,000.00 Euros
- Merger Reserves from Equity and 1999 Merger Premiums: 516,124,640.38 Euros
- Merger Reserves from Unrestricted Reserves: 867,296,045.36 Euros

The payment of dividends shall be effective as of October 29, 2014, in accordance with the operating rules of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Financial Systems Company or IBERCLEAR).

**4. Review and approval, as the case may be, of the ratification, reappointment, and appointment of members of the Board of Directors for the period established in the Bylaws:**

**4.1.- Ratification of the appointment by co-optation of Mr. Francesco Starace and of reappointment as shareholder-appointed director of the Company.**

Ratification of the appointment of Mr. Francesco Starace, appointed by co-optation by virtue of the resolution passed by the Board of Directors in its meeting held on June 16, 2015, and of his reelection, by prior referral from the Appointments and Compensation Committee, as a member of the Board of Directors of the Company for a period of four years as established in the Bylaws.

In accordance with Article 38 of the Corporate Bylaws, the Director shall be a shareholder-appointed director.

A biographical sketch on Mr. Starace is available to the shareholders on the company's website.

**4.2.- Appointment of Mr. Livio Gallo as shareholder-appointed director.**

Appointment of Mr. Livio Gallo as a member of the Board of Directors for a term of four years as established in the Bylaws.

The proposal for appointment of Mr. Gallo is submitted by the Board of Directors to the General Meeting following the favorable report of the Appointments and Compensation Committee.

In accordance with Article 38 of the Corporate Bylaws, the Director shall be a shareholder-appointed director.

A biographical sketch on Mr. Gallo is available to the shareholders on the company's website.

**4.3.- Appointment of Mr. Enrico Viale as shareholder-appointed director.**

Appointment of Mr. Enrico Viale as a member of the Board of Directors for a term of four years as established in the Bylaws.

The proposal for appointment of Mr. Viale is submitted by the Board of Directors to the General Meeting following the favorable report of the Appointments and Compensation Committee.

In accordance with Article 38 of the Corporate Bylaws, the Director shall be a shareholder-appointed director.

A biographical sketch on Mr. Viale is available to the shareholders on the company's website.

**5. Delegation to the Board of Directors to execute and implement resolutions adopted by the General Meeting, as well as to substitute the powers it receives from the General Meeting, and the granting of powers to the Board of Directors to raise such resolutions to a public deed and to register and, as the case may be, correct such resolutions.**

1. Delegation to the Company's Board of Directors of the broadest authorities to adopt such resolutions as may be necessary or appropriate for the execution, implementation, effectiveness and successful conclusion of the General Meeting resolutions and, in particular, for the following acts, without limitation:
  - (i) to clarify, specify and finalize the resolutions of this General Meeting and to resolve any doubts or issues presented, remedying defects and omissions which may prevent or impair the effectiveness or registration of the pertinent resolutions;
  - (ii) to execute such public and/or private documents and carry out such acts, legal business, contracts, declarations, and transactions as may be necessary or appropriate for the execution and implementation of the resolutions adopted at this General Meeting; and
  - (iii) to delegate, in turn, to the Executive Committee or to one or more Directors, who may act jointly and severally, the powers conferred in the preceding paragraphs.
2. To empower the Chairman of the Board of Directors, Mr. Borja Prado Eulate, the Chief Executive Officer (CEO), Mr. Andrea Brentan, and the Secretary of the Board of Directors, Mr. Salvador Montejo Velilla, in order that, any of them, indistinctly, may:
  - (i) carry out such acts, legal business, contracts and transactions as may be appropriate in order to register the preceding resolutions with the Mercantile Registry, including, in particular, *inter alia*, the powers to appear before a Notary Public in order to execute the public deeds or notarial records which are necessary or appropriate for such purpose, to publish the pertinent legal notices and formalize any other public or private documents which may be necessary or appropriate for the registration of such resolutions, with the express power to remedy them, without altering their nature, scope or meaning; and
  - (ii) to appear before the competent administrative authorities, in particular, the Ministries of Economy and Competitiveness, Finance and Public Administrations, and Industry, Energy and Tourism, as well as before other authorities, administrations and institutions, and in particular, the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*), the Securities Exchange Governing Companies and any other entity which may be competent in relation to any of the resolutions adopted, in order to carry out the necessary formalities and actions for the most complete implementation and effectiveness thereof.