

endesa09

2009 ANNUAL **CORPORATE GOVERNANCE** REPORT

(Spanish Securities Exchange Commission
Circular 4/2007, of 27 December-Appendix I)



Book concerning the Directors' Report of the Financial Statements of Endesa, S.A.
and the Directors' Report of the Financial Statements of Endesa, S.A. and subsidiaries,
and is an integral part of them.

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

ISSUER'S PARTICULARS

YEAR ENDED: 31/12/2009

TAX ID NUMBER: A-28023430

Company: ENDESA, S.A.

MODEL ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Please read the instructions at the end before completing this report.

A - OWNERSHIP STRUCTURE

A.1 Complete the following table on the Company's share capital:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
01/10/1999 1,270,502,54	0.40	1,058,752,117	1,058,752,117

Indicate if there are different classes of shares that carry different rights:

NO

A.2 List the direct and indirect holders of significant interests in the Company at year end, excluding directors:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
ENEL ENERGY EUROPE, S.R.L.	974,717,763	0	92,063
ENEL, S.P.A.	0	974,717,763	92,063

Name or company name of indirect holder of interest	Via: Name or company name of direct holder of interest	Number of direct voting rights	% of total voting rights
ENEL, S.P.A.	ENEL ENERGY EUROPE, S.R.L.	974,717,763	92,063

State the most significant changes in shareholder structure during the year:

Name or company name of shareholder	Transaction date	Description of the transaction
ENEL ENERGY EUROPE, S.R.L.	25/06/2009	90% of share capital exceeded
ACCIONA, S.A.	25/06/2009	Decreased from 3% of share capital
FINANZAS DOS, S.A.	25/06/2009	Decreased from 3% of share capital

A.3 Complete the following tables on the members of the company's Board of Directors who hold voting rights over shares in the company:

Name or company name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
MR. BORJA PRADO EULATE	4,578	0	0.000
MR. FULVIO CONTI	200	0	0.000
MR. ANDREA BRENTAN	100	0	0.000
MR. ALEJANDRO ECHEVARRÍA BUSQUET	200	0	0.000
MR. CLAUDIO MACHETTI	100	0	0.000
MR. GIANLUCA COMIN	100	0	0.000
MR. LUIGI FERRARIS	100	0	0.000
MR. LUIS DE GUINDOS JURADO	550	0	0.000
MR. MIQUEL ROCA JUNYENT	363	0	0.000

% of total voting rights held by the Board of Directors	0.001
---	-------

Complete the following tables on the members of the company's Board of Directors who hold rights over shares in the company:

A.4 Indicate, as appropriate, any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant interests, insofar as they are known to the company, unless they are of little relevance or arise from the ordinary course of business:

Type of relationship:

Corporate

Brief description:

Enel, S.P.A. is sole shareholder of Enel Energy Europe, S.r.L.

Related name or company name
ENEL ENERGY EUROPE, S.R.L.
ENEL, S.P.A.

A.5 Indicate, as appropriate, any relationships of a commercial, contractual or corporate nature existing between the holders of significant interests and the company and/or its Group, unless they are of little relevance or arise from the ordinary course of business:

Type of relationship

Corporate

Brief description :

Endesa Generación, S.A. and Enel, S.P.A. hold interests of 40.88% and 4.31%, respectively, in Elcogás, S.A.

Related name or company name
ENEL, S.P.A.

A.6 Indicate whether the company has been notified of any shareholder agreements that may affect it pursuant to Article 112 of the Spanish Securities Markets Law (SML). If so, briefly describe them and specify the shareholders party to those agreements:

NO

Indicate whether the company has knowledge of the existence of concerted actions between the shareholders. If so, describe them briefly:

NO

Expressly indicate any amendment to or termination of such agreements or concerted action during the fiscal term:

On 25 June 2009 the shareholder agreement between Enel, S.P.A. and Acciona, S.A. dated 26 March 2007 was rescinded.

On 25 June 2009 Acciona, S.A. and Finanzas Dos, S.A. transferred shares representing 25.01% of the share capital of Endesa, S.A. to Enel Energy Europe S.L., pursuant to the share sale and purchase and asset transfer agreement signed by Enel, Enel Energy Europe, Acciona and Finanzas Dos on 20 February 2009.

This transfer automatically terminated the shareholder agreement between Enel, S.P.A., Enel Energy Europe, S.L., Acciona, S.A. and Finanzas Dos, S.A. dated 26 March 2007.

A.7 Indicate whether there is any individual or legal entity that exercises, or can exercise, control over the company, in accordance with Article 4 of the Securities Market Law. If so, describe them briefly:

YES

Name or company name
ENEL, S.P.A.
Remarks
Enel, S.P.A. holds 92.063% of the share capital of Endesa, S.A.

A.8 Complete the following tables on the company's treasury shares:

At year end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
0	0	0.000

(*) Via:

Total	0
-------	---

Give details of any significant variations during the year, in accordance with Royal Decree 1362/2007:

Gains/(losses) from disposal of treasury shares during the financial year (thousands of Euros)	0
--	---

A.9 State the conditions and the term of the authorisation currently in force granted by the General Meeting to the Board of Directors to carry out acquisitions or transfers of treasury shares.

At the Ordinary General Meeting on 30 June 2009, the shareholders authorised the Company and its subsidiaries to acquire treasury shares pursuant to Article 75 and the first additional provision of the Spanish Companies Act.

I. Revoke and disregard, where not applicable, the authorisation to make derivative acquisitions of company shares, granted by the General Shareholders' Meeting held on 30 June 2008.

II. Authorise a gain derivative acquisitions of treasury shares and their pre-emption rights, pursuant to Article 75 of the Spanish Companies Act, under the following conditions:

a) Acquisitions shall be made via any legally accepted method, directly by Endesa S.A., by its Group companies, or by proxy, up to the maximum legal amount.

b) Acquisitions shall be made at a minimum price per share of its par value and a maximum equivalent to its listed price plus an additional 5%.

c) The duration of this authorisation will be 18 months.

A.10 Indicate any legal or bylaw restrictions on the exercise of voting rights and any legal restrictions on the acquisition or transfer of interests in the share capital. State if there are any legal restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that can be exercised by a shareholder due to legal restriction	0
---	---

State if there are any bylaw restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that can be exercised by a shareholder due to a restriction in the Bylaws	0
---	---

State if there are any legal restrictions on the acquisition or transfer of equity interests:

NO

A.11 State if the shareholders have resolved at the General Meeting to adopt measures to neutralise a takeover bid pursuant to the provisions of Law 6/2007.

NO

If applicable, describe the measures approved and the terms under which the restrictions shall become void:

B - MANAGEMENT STRUCTURE OF THE COMPANY

B.1 Board of Directors

B.1.1 Detail the maximum and minimum number of directors as per the Bylaws:

Maximum number of directors	15
Minimum number of directors	9

B.1.2 Complete the following table with the Board members:

Name or company name of director	Representative	Position on Board	Date of first appointment	Date of last appointment.	Appointment procedure
MR. BORJA PRADO EULATE	-- CHAIRMAN		20/06/2007	20/06/2007	VOTING AT GENERAL MEETING
MR. FULVIO CONTI	--	DEPUTY CHAIRMAN	25/06/2009	30/06/2009	VOTING AT GENERAL MEETING
MR. ANDREA BRENTAN	--	CHIEF EXECUTIVE OFFICER	18/10/2007	30/06/2008	VOTING AT GENERAL MEETING
MR. ALEJANDRO ECHEVARRÍA BUSQUET	-- DIRECT	OR	25/06/2009	30/06/2009	VOTING AT GENERAL MEETING
MR. CLAUDIO MACHETTI	--	DIRECTOR	18/10/2007	30/06/2008	VOTING AT GENERAL MEETING
MR. GIANLUCA COMIN	--	DIRECTOR	14/09/2009	14/12/2009	VOTING AT GENERAL MEETING
MR. LUIGI FERRARIS	--	DIRECTOR	18/10/2007	30/06/2008	VOTING AT GENERAL MEETING
MR. LUIS DE GUINDOS JURADO	-- DIRECT	OR	25/06/2009	30/06/2009	VOTING AT GENERAL MEETING
MR. MIQUEL ROCA JUNYENT	-- DIRECT	OR	25/06/2009	30/06/2009	VOTING AT GENERAL MEETING
Total number of directors					9

Indicate any removals of directors during the year:

Name or company name of director	Type of director when removed	Departure date
MR. JOSÉ MANUEL ENTRECANALES DOMEQ	EXECUTIVE	24/03/2009
MS. CARMEN BECERRIL MARTÍNEZ	INSTITUTIONAL OUTSIDE	25/06/2009
MR. ESTEBAN MORRAS ANDRÉS	EXECUTIVE	25/06/2009
MR. JORGE VEGA-PENICHER LÓPEZ	INSTITUTIONAL OUTSIDE	25/06/2009
MR. VALENTÍN MONTOYA MOYA	INSTITUTIONAL OUTSIDE	25/06/2009
MR. RAFAEL MIRANDA ROBREDÓ	EXECUTIVE	30/06/2009
MR. FERNANDO DORNELLAS SILVA	INDEPENDENT OUTSIDE	20/07/2009

B.1.3. Complete the following tables on the members of the Board and their status:

EXECUTIVE DIRECTORS

Name or company name of director	Committee proposing appointment	Office per Company organisation chart
MR. BORJA PRADO EULATE	NOMINATION AND REMUNERATION COMMITTEE	CHAIRMAN
MR. ANDREA BRENTAN	NOMINATION AND REMUNERATION COMMITTEE	CHIEF EXECUTIVE OFFICER

Total number of executive directors	2
Total % of the Board	22.222

INSTITUTIONAL OUTSIDE DIRECTORS

Name or company name of director	Committee proposing appointment	Name or company name of significant shareholder represented or proposing appointment
MR. FULVIO CONTI	NOMINATION AND REMUNERATION COMMITTEE	ENEL, S.P.A.
MR. CLAUDIO MACHETTI	NOMINATION AND REMUNERATION COMMITTEE	ENEL, S.P.A.
MR. GIANLUCA COMIN	NOMINATION AND REMUNERATION COMMITTEE	ENEL, S.P.A.
MR. LUIGI FERRARIS	NOMINATION AND REMUNERATION COMMITTEE	ENEL, S.P.A.

Total number of institutional outside directors	4
Total % of the Board	44.444

INDEPENDENT OUTSIDE DIRECTORS

Name or company name of director
MR. ALEJANDRO ECHEVARRÍA BUSQUET

Profile

Degree in Business Administration from the University of Deusto, specialised in the Higher School. Recipient of the Premios Jaume de Cordelles (ESADE), Best Basque Entrepreneur. Best Business Administration and to the Valores de Empresa en Medios de Comunicación (Business Values in the Media).

Name or company name of director

MR. LUIS DE GUINDOS JURADO

Profile

Degree in Business Administration - CUNEF (special end of course prize), Bachelors Degree in Economic Sciences and Business (Universidad Complutense de Madrid) and Commercial Technical and Government Economist (top of his year).

Name or company name of director

MR. MIQUEL ROCA JUNYENT

Profile

Degree in Business Administration from the University of Barcelona; lecturer in constitutional law at the University Pompeu Fabra in Barcelona and holds a Doctor Honoris Causa degree from the distance learning universities of Leon and Girona.

Total number of independent directors	3
Total % of the Board	33.333

OTHER OUTSIDE DIRECTORS

Give reasons why these other outside directors cannot be considered either institutional or independent members and their relations, whether with the company or its officers, or with its shareholders:

Indicate any variations in the status of each director that may have occurred during the year:

Name or company name of director	Date of change	Previous status	Current status
MR. BORJA PRADO EULATE	24/03/2009	OTHER OUTSIDE	EXECUTIVE
MR. ANDREA BRENTAN	30/06/2009	INSTITUTIONAL OUTSIDE	EXECUTIVE

B.1.4 Describe, if applicable, the reasons why institutional outside directors have been appointed at the initiative of shareholders whose shareholding is less than 5%.

State if formal requests for a presence on the Board have been rejected from shareholders with a shareholding equal to or greater than that of others who have been successfully appointed institutional outside directors. If applicable, state the reasons for such rejection:

NO

B.1.5 State if a director has resigned from his or her directorship before completing the term of office, if such director has given his or her reasons to the Board and if so, by which means; and, if the reasons have been notified in writing to the entire Board, describe below at least the reason argued by the director:

YES

Director

MS. CARMEN BECERRIL MARTÍNEZ

Reason for resignation

Departure of Acciona, S.A. from share capital of Endesa, S.A.

Director

MR. ESTEBAN MORRAS ANDRÉS

Reason for resignation

Departure of Acciona, S.A. from share capital of Endesa, S.A.

Director

MR. FERNANDO DORNELLAS SILVA

Reason for resignation

Professional reasons (to concentrate his efforts on other professional activities).

Director

MR. JORGE VEGA-PENICHET LÓPEZ

Reason for resignation

Departure of Acciona, S.A. from share capital of Endesa, S.A.

Director

MR. JOSÉ MANUEL ENTRECANALES DOMECH

Reason for resignation

Departure of Acciona, S.A. from share capital of Endesa, S.A.

Director

MR. VALENTÍN MONTOYA MOYA

Reason for resignation

Departure of Acciona, S.A. from share capital of Endesa, S.A.

B.1.6. Indicate what powers, if any, have been delegated to the Chief Executive Officer(s):

Name or company name of director

MR. ANDREA BRENTAN

Brief description

ON 30 JUNE 2009 THE BOARD OF DIRECTORS DELEGATED TO THE CHIEF EXECUTIVE OFFICER

ALL LEGALLY AND STATUTORILY DELEGABLE POWERS OF THE BOARD OF DIRECTORS.

ALL POWERS DELEGATED TO THE CHIEF EXECUTIVE OFFICER OF ENDESA, S.A., MR. ANDREA BRENTAN, WILL BE EXERCISED BY HIM JOINTLY WITH RESPECT TO ALL THOSE CORRESPONDING TO THE EXECUTIVE COMMITTEE OF THE COMPANY'S BOARD OF DIRECTORS.

B.1.7 Identify, as appropriate, the Board members who hold office as directors or executives at other companies forming part of the listed company's group:

Name or company name of director	Company name of Group company	Office
MR. BORJA PRADO EULATE	ENDESA CHILE, S.A.	DIRECTOR
MR. ANDREA BRENTAN	ENERSIS, S.A.	DEPUTY CHAIRMAN
MR. LUIS DE GUINDOS JURADO	ENDESA CHILE, S.A.	DIRECTOR

B.1.8. Give details, as appropriate, of any directors of the company who are members of the Board of Directors of other non-Group companies that are listed on official securities markets in Spain, as disclosed to the Company:

Name or company name of director	Company name of listed company	Office
MR. BORJA PRADO EULATE	GESTEVISIÓN TELECINCO, S.A.	DIRECTOR
MR. ALEJANDRO ECHEVARRÍA BUSQUET	COMPAÑÍA VINÍCOLA DEL NORTE DE ESPAÑA	DIRECTOR
MR. ALEJANDRO ECHEVARRÍA BUSQUET	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN
MR. MIQUEL ROCA JUNYENT ACS,	S.A.	DIRECTOR

B.1.9 State and, if applicable, explain if the company has set forth rules on the number of boards on which its directors may hold seats:

NO

B.1.10 In relation to recommendation 8 of the Unified Code, state the company general policies and strategies whose approval is reserved for the full Board:

Investment and financing policy	YES
Definition of the structure of the corporate group	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plan and the annual management objectives and budgets	YES
Compensation and performance evaluation policy for senior executives	YES
Risk control and management policy and periodic monitoring of internal reporting and control systems	YES

Dividend policy and treasury shares policy and, in particular, limits thereon	YES
---	-----

B.1.11 Complete the following tables on the aggregate remuneration of directors accrued during the year:

a) At the reporting company:

Item	Data in thousands of Euros
Fixed remuneration	2,469
Variable remuneration	5,688
Attendance fees	385
Bylaw-stipulated directors' emoluments	0
Share options and/or other financial instruments	0
Other	29,758
Total	38,300

Other benefits	Data in thousands of Euros
Advances	0
Loans granted	0
Pension funds and plans: Contributions	362
Pension funds and plans: Obligations	0
Life insurance premiums	203
Guarantees provided by the Company for directors	0

b) Due to membership of the Company's directors of other boards of directors and/or of the senior executives of Group companies:

Item	Data in thousands of Euros
Fixed remuneration	0
Variable remuneration	0
Attendance fees	187
Bylaws-stipulated directors' emoluments	0
Share options and/or other financial instruments	0
Other	0
Total	187

Other benefits	Data in thousands of Euros
Advances	0
Loans granted	0
Pension funds and plans: Contributions	0
Pension funds and plans: Obligations	0
Life insurance premiums	0
Guarantees provided by the Company for directors	0

c) Total remuneration by type of director:

Type of director	By Company	By Group
Executive directors	36,861	153
Institutional outside directors	1,050	0
Independent outside directors	389	34
Other non-executive directors	0	0
Total	38,300	187

d) With respect to profit attributable to the parent company

Total directors' remuneration (thousands of Euros)	38,487
Total directors' remuneration/profit attributable to the parent company (stated as %)	1.1

B.1.12 Identify the senior executives who are not executive directors, and indicate the total remuneration accrued for them during the year:

Name or company name	Office
MR. FÉLIX RIVAS ANORO	DEPUTY GENERAL MANAGER OF PROCUREMENT, PLANNING AND RESOURCES
MR. PÍO CABANILLAS ALONSO	CHIEF COMMUNICATION OFFICER
MR. JUAN GALLARDO CRUCES	CHIEF FINANCIAL OFFICER
MR. RAFAEL MONTES CARACUEL	DEPUTY GENERAL MANAGER OF HUMAN RESOURCES
MS. M ISABEL FERNÁNDEZ LOZANO	ASSISTANT GENERAL MANAGER TO THE GENERAL MANAGER OF SERVICES
MR. FRANCISCO BORJA ACHA BESGA	GENERAL MANAGER OF LEGAL ADVISORY
MR. JAVIER URIARTE MONEREO	GENERAL MANAGER OF MARKETING
MR. JOSE DAMIAN BOGAS GALVEZ	GENERAL MANAGER FOR SPAIN AND PORTUGAL
MR. IGNACIO ANTONANZAS ALVEAR	GENERAL MANAGER OF ENERSIS
MR. RAFAEL MATEO ALCALÁ	GENERAL MANAGER OF ENDESA CHILE
MR. AMADO FRANCO LAHOZ	CHAIRMAN OF ERZ-ENDESA ARAGON ADVISORY COMMITTEE

Name or company name	Office
MR. JAIME GROS BAÑERES	REGIONAL GENERAL MANAGER FOR ARAGON
MR. SALVADOR MONTEJO VELILLA	GENERAL SECRETARY AND OF THE BOARD OF DIRECTORS
MR. GERMAN MEDINA CARRILLO	GENERAL MANAGER OF HUMAN RESOURCES
MR. ANTONIO PAREJA MOLINA	GENERAL MANAGER OF SERVICES
MR. ÁLVARO QUIRALTE ABELLO	GENERAL MANAGER OF ENERGY MANAGEMENT
MR. RAFAEL LOPEZ RUEDA	GENERAL MANAGER OF CHILECTRA
MR. JOSÉ LUIS PUCHE CASTILLEJO	GENERAL MANAGER OF ORGANISATION AND HUMAN RESOURCES
MR. JAIME YBARRA LLOSENT	CHAIRMAN OF THE ADVISORY COMMITTEE FOR SEVILLANA ENDESA ANDALUCÍA AND EXTREMADURA
MR. JOAQUÍN GALINDO VÉLEZ	GENERAL MANAGER OF ENDESA CHILE
MR. HECTOR LOPEZ VILASECO	GENERAL MANAGER OF STRATEGY AND DEVELOPMENT
MR. ANTÓN COSTAS COMESAÑA	CHAIRMAN OF THE ADVISORY COMMITTEE FOR FECSA-ENDESA CATALUÑA
MR. JOSÉ MARÍA ROVIRA VILANOVA	GENERAL MANAGER OF FECSA-ENDESA CATALUÑA
MR. ANDREU ROTGER AMENGUAL	REGIONAL GENERAL MANAGER FOR BALEARIC ISLANDS
MR. PABLO CASADO REBOIRO	REGIONAL GENERAL MANAGER FOR CANARY ISLANDS
MR. JOSÉ LUIS MARIN LOPEZ-OTERO	GENERAL MANAGER OF ENDESA RED
MR. ALFONSO ARIAS CAÑETE	GENERAL MANAGER OF NUCLEAR ENERGY
MR. PABLO YRARRÁZABAL VALDÉS	CHAIRMAN OF ENERSIS
MR. MARIO VALCARCE DURÁN	CHAIRMAN OF ENDESA CHILE
MR. JORGE ROSEMBLUT RATINOFF	CHAIRMAN OF ENDESA CHILE
MR. PEDRO LARREA PAGUAGA	GENERAL MANAGER FOR LATIN AMERICA
MR. BARTOLOMÉ REUS BELTRAN	CHAIRMAN OF THE ADVISORY COMMITTEE FOR GESA-ENDESA BALEARES
MR. MANUEL MORÁN CASERO	GENERAL MANAGER OF GENERATION
MR. FRANCESCO BURESTI	GENERAL MANAGER OF PROCUREMENT
MR. PAOLO BONDI	CHIEF FINANCIAL OFFICER
MR. FRANCISCO ARTEAGA ALARCÓN	GENERAL MANAGER FOR ANDALUSIA AND EXTREMADURA
MR. ENRIQUE DURAND BAQUERIZO	GENERAL MANAGER OF AUDIT
MR. ALFONSO LÓPEZ SANCHEZ	CHIEF COMMUNICATION OFFICER
MR. MASSIMO TAMBOSCO	DEPUTY CHIEF FINANCIAL OFFICER
MR. ANTONIO TORVÁ JORDÁN	DEPUTY CHIEF COMMUNICATION OFFICER
Total remuneration of senior executives (thousands of Euros)	
	40,726

B.1.13 Identify in aggregate terms whether there are any guarantee or golden parachute clauses for senior executives, including executive directors of the Company or of its group, in the event of termination or changes in control. Indicate whether these contracts have to be disclosed to and/or approved by the bodies of the Company or of its Group.

Number of beneficiaries		25
	Board of Directors	Annual General Meeting
Body authorising the clauses	YES NO	
Is the General Meeting informed of the clauses?		YES

B.1.14 Describe the process for setting Board members' remuneration and the relevant provisions in the company Bylaws.

Process for setting Board members' remuneration and the relevant provisions in the company Bylaws
<p>The Board members' remuneration is reported by the Nomination and Remuneration Committee and approved by the Board of Directors, pursuant to Article 40 of the Bylaws and, more specifically, according to Article 33 of the regulations of the Board of Directors:</p> <p>33.1 Directors' remuneration consists of the following concepts: Fixed monthly payment and share in profits. Total and annual remuneration for the entire Board and for the above-mentioned concepts shall be one per thousandth of the consolidated Group profits, approved by the shareholders at the Annual General Meeting although the Board of Directors may reduce this percentage during the periods it may deem convenient. All the above without prejudice to provisions of paragraph three under this Article about fees.</p> <p>The Board of Directors shall be responsible for the distribution of the above amount among the foregoing concepts and the directors in the manner, time and proportion stipulated by the former at its discretion.</p> <p>33.2 Board members shall also receive fees for attending each of the meetings organised by administration bodies and its committees. The amount for such fees shall be, at maximum and pursuant to the above-mentioned paragraphs, the figure established as fixed monthly payment. The Board of Directors may determine the amount for such fees within this limit.</p> <p>33.3 The remunerations mentioned in the paragraphs above, corresponding to Board's directorship, shall be compatible with other professional or labour payments corresponding to directors for any other executive or advisory positions that, as applicable, they may have in the Company, other than joint supervision and decision-making responsibilities specific to their office as directors. These remunerations shall be subject to applicable legislation.</p> <p>33.4 Pursuant to Article 130 of the Spanish Companies Act, directors may only receive payments made under the profit-sharing scheme after the appropriations to the legal reserve and to the reserve stipulated in the Bylaws have been made and after the shareholders have been recognised a dividend of 4%.</p> <p>33.5 Directors holding no professional or labour relationship with the Company shall not receive any remuneration except for collective and liability insurance corresponding to the fiscal year of their performance as directors.</p> <p>33.6 According to paragraph three under this Article, the Chairman shall also receive a compensation established when determining the specific legal scheme governing his relationship with the Company.</p> <p>In addition to the aforementioned provisions for Company directors, and pursuant to paragraph three under this Article, the Chief Executive Officer shall receive a remuneration established in his contract with the Company, specifying his or her rights and obligations, both during and after his relationship with the Company.</p> <p>Fixed payment amounts, variable payments application, and the Board's Chairman and Chief Executive Officer remuneration, corresponding to their specific schemes, shall be proposed by the Nomination and Remuneration Committee, and shall be subject to the obligation of transparency.</p> <p>33.7 The Nomination and Remuneration Committee shall draft an Annual Report on the directors' remuneration policy and the list of the payments received by each of them as such, itemising their components. Without prejudice to applying an overall individualisation at a later stage, remunerations of directors with a professional and permanent relationship with the Company shall be indicated as an overall figure for all, specifying the number of directors who receive each of the remuneration concepts.</p>

State whether any of the following decisions are reserved for approval by the full Board:

At the proposal of the company's chief executive, the appointment and potential removal of senior executives, as well as their indemnity clauses.	YES
The remuneration of directors, as well as in the case of executive directors, the additional compensation for their executive functions and other conditions to be fulfilled by their contracts.	YES

B.1.15 State whether the Board of Directors approves a detailed remuneration policy and specify the issues on which it makes a pronouncement:

YES

Amount of fixed components, with an itemisation, where applicable, of fees for participation at the meetings of the Board and its Committees and an estimate of the annual fixed remuneration derived thereof.	YES
Variable remuneration components.	YES
Main characteristics of social security systems, with an estimate of their amount or equivalent annual cost.	YES
Terms to be observed by agreements from those who perform senior executives functions as executive directors.	YES

B.1.16 State whether the Board brings before the General Meeting for a vote, as a separate point on the agenda, and on a consultative basis, a report on the directors remuneration policy. If so, explain the aspects of the report in relation to the remuneration policy approved by the Board for the coming years, the most significant changes therein with respect to the one applied during the year and an overall summary of how the remuneration policy was applied during the fiscal period. Describe the role played by the Remuneration Committee and state whether outside advisory service has been used. If so, identify the external consultants providing such advice:

NO

Role played by the Remuneration Committee	
<p>The Nomination and Remuneration Committee is responsible for reporting and proposing the Directors Remuneration Policy and the amounts paid.</p> <p>In order to establish the remunerations policy, the Nomination and Remuneration Committee conducts research to guarantee corporate governance best practices. The transparency principle shall be applied to all remuneration components and concepts, including compensation in cases of termination.</p> <p>Payments received by directors during their performance as directors shall be adjusted to the listed companies market.</p> <p>The Nomination and Remuneration Committee shall draft an Annual Report on the Directors Remuneration Policy and the list of the payments received by each of them as such, itemising their components.</p> <p>The Nomination and Remuneration Committee, pursuant to the Unified Code of Good Governance, shall submit an annual report to the Board of Directors about the Directors Remuneration Policy. Such report shall be approved by the Board of Directors and submitted to shareholders when summoned to the General Meeting.</p>	
Has external advisory service been used?	YES

Identify the external consultants
- To wers Perrin - Merc er - JA Garrigues - Sagardo y Abogados

B.1.17 Indicate, as appropriate, which Board members are, in turn, members of the Board of Directors or executives or employees of companies that hold significant interests in the listed Company and/or group companies:

Name or company name of director	Name or company name of significant shareholder	Office
MR. FULVIO CONTI	ENEL, S.P.A.	CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER
MR. ANDREA BRENTAN	ENEL ENERGY EUROPE, S.R.L.	CHAIRMAN
MR. CLAUDIO MACHETTI	ENEL, S.P.A.	DIRECTOR OF GROUP RISK MANAGEMENT FUNCTION
MR. GIANLUCA COMIN	ENEL, S.P.A.	DIRECTOR OF EXTERNAL RELATIONS
MR. LUIGI FERRARIS	ENEL, S.P.A.	CHIEF FINANCIAL OFFICER

Give details, as appropriate, of any material relationships, other than those envisaged under the preceding heading, of the members of the Board of Directors with significant shareholders and/or at Group companies:

B.1.18. Indicate the amendments, if any, to the regulations of the Board of Directors during the year:

NO

B.1.19 Indicate the procedures for the appointment, re-election, evaluation and removal of directors. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

Pursuant to Article 37 of the Company Bylaws, 'The General Shareholders' Meeting is responsible for both appointing and removing directors. The position of Director may be waived, revoked or re-elected'.

Directors' appointment and re-election are regulated by the regulations of the Board of Directors:

Article 5. Board's structure and composition.

'5.3. The directors proposed by the Board for appointment or re-election shall be individuals of renowned background and with the professional experience and knowledge appropriate to perform their functions, and who assume the commitment of sufficient dedication to their tasks.'

Article 22. Appointment of directors

'The General Shareholders' Meeting or, if applicable, the Board shall have the power to appoint their members pursuant to the provisions of the Spanish Companies Act and the Company Bylaws.

The Board shall submit the appointment proposal upon prior report by the Nomination and Remuneration Committee.'

The regulations of the Board of Directors establishes in Article 25 the re-election of directors as follows:

'The Nomination and Remuneration Committee shall report mandatorily on the proposal for the re-election of the directors the Board may decide to submit to the General Shareholders' Meeting.'

The regulations of the Board of Directors sets out in Article 26 the termination of directors as follows:

'26.1. Directors shall relinquish their directorship at the end of the term for which they were appointed, and in all other applicable circumstances, pursuant to the law, the Bylaws and this regulation.

26.2. Directors shall offer their resignation to the Board, and formalise the corresponding resignation if they are disqualified on the grounds of conflict of interest or any other legal grounds and when the Board, upon prior report by the Nomination and Remuneration Committee, decides the Director has infringed upon his/her duties.

26.3. In case of a Director's termination, for any given cause, he/she shall not be able to render services in a company considered a competitor for a two-year term, except when so exempted by the Board or upon the Board's reduction of such prohibition.'

The procedure to be followed and the criteria to be used are those regulated by the Spanish Companies Act and the regulations the Mercantile Register.

B.1.20 Indicate the cases in which the directors must resign.

The cases where directors are forced to offer their resignation to the Board of Directors are governed by Article 26 of the regulations the Board of Directors on the removal of directors.

'26.1. Directors shall relinquish their directorship at the end of the term for which they were appointed, and all other applicable circumstances, pursuant to the law, the Bylaws and this regulation.

26.2. Directors shall offer their resignation to the Board, and formalise the corresponding resignation if they are disqualified on the grounds of conflict of interest or any other legal grounds and when the Board, upon prior report by the Nomination and Remuneration Committee, decides the Director has infringed upon his/her duties.

26.3. In case of a Director's termination, for any given cause, he/she shall not be able to render services in a company considered a competitor for a two-year term, except when so exempted by the Board or upon the Board's reduction of such prohibition.'

B.1.21 State whether the Chairman of the Board of Directors also performs the functions of the company's Chief Executive. If so, describe the measures taken to limit the risks of power being concentrated in the hands of one person:

NO

Indicate, and if applicable describe, any rules that have been established that authorise an independent director to request that a Board meeting be called or that new topics be included on the agenda, to coordinate and voice the concerns of non-executive directors and to direct the evaluation by the Board of Directors.

NO

Explanation of the rules
Article 43 of the Bylaws establishes that: The Board will meet whenever convened by the Chairman or acting Chairman, at his initiative or where requested by a minimum of two directors.

B.1.22 Are qualified majorities, other than statutory majorities, required for any type of decision?

NO

Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions:

Description of resolution:

The Board shall be duly convened when half of the members plus one, present or represented, attend the meeting. Resolutions shall be adopted by the straight majority of the vote of the directors attending the meeting in person or by proxy.

Quorum	%
One half plus one	55.55

Type of majority	%
Straight	55.55

B.1.23 Explain whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

NO

B.1.24 State whether the Chairman has a casting vote:

YES

Matters on which there is a casting vote

Pursuant to Article 46 of the Company Bylaws, 'the Board shall discuss the matters included in the agenda and those proposed by the Chairman or by the majority of attending or proxy members, even if not included therein. Resolutions shall be adopted by the straight majority of the vote of the directors attending the meeting in person or by proxy. The Chairman or the member exercising his functions shall have the casting vote in the event of a tie. The provisions of this paragraph shall be considered without prejudice to those resolutions requiring qualified majority of directors as per Company Bylaws or current legislation'; likewise, Article 11 of the regulations of the Board of Directors establishes that 'the Chairman or whoever is exercising his functions shall have the casting vote in the event of a tie'.

B.1.25 Indicate whether the Bylaws or the regulations of the Board of Directors set any age limit for directors:

NO

Age limit for Chairman	Age limit for Chief Executive	Age limit for Directors
00		0

B.1.26 Indicate whether the Bylaws or the regulations of the Board of Directors set a limited term of office for independent directors:

NO

Maximum term of office (years)	0
--------------------------------	---

B.1.27 If the number of female Board members is nil or small, explain the reasons why and describe the initiatives adopted to correct this situation.

Description of the reasons and initiatives

At present there are no women on Endesa's Board of Directors. Endesa has approved an Equality Plan, which reasserts its commitment to monitor the observance of the gender equality principle, addressing:

- HR policy measures (positive actions: selection, training, remuneration, gender or sexual harassment).
- Conciliation measures (paid leave, extended leave of absence, working day reductions or changes, etc.). Highlighting: Additional time flexibility (up to one hour per day) and possibility, in specific cases, for temporary change from working day with a lunch break to continuous working day.
- Pregnancy, maternity and paternity: closed shift scheme for special female workers.
- Protection for victims of gender violence.
- Action protocol in the event of gender or sexual harassment.

Within the framework of Endesa's corporate social responsibility policies, the Company's recruiting policy includes:

Definition of positive action clauses that foster access of women with equal merits to positions where they are underrepresented.

In all cases, the Nomination and Remuneration Committee ensures the selection procedures are not affected by implicit biases that hinder the appointment of directors on personal grounds.

In particular, state whether the Nomination and Remuneration Committee has laid down any procedures so that the selection processes are not affected by implicit biases that may hinder the selection of female directors, and instead deliberately seek out female candidates with the required profile:

YES

Describe the main procedures
<p>Article 15 of the regulations of the Board of Directors establishes that the Nomination and Remuneration Committee shall be responsible for reporting on and proposing the appointment of Board members, whether through cooption or proposal to the General shareholders' Meeting.</p> <p>Pursuant to Article 5 of the regulations of the Board of Directors, the directors proposed by the Board for appointment or re-election shall be people of renowned background and with the professional experience and knowledge appropriate to perform their functions, and who assume the commitment of sufficient dedication for the furtherance of their tasks.</p>

B.1.28 Indicate whether there are any formal procedures for granting proxies to vote at Board meetings. If so, give brief details.

Article 44 of the Company Bylaws establishes that 'representation by proxy should be conferred in writing and specifically for each Director, who may not hold more than three proxies, except for the Chairman, who shall not be restricted by such limitation, although he may not represent the majority of the Board'.

Article 11 of the regulations of the Board of Directors determines that 'each Director shall transfer his/her proxy to another Board member, pursuant to the provisions of the Company Bylaws'.

B.1.29. Indicate the number of Board meetings held during the year and how often the Board has met without the Chairman's attendance:

Number of Board meetings	15
Number of Board meetings without Chairman's attendance	0

Indicate how many meetings of the various Board Committees were held during the year.

Number of Executive or Delegated Committee meetings	0
Number of Audit Committee meetings	6
Number of Nomination and Remuneration Committee meetings	12
Number of Nomination Committee meetings	0
Number of Remuneration Committee meetings	0

B.1.30 State the number of meetings held by the Board of Directors during the financial year, which were not attended by all members. For this purpose, appointments of representatives without specific instructions will be considered non-attendance:

Number of absentee directors during the period	0
Absentees as % of total votes during the period	0.000

B.1.31 Indicate whether the individual and consolidated financial statements submitted for approval by the Board are duly certified:

YES

Indicate, as appropriate, the person(s) who certified the Company's individual and consolidated financial statements for formal preparation by the Board:

Name	Office
MR. ANDREA BRENTAN	CHIEF EXECUTIVE OFFICER
MR. PAOLO BONDI	CHIEF FINANCIAL OFFICER

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements from being submitted at the Annual General Meeting with a qualified auditors' report.

There are no such special mechanisms, although according to applicable mercantile legislation and in order to be approved by the relevant Annual General Meeting, the directors determine the accounting policies and establish the necessary control systems for the individual and consolidated financial statements to present fairly the consolidated Group's equity and financial position, as well as the results of its operations and cash flows.

In addition, in order to compare the absence of differences between the above-mentioned criteria and the adopted policies, external auditors verify financial statements and are regularly informed about the controls and procedures defined by the Company and its subsidiaries, they work with absolute freedom, have access to the Audit and Compliance Committee to deliver their conclusions and recommendations as well as to the minutes from the Board of Directors, Executive Committee, Audit and Compliance Committee and Nomination and Remuneration Committee.

In turn, the External Auditor has submitted the audit reports on consolidated financial statements for the last 18 fiscal years, expressing an unqualified opinion.

B.1.33 Is the Board Secretary a director?

NO

B.1.34 Describe the procedures for appointment and removal of the Board Secretary, stating whether the appointment and removal are reported on by the Nomination Committee and approved by the full Board.

Appointment and removal procedure	
Article 38 of the regulations of the Board of Directors establishes that the Secretary shall be appointed by the Board of Directors upon the Chairman's proposal.	
Does the Nomination Committee report on the appointment?	YES
Does the Nomination Committee report on the removal?	YES
Is the appointment approved by the full Board?	YES
Is the removal approved by the full Board?	YES

Is the Board Secretary charged with the function of procuring, most especially, compliance with the good governance recommendations?

YES

Remarks
Article 38 of the regulations of the Board of Directors establishes that the Secretary shall be responsible for monitoring the observance of corporate governance principles and criteria and the provisions of the Company Bylaws and regulations.

B.1.35 Indicate the mechanisms, if any, established by the Company to preserve the independence of the auditors, of financial analysts, of investment banks, and of rating agencies.

Pursuant to Article 51 of the Company Bylaws, the Audit and Compliance Committee is responsible for monitoring good corporate governance and transparency throughout all Company's activities in economic-financial and external auditing terms and internal audit compliance, maintaining a relationship with external auditors to receive information on matters that may compromise their independence and any other matters related to the auditing process, and all other disclosures stipulated in auditing legislation and auditing standards.

In turn, there are no relations other than those derived from professional activities with financial analysts, investment banks and credit rating agencies.

B.1.36 State whether the Company has changed its external auditor during the period. If so, identify the incoming and outgoing auditors:

YES

Outgoing auditor	Incoming auditor
DELOITTE, S.L.	KPMG AUDITORES, S.L.

If there were disagreements with the outgoing auditor, describe the content of such differences:

NO

B.1.37 Indicate whether the audit firm performs other non-audit work for the Company and/or its group and, if so, state the amount of fees received for such work and the percentage over the fees billed to the Company and/or its Group:

YES

	Company	Group	Total
Amount of other non-audit work (thousands of Euros)	0	175	175
Amount of other non-audit work/total amount billed by audit firm (as a %)	0.000	4.550	2.420

B.1.38 State whether the audit report on the financial statements for the previous year contained reservations or qualifications. If so, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

NO

B.1.39 Indicate the number of years that the current audit firm has been uninterruptedly auditing the financial statements of the Company and/or the Group. Also indicate the number of years audited by the current audit firm as a percentage of the total number of years during which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	11	

	Company	Group
Number of years audited by current firm/number of years the Company has been audited (as a %)	0.0	0.0

B.1.40 Indicate any interests, disclosed to the Company, held by the members of the Company's Board of Directors in the capital of entities engaging in an activity that is identical, similar or complementary to the statutory activity of the Company or of its Group. Also indicate the positions they hold or functions performed at these companies.

Name or company name of director	Name of investee	% ownership	Position / functions
MR. BORJA PRADO EULATE	ENDESA CHILE, S.A.	0.000	DIRECTOR
MR. FULVIO CONTI	ENEL, S.P.A.	0.006	CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER
MR. ANDREA BRENTAN	ENEL ENERGY EUROPE. S.R.L.	0.000	CHAIRMAN
MR. ANDREA BRENTAN	ENEL INVESTMENT HOLDING.	0.000	DIRECTOR
MR. ANDREA BRENTAN	ENERSIS, S.A.	0.000	DEPUTY CHAIRMAN
MR. CLAUDIO MACHETTI	ENEL, S.P.A.	0.000	DIRECTOR OF GROUP RISK MANAGEMENT FUNCTION
MR. GIANLUCA COMIN	ENEL, S.P.A.	0.000	DIRECTOR OF EXTERNAL RELATIONS
MR. LUIGI FERRARIS	ENEL, S.P.A.	0.000	CHIEF FINANCIAL OFFICER
MR. LUIS DE GUINDOS JURADO	ENDESA CHILE, S.A.	0.000	DIRECTOR

B.1.41. Indicate whether there is a procedure for directors to be able to receive outside advisory services, and if so, give details:

YES

Details of procedure

The right to advice and information is regulated by Article 31 of the regulations of the Board of Directors: 'Directors shall have access to all the Company's services and may gather information and receive advice they might require on any aspect, when so demanded for the discharge of their duties. The right to information extends to all the investee companies, and shall be requested to the Chairman, through the Board's Secretary, and implemented by the Chief Executive Officer.

Directors shall also have, by a majority, the power to propose to the Board expert advice on legal, accounting, technical, financial, commercial or other matters at the company's expense if, during their duties, specific problems of certain importance and complexity arise.

The above-mentioned proposal shall be notified to the Company's Chairman, through the Board's Secretary, and implemented by the Chief Executive Officer. The Board can reject financing the above advice if it considers it unnecessary for the furtherance of their duties, because of the disproportionate cost compared to the significance of the problem, or when such technical assistance may be adequately provided by Company personnel'.

B.1.42 Indicate whether there is a procedure for the directors to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance, and if so, give details:

YES

Details of procedure

Article 41 of the Company's Bylaws establishes that: 'By virtue of their position, Directors are responsible for: a) Compiling the necessary information and properly preparing the Board meetings and those of the corporate bodies they belong to'. Pursuant to the above, Company services provide directors with the information relative to the meeting, if possible, seven days in advance and, in all cases, 48 hours prior to such meeting.

B.1.43 Indicate whether the Company has put forward rules that compel directors to disclose and, if applicable, resign in situations that may harm the Company's credit and reputation. If so, give details.

YES

Describe the rules

Article 26 of the regulations of the Board of Directors establishes that Directors shall relinquish their directorship at the end of the term for which they were appointed, and all other applicable circumstances, pursuant to the Law, the Bylaws and this regulation.

Directors shall offer their resignation to the Board, and formalise the corresponding resignation if they are disqualified on the grounds of conflict of interest or any other legal grounds and when the Board, upon prior report by the Nomination and Remuneration Committee, decides the Director has infringed upon his/her duties.

B.1.44 State whether any Board member has advised the Company that he or she has been prosecuted or ordered to stand trial for any of the criminal offences referred to in Article 124 of the Spanish Companies Act:

NO

State whether the Board of Directors has analysed the case. If so, provide the rationale of such a decision as to whether or not the director should remain on the Board.

NO

Adopted decision	Reasoned explanation

B.2 Committees of the Board of Directors

B.2.1 Give details of all the committees of the Board of Directors and their members:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Office	Type
MR. BORJA PRADO EULATE	CHAIRMAN	EXECUTIVE
MR. ANDREA BRENTAN	MEMBER	EXECUTIVE
MR. FULVIO CONTI	MEMBER	INSTITUTIONAL OUTSIDE
MR. LUIGI FERRARIS	MEMBER	INSTITUTIONAL OUTSIDE
MR. LUIS DE GUINDOS JURADO	MEMBER	INDEPENDENT OUTSIDE

AUDIT COMMITTEE

Name	Office	Type
MR. ALEJANDRO ECHEVARRÍA BUSQUET	CHAIRMAN	INDEPENDENT OUTSIDE
MR. BORJA PRADO EULATE	MEMBER	EXECUTIVE
MR. LUIGI FERRARIS	MEMBER	INSTITUTIONAL OUTSIDE
MR. MIQUEL ROCA JUNYENT MEMBER		INDEPENDENT OUTSIDE

NOMINATION AND REMUNERATION COMMITTEE

Name	Office	Type
MR. LUIS DE GUINDOS JURADO	CHAIRMAN	INDEPENDENT
MR. CLAUDIO MACHETTI	MEMBER	INSTITUTIONAL
MR. LUIGI FERRARIS	MEMBER	INSTITUTIONAL
MR. MIQUEL ROCA JUNYENT MEMBER		INDEPENDENT

B.2.2 State whether the Audit Committee is responsible for the following functions:

Supervise the preparation and the integrity of the financial information on the Company and, if applicable, the Group, reviewing compliance with regulatory requirements, proper delimitation of the scope of consolidation and correct application of accounting policies.	YES
Conduct periodic reviews of risk management and internal control systems, so that the principal risks are adequately identified, managed and disclosed.	YES
Safeguard the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the budget for this service; receive regular report-backs on its activities; and verify that the conclusions and recommendations of its reports are taken into account by senior management.	YES
Establish and supervise a mechanism that allows employees to report irregularities of potential importance, especially those of a financial and accounting nature, that they detect within the Company, confidentially and, if considered appropriate, anonymously.	YES
Bring before the Board proposals for the selection, appointment, re-election and replacement of the external auditor, as well as the terms of the auditor's engagement.	YES

Regularly receive information on the audit plan and the results of its execution from the external auditor, and verify that senior management takes into account its recommendations.	YES
Ensure the independence of the external auditor.	YES
In the case of groups, promote the Group auditor's assumption of responsibility for audits in the group companies.	YES

B.2.3 Describe the rules of organisation and functioning, and the responsibilities attributed to each of the Board committees.

Committee

NOMINATION AND REMUNERATION COMMITTEE

Brief description

Article 15 of the regulations of the Board of Directors governs the Nomination and Remuneration Committee:

15.1. The Nomination and Remuneration Committee shall be composed of no less than four and no more than six members of the Board of Directors, appointed by majority vote of the Board. Article 52 of the Bylaws stipulates that the Committee shall be composed of a majority of non-executive directors.

Article 52 of the Bylaws establishes that the Chairman of the Nomination and Remuneration Committee will be a non-executive director appointed by the Board of Directors by majority vote.

15.2. The Chairman shall be replaced every four years and may be re-elected after stepping down for one year. In his/her absence, the Chairman shall be replaced by the director provisionally appointed by the Board of Directors, or otherwise by the most senior member of the Committee.

15.3. The Nomination and Remuneration Committee shall meet as often as summoned by the Chairman, when so decided by the majority of its members or at the request of the Board of Directors. Committee meetings shall be held at the Company's registered office or any other location proposed by the Chairman and indicated in the call notice. The Committee shall be duly convened when the majority of its members attend the meeting.

15.4. Resolutions shall be adopted by majority vote of the directors attending the meeting. The Chairman or whoever is exercising his functions has the casting vote in the event of a tie.

15.5. The Board of Directors' Secretary shall be the Committee's Secretary, who shall dra w up the minutes of the adopted resolutions, which shall, in turn, be notified to the Board.

15.6. The Nomination and Remuneration Committee shall be responsible for reporting on and proposing the appointment of Board members, either through cooption or for its proposal to the General Shareholders' Meeting; The Committee shall also report on the directors' remuneration, and shall also be responsible for: - Reporting to the Board of Directors on ENDESA's Senior Management appointments (currently levels I to III), as well as Senior Executives of Enersis, Chilectra and Endesa Chile. - Approving Senior Management remuneration pursuant to the terms defined in the previous paragraph. - Deciding on the implementation of Senior Management remuneration schemes addressing company results. The Committee shall also be aware and appraise company executive policies, especially in the training, promotion and selection areas. - Defining special relationship schemes for the Chairman and the Chief Executive Officer with the Company. - Drafting and approving the Senior Management Bylaws. These functions shall include, but not be limited to, other responsibilities entrusted by the Board of Directors. The Board may request the Committee to draft a report on matters specific to its activities.

Committee**EXECUTIVE OR DELEGATE COMMITTEE****Brief description**

Article 13 of the regulations of the Board of Directors governs the Executive Committee:

13.1. The Executive Committee shall be composed of no less than five and no more than seven Directors, including the Chairman and the Chief Executive Officer. It shall meet at least once a month.

The Chairman of the Board of Directors shall be the Chairman of the Executive Committee, with the Board's Secretary acting as Secretary of the Committee. The Board of Directors' replacement scheme shall be effective for this Committee.

13.2. The Executive Committee is responsible for:

- a. Adopting resolutions corresponding to the powers delegated to it by the Board.
- b. Exercising functions related to the control of the Company's management.
- c. Studying and proposing guidelines to define the business strategy and monitoring its implementation, specially addressing the activities related to the international and diversification areas.
- d. Debating and reporting, for submission to the Board, matters related to the following issues, whether delegated or not by the Board:
 - Company budgets, itemising forecasts for each line of business and monitoring financial management, deviations and proposals for corrective measures.
 - Material or financial investments and alliances or agreements relevant to the Company.
 - Economically relevant financial transactions and medium-term action programs.
 - Assessment of the achievement of objectives of the Company's various operating units.

13.3. Executive Committee members shall be appointed by the vote of, at least, two thirds of the Board members.

13.4. Executive Committee resolutions on matters related to powers delegated by the Board are compulsory as from their adoption. However, when the Chairman or the majority of the Executive Committee members deem it convenient given the significance of the matter, Executive Committee's resolutions shall be subsequently ratified by the Board.

13.5. The Board of Directors' Secretary shall act as Executive Committee's Secretary, and shall draw up the minutes of the adopted resolutions, which shall, in turn, be notified to the Board.

Committee**AUDIT COMMITTEE****Brief description**

Article 14 of the regulations of the Board of Directors governs the Audit and Compliance Committee:

14.1. The Audit and Compliance Committee shall be composed of no less than four and no more than six members of the Board of Directors, appointed by majority vote of the Board. Article 51 of the Bylaws stipulates that the Committee shall be composed of a majority of non-executive directors.

Article 51 of the Bylaws establishes that the Chairman of the Nomination and Remuneration Committee will be a non-executive director appointed by the Board of Directors by majority vote.

14.2. The Chairman shall be replaced every four years and may be re-elected after stepping down for one year. In his/her absence, the Chairman shall be replaced by the Committee director provisionally appointed by the Board of Directors, or otherwise by the most senior member of the Committee.

14.3. The Audit and Compliance Committee shall meet as summoned by its Chairman, when so decided by the majority of its members or at the request of the Board of Directors. Committee meetings shall be held at the Company's registered office or any other location proposed by the Chairman and indicated in the call notice. The Committee shall be duly convened when the majority of its members attend the meeting.

14.4. Resolutions shall be adopted by majority vote of the directors attending the meeting. The Chairman or whoever is exercising his functions has the casting vote in the event of a tie.

14.5. The Board of Director's Secretary shall be the Committee's Secretary, who shall draw up the minutes of the adopted resolutions, which shall, in turn, be notified to the Board.

14.6. The main responsibility of this Committee is to guarantee good corporate governance and transparency throughout the Company's activities in the economic-financial, external audit and compliance and internal audit areas, and shall always be responsible for: a. Reporting at the General Meeting on the issues within its remit raised by shareholders; b. Proposing to the Board of Directors for submittal to the General Shareholders' Meeting the appointment of external auditors pursuant to Article 57 of these Bylaws; c. Monitoring internal audit services, if there is such a body within the Company's structure; d. Keeping itself informed of the Company's financial reporting process and the information and internal control systems; e. Receiving and analysing information provided by the external auditors on any issues that could compromise the auditors' independence and any other matters relating to the audit process of the financial statements; and also any other mandatory disclosures under the Audit Law and other technical audit standards. These functions shall include, but not be limited to, other responsibilities entrusted to the Committee by the Board of Directors.

B.2.4 Indicate, where appropriate, the advisory and consultative powers and any delegated authority held by each of the committees:

Committee

NOMINATION AND REMUNERATION COMMITTEE

Brief description

ADVICE, PROPOSAL, REPORTING AND APPROVAL

Committee

EXECUTIVE OR DELEGATED COMMITTEE

Brief description

DELEGATED FUNCTIONS FROM THE BOARD OF DIRECTORS

Committee

AUDIT COMMITTEE

Brief description

ADVICE, PROPOSAL, REPORTING, SUPERVISION AND APPROVAL.

B.2.5 Indicate, as appropriate, whether there are any regulations for the Board Committees; if so, indicate where they can be inquired and whether any amendments have been made during the year. Also indicate whether an annual report on the activities of each committee has been prepared voluntarily.

Committee

NOMINATION AND REMUNERATION COMMITTEE

Brief description

The Nomination and Remuneration Committee is regulated by the Company Bylaws and the regulations of the Board of Directors. On 14 December 2009, Article 52 (Nomination and Remuneration Committee) of the Company Bylaws was partially amended. The regulations of the Board, the Bylaws and amendments of 14 December 2009 are available on the Company's website: www.endesa.es. The Nomination and Remuneration Committee has drafted the Annual Report on The Directors Remuneration Policy.

Committee

EXECUTIVE OR DELEGATED COMMITTEE

Brief description

The Executive Committee is regulated by the Company Bylaws and the regulations of the Board of Directors and has not been amended during the fiscal year 2009. These documents are available on the Company's website: www.endesa.es.

Committee
AUDIT COMMITTEE

Brief description

The Audit and Compliance Committee is regulated by the Company Bylaws and the regulations of the Board of Directors. On 14 December 2009, Article 51 of the Audit and Compliance Committee Bylaws was partially amended. The regulations of the Board, the Bylaws and amendment of 14 December 2009 are available on the Company's website: www.endesa.es.
The Audit Committee prepares the activities report for the Audit and Compliance Committee each year.

B.2.6 Indicate whether the composition of the executive committee reflects the participation of the various directors on the Board according to their status:

NO

If "no" explain the composition of the executive committee

The Board is composed of 44.44% institutional outside directors, 33.33% independent directors and 22.22% executive directors. The Executive Committee comprises 40% institutional outside directors, 20% independent directors and 40% executives.

C – RELATED PARTY TRANSACTIONS

C.1 State whether only the full Board can approve, upon a prior favourable report from the Audit Committee or any other committee charged with this function, the transactions carried out by the Company with directors, or with shareholders with significant holdings or represented on the Board, or with persons related thereto:

YES

C.2 Give details of material transactions entailing a transfer of funds or obligations between the Company or group companies and the significant shareholders of the Company:

Name or company name of significant shareholder	Name or company name of company or group company	Nature of relationship	Type of transaction	Amount (thousands of Euros)
ENEL ENERGY EUROPE, S.R.L.	ENDESA, S.A.	Corporate	Dividends and other distributed profits	4,186,421
ENEL ENERGY EUROPE, S.R.L.	ENDESA, S.A.	Contractual	Services rendered	90
ENEL, S.P.A.	BOLONIA REAL ESTATE, S.L.	Contractual Collaboration or administration contracts		51
ENEL, S.P.A.	CARBOEX, S.A.	Contractual	Purchases of goods (finished or in progress)	3,981
ENEL, S.P.A.	CARBOEX, S.A.	Contractual	Collaboration or administration contracts	17
ENEL, S.P.A.	EMPRESA CARBONÍFERA DEL SUR, S.A.	Contractual Collaboration or administration contracts		86

Name or company name of significant shareholder	Name or company name of company or group company	Nature of relationship	Type of transaction	Amount (thousands of Euros)
ENEL, S.P.A.	ENDESA COGENERACIÓN Y RENOVABLES, S.A.	Contractual Collaboration	or administration contracts	2,910
ENEL, S.P.A.	ENDESA DESARROLLO, S.L.U.	Contractual Collaboration	or administration contracts	259
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA	Contractual Collaboration	or administration contracts	14,775
ENEL, S.P.A.	ENDESA ENERGÍA XXI, S.L.	Contractual	Collaboration or administration contracts	438
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Collaboration or administration contracts	881
ENEL, S.P.A.	ENDESA GAS, S.A.U.	Contractual	Collaboration or administration contracts	619
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual Collaboration	or administration contracts	8,463
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual Other	expenses	8,508
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual Financing	agreements: loans and capital contributions (borrower)	1,066
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual Other	revenue	14,314
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual Financing	agreements: loans and capital contributions (lender)	5,252
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Sale of property, plant and equipment, intangible or other assets	10,364
ENEL, S.P.A.	ENDESA INGENIERÍA S.L.	Contractual	Collaboration or administration contracts	334
ENEL, S.P.A.	ENDESA LATINOAMÉRICA, S.A.	Contractual Collaboration	or administration contracts	619
ENEL, S.P.A.	ENDESA OPERACIONES Y SERVICIOS COMERCIALES, S.L.	Contractual Collaboration	or administration contracts	264
ENEL, S.P.A.	ENDESA RED, S.A.	Contractual	Collaboration or administration contracts	238
ENEL, S.P.A.	ENDESA SERVICIOS, S.L.	Contractual	Collaboration or administration contracts	494
ENEL, S.P.A.	ENDESA TRADING, S.A.	Contractual	Collaboration or	75

Name or company name of significant shareholder	Name or company name of company or group company	Nature of relationship	Type of transaction	Amount (thousands of Euros)
			administration contracts	
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Collaboration or administration contracts	298
ENEL, S.P.A.	GAS Y ELECTRICIDAD DE GENERACIÓN, S.A.U.	Contractual Collaboration	or administration contracts	2,018
ENEL, S.P.A.	SYNOPSIS SOLUCIONES Y SERVICIOS IT LTDA	Contractual Services	rendered	82
ENEL, S.P.A.	SYNOPSIS SOLUCIONES Y SERVICIOS IT LTDA	Contractual Transfers	of R&D and licence agreements	803
ENEL, S.P.A.	UNIÓN ELÉCTRICA CANARIAS GENERACIÓN, S.A.U.	Contractual Collaboration	or administration contracts	3,661
ACCIONA, S.A.	ENDESA COGENERACIÓN Y RENOVABLES, S.A.	Contractual	Sale of property, plant and equipment, intangible or other assets	2,634,000
ACCIONA, S.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA	Contractual Receipt	of services	22,015
ACCIONA, S.A.	ENDESA GAS, S.A.U.	Contractual	Purchase of property, plant and equipment, intangible or other assets	6,198
ACCIONA, S.A.	ENDESA GENERACIÓN, S.A.	Contractual Purchase	of property, plant and equipment, intangible or other assets	1,661
ACCIONA, S.A.	ENDESA HELLAS, S.A.	Contractual	Purchase of property, plant and equipment, intangible or other assets	6,000
ACCIONA, S.A.	ENDESA, S.A.	Corporate	Dividends and other distributed profits	312,798
FINANZAS DOS, S.A.	ENDESA, S.A.	Corporate	Dividends and other distributed profits	1,248,692

C.3 Give details of material transactions entailing a transfer of funds or obligations between the Company or entities of its group and the Company's directors or executives:

C.4 Give details of material transactions by the Company with other companies of the same group, where such transactions are not eliminated in the process of preparing the consolidated financial statements and are not conducted within the course of the Company's ordinary business, as regards their subject-matter or terms and conditions:

C.5 State whether the members of the Board of Directors have at any time during the year found themselves in a conflict of interest pursuant to Article 127.3 of the Spanish Companies Act.

YES

Name or company name of director

MR. ANDREA BRENTAN

Description of the conflict of interest situation

The institutional outside directors of Enel have a conflict of interest with the collaboration agreement between Endesa Distribución Eléctrica, S.L. and Enel Distribuzione, S.p.A. for development of the telemanagement system project. The above-mentioned director therefore excused himself from the meeting for this agenda item.

Name or company name of director

MS CARMEN BECERRIL MARTÍNEZ

Description of the conflict of interest situation

The institutional outside directors of Acciona have a conflict of interest with Endesa's sale to Acciona of certain wind farm assets in Spain and Portugal and certain hydroelectric power assets in Spain. The above-mentioned director therefore excused herself from the meeting for this agenda item.

Name or company name of director

MR. CLAUDIO MACHETTI

Description of the conflict of interest situation

The institutional outside directors of Enel have a conflict of interest with the collaboration agreement between Endesa Distribución Eléctrica, S.L. and Enel Distribuzione, S.p.A. for development of the telemanagement system project. The above-mentioned director therefore excused himself from the meeting for this agenda item.

Name or company name of director

MR. ESTEBAN MORRAS ANDRÉS

Description of the conflict of interest situation

The institutional outside directors of Acciona have a conflict of interest with Endesa's sale to Acciona of certain wind farm assets in Spain and Portugal and certain hydroelectric power assets in Spain. The above-mentioned director therefore excused himself from the meeting for this agenda item.

Name or company name of director

MR. FULVIO CONTI

Description of the conflict of interest situation

The institutional outside directors of Enel have a conflict of interest with the collaboration agreement between Endesa Distribución Eléctrica, S.L. and Enel Distribuzione, S.p.A. for development of the telemanagement system project. The above-mentioned director therefore excused himself from the meeting for this agenda item.

Name or company name of director

MR. JOSÉ MANUEL ENTRECANALES DOMEQ

Description of the conflict of interest situation

The institutional outside directors of Acciona have a conflict of interest with Endesa's sale to Acciona of certain wind farm assets in Spain and Portugal and certain hydroelectric power assets in Spain. The above-mentioned director therefore excused himself from the meeting for this agenda item.

Name or company name of director

MR. LUIGI FERRARIS

Description of the conflict of interest situation

The institutional outside directors of Enel have a conflict of interest with the collaboration agreement between Endesa Distribución Eléctrica, S.L. and Enel Distribuzione, S.p.A. for development of the telemanagement system project. The above-mentioned director therefore excused himself from the meeting for this agenda item.

Name or company name of director

MR. VALENTÍN MONTOYA MOYA

Description of the conflict of interest situation

The institutional outside directors of Acciona have a conflict of interest with Endesa's sale to Acciona of

certain wind farm assets in Spain and Portugal and certain hydroelectric power assets in Spain. The above-mentioned director therefore excused himself from the meeting for this agenda item.

C.6. Give details of the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the Company and/or its Group and its directors, executives or significant shareholders.

Article 30 of the regulations of the Board of Directors establishes that:

Directors shall refrain from using the Company's name or relying on their status as directors thereof to perform transactions for their own account or that of people related to them.

Directors shall refrain from performing investments for their own benefit or that of persons relating to them, or any transactions linked with the Company's assets, of which they have been apprised due to the position they discharge, when the investment or the transaction had already been offered to the Company or the Company had an interest in it, provided that the Company had not dismissed such investment or transaction without the intervention of the director.

Directors shall notify the Board of Directors of any situation that may pose a direct or indirect conflict with the Company's interests. In the event of a conflict of interest, they shall refrain from participating in the transaction to which the conflict refers.

In all cases, Company directors' conflicts of interests shall be reported in the Corporate Governance Annual Report.

Directors shall notify their interest in companies engaging in an activity that is identical, similar or complementary to the Company's corporate purpose, as well as positions or functions performed therein, and engagement in an activity that is identical, similar or complementary to the Company's corporate purpose for their own account or that of people related to them. Such information shall be included in the Annual Report.

Article 27 of the regulations of the Board of Directors, establishing Directors' responsibilities, determines that:

Directors shall contribute to the Board's responsibility for fostering and monitoring the Company's management. They shall perform their duties with allegiance to the corporate interest, loyalty and diligence. Their actions shall be solely guided by the Company's corporate interests, interpreted independently, always striving for the best defence and protection of shareholders' interests as a whole, from whom their powers derive and to whom they shall be accountable.

Directors, by virtue of their office, are obliged, among other issues, to report transactions performed by relatives or companies related to the Director in terms of equity, relevant to the Company's management.

Article 29 of the regulations of the Board of Directors establishes with regard to Directors' use of information and corporate assets that:

Directors shall refrain from using non-public information for private purposes, except in the absence of any harm to the Company, or when the information is relevant for the acquisition or sale of Company securities. The rules of conduct established by Law and under the Company's Internal Code of Conduct shall always be observed in the Securities Market.

Directors shall refrain from using, on a personal basis, the company's assets or their own status in the Company in order to obtain an undue economic gain unless for an adequate consideration. Should the director be exempted of such consideration, the economic gain obtained in such a way can be considered indirect remuneration and shall be authorised by the Nomination and Remuneration Committee.

Finally, according to the Internal Code of Conduct in relation to conflict of interests:

Individuals subject to the Code (Directors, Senior Executives, Executives, employees, external advisors) shall inform the General Secretary of possible conflicts of interest that may arise from the ownership of personal or family assets, or from any cause that may interfere with the activities which are the subject matter of this Code.

In the event of any concern about a potential conflict of interests, individuals subject to the Code shall consult the General Secretary, who shall settle the issue in writing. The General Secretary may submit the matter to the Audit and Compliance Committee, when deemed convenient due to its relevance or complexity.

Should the person affected by a conflict of interests be a member of the Audit and Compliance Committee or the Chief Executive Officer, the Committee shall be responsible for resolving the matter. Should the affected person be the General Secretary, he/she shall notify the Chief Executive Officer of the potential conflict for him/her to resolve the matter or, if applicable, submit it to the Audit and Compliance Committee.

C.7 Is more than one company in the group publicly traded in Spain?

NO

Identify the subsidiary companies that are listed in Spain:

D - RISK CONTROL SYSTEMS

D.1 General description of the risk policy of the Company and/or its Group, giving details of and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

Risk management involves guiding and directing strategic, organisational and operating activities to enable managers to maximise the profitability of the company, maintain or increase its equity above certain levels and prevent future events from having a negative impact on achieving the profitability targets set by the company.

Risk management is part of corporate governance and is promoted by the Company's senior executives. To be effective, risk has to be considered as one further aspect of operating plans, and the factors that could affect achieving business objectives need to be identified and analysed and their consequences quantified to determine the necessary actions that need to be taken for greater assurance that targets will be achieved.

The following general principles are used to manage risks in Endesa:

1. Global risk strategies are established and developed in terms of tactics and operations, to act as guidance for defining and deploying the different risk types and levels within the Company, consistently with its business objectives.
2. The Endesa Risk Committee defines, approves and updates the fundamental principles and criteria to be used as the basis for risk-related initiatives.
3. Endesa's Risk Committee is also responsible for approving Endesa's global risk policy and strategy, which form the framework of its corporate departments and businesses.
4. Any action that could involve higher levels of risk than those established by Endesa's Risk Committee is subject to authorisation from that Committee.
5. In addition to the above-mentioned authorities, the management of risk is organised in operational terms by independent risk control and risk management functions.
6. A single risk control function serves all of Endesa and is included in its hierarchy. Its responsibility is to oversee compliance by all risk-related activities with risk policy.
7. Each corporate department or business has its own risk management function, the responsibility of which is to direct management of the risks under its authority and to implement risk controls that ensure compliance with the instructions and limits authorised by Endesa's Risk Committee.

The risks to which Endesa's activities are exposed are grouped into:

- Business risk: this type of risk includes:
 - Legal risk, which is the uncertainty deriving from government or legal action on the application and interpretation of contracts, laws or regulations.
 - Strategic and regulatory risk, connected to possible losses of value or losses as a result of strategic uncertainties, changes in the environment, market/competition and regulatory framework. This includes country risk, the risk of restrictions on dividends and nationalisation either in full or through expropriation regulations.

- Market risk: risk of fluctuations in prices and market variables leading to changes in the enterprise value or margin. These risks are categorised as:
 - Commodity risk, or risk of variation in prices of the raw materials of energy or fuel, in their respective quoted currencies.
 - Interest rate risk: the risk of fluctuations in interest rates and credit margins or inflation.
 - Currency risk: the risk associated with foreign currency exchange rates.
 - Liquidity and financing risk: in relation with liabilities, the risk of failing to complete transactions or meet obligations deriving from financial or operating activities due to lack of funds or access to financial markets; in relation with assets, the risk of being unable to find at a given time a buyer for assets at their market price or the absence of a market price.
 - Risk of variable income, or the risk of changes in share prices or other variable income indexes.
 - Credit or counterparty risk: the risk of insolvency, receivership or bankruptcy or of possible defaults on payments of quantifiable or monetary obligations, by counterparties to which the Company has granted net credit, for any reason, which is pending settlement or collection.
 - Operational risk: the risk of incurring losses due to the absence or inadequacy of procedures, human resources and systems, or due to external events.

Endesa's risk control system, in which global risk is defined as the risk resulting from consolidation of all risks to which it is exposed, considering the mitigating effects between the different exposures and categories of risk, enables consolidation and measurement of the risk exposures of the Company's business areas and units, and preparation of the corresponding management information for decision-making on risk and appropriate use of capital.

The risk management and control process model is partly based on the ongoing study of the risk profile, current best practices in the electricity sector or benchmark practices in risk management, criteria for standardising measurements and the separation between risk managers and controllers. It is also partly based on ensuring that the risk assumed is connected with the resources required to operate businesses, optimising their risk-return ratio.

The risk management and control cycle is the set of activities involved in identifying, measuring, controlling and managing the different risks incurred by the businesses and the Company, aimed at an adequate control and management of those risks.

- Identification: The purpose of identifying Endesa Group risks is to maintain a prioritised and updated repository of all the risks assumed by the corporation through coordinated and efficient participation at all levels of the Company. This process is based on the following tasks:

- Continuous identification of relevant new risks/opportunities assumed by the Group.
- Include and regularly update the features/descriptions of identified risks.
- Obtain a preliminary quantification of identified risks.
- Prioritisation of risks according to the established classification criteria by relative importance.
- Integrate gathered information into an Endesa Group Risk Map included in the corporate reporting scheme.

- Measurement: The purpose of measuring parameters that enable aggregation and comparison of Endesa Group risks is to obtain an overall quantification of the exposure to risk assumed, including all of the Group's positions. The following measures are applied according to the decisions to be made: Value at Risk, EBITDA at Risk, Margin at Risk. The following tasks are performed:

- Timely collection of unique, consistent and reliable information on risk positions and factors.
- Consistent modelling of risk positions and factors.
- Compilation of measures encompassing all the Endesa Group's risks.
- Compilation of supplementary measures to understand the risk structure assumed by the Endesa Group.
- Inclusion of measuring process-based information in the corporate risk reporting scheme.

- Control: The purpose of risk control is to guarantee the appropriateness of the risks assumed by Endesa as a whole. This is achieved through the following tasks:

- Definition of quantitative references (limits) showing Endesa's strategy and the risk pre-defined by senior executives.
- Monitoring of set limits.
- Possible breaches of set limits are identified and considered.

-Establishment of actions, processes and information flows necessary to allow for the temporary review of limits in order to take specific opportunities arising from each activity.

- Management. The purpose of risk management is the implementation of actions aimed at adjusting the risk levels assumed at each level of the Company to the set risk tolerance and predisposition.

D.2 State if any of the different types of risk that affect the Company and/or its Group (operational, technology, financial, legal, reputational, tax, etc.) have materialised during the year:

YES

If so, describe the circumstances that gave rise to these risks and state whether the control systems in place functioned properly.

Risk materialised during the year

There is a constant exposure to risks, such as regulatory, interest rate or exchange rate risks.

Circumstances that gave rise to risk

During the fiscal year, risks have remained within normal terms, in line with the activity carried out.

Functioning of control systems

Control systems have worked appropriately.

D.3 Indicate whether any committee or other governing body is responsible for establishing and overseeing these control mechanisms.

YES

If so, give details of its functions.

Name of committee or body

ENDESA RISK COMMISSION

Description of functions

Description of functions.

Regular monitoring of the risk exposure level of Endesa, its businesses and corporate departments, analysis of the relevant risks that may affect Annual Operating Plan forecasts and relevant transactions.

The Commission's main functions are:

- Analysing and designing recommendations on the appropriateness of risk control procedures.
- Analysing breaches of the policies or limits approved by the Commission in the scope of the risk management standard.
- Monitoring cases of exceeded risk limits and corrective actions taken by the Commission.
- Supervising and debating the risk impact of relevant transactions.

Composition of Endesa's Risk Commission.

Chairman: Deputy General Manager, Risks and Investor Relations

Members: Director of Risk Control

Deputy Director of Control over Corporate, Energy and Credit Risks

Deputy Director of Control over Financial Risk

Director of Risk Management and Analysis

Regional Manager of Energy Management in Latin America
 Director of Capital Markets and Management of Financial Risks
 Deputy General Manager of Finance
 Deputy General Manager Business Strategy
 Deputy General Manager Planning and Control Spain and Portugal
 Director Planning and Control Latin America
 Director Corporate and Financial Legal Advisory
 Director of Social Benefits
 Director of Internal Audit
 Secretary, Deputy General Manager of Control over Corporate, Energy and Credit Risks

Name of committee or body

AUDIT AND COMPLIANCE COMMITTEE

Description of functions

This committee belongs to the Board of Directors of Endesa, S.A. and, in the field of internal audit and compliance, is responsible for promoting and supervising risk management.

Name of committee or body

ENDESA RISK COMMITTEE

Description of functions

Description of functions.

Endesa's risk committee is responsible for defining, approving and updating the basic principles which act as guidance for risk-related activities.

The main functions of the Endesa Risk Committee are:

- Approve Endesa's global risk policy, issued and filed as a legal document.
- Approve the types and thresholds of 'relevant transactions' and make these known, at least, in the process of preparing the Annual Operating Plan
- Identify the corporate departments that manage the value of a portfolio, margin or costs and, where applicable, risks that could exist in the company and which are not managed by any units.
- Establish and update the criteria, basic principles and overall strategy in line with Endesa's activities in its different corporate departments/businesses:
 - Ensure their adaptation and development in the corporate departments and businesses.
 - Approve the Endesa Group's global risk measurement methods.
 - Establish overall risk limits for corporate departments and businesses as proposed by the Chief Financial Officer.
 - Resolve any risk-related disputes.
 - Review Endesa's risk exposure at least quarterly.
 - Supervise the information on those transactions identified as relevant.
 - Analyse, through management reports, the impact of transactions classified as relevant on business results.
 - Analyse the risk exposure of Endesa, its businesses and corporate departments.
 - Authorise those transactions which, given their high risk impact, exceed the limits set by the Committee.
 - Provide corrective instructions in the event of breaches of any aspects of the risk regulatory framework.

Composition of Endesa's Risk Committee:

Chairman: Chief Executive Officer

Members: Chief Financial Officer
 General Manager, Spain and Portugal
 General Manager, Latin America
 General Manager, Strategy and Development

Secretary: Deputy General Manager, Risks and Investor Relations

Name of committee or body

BUSINESS RISK COMMITTEE

Description of functions

Description of functions.

This Committee's mission is to apply Endesa and business risk policy.

The main functions of the Committee are:

- Approving business risk policy, based on Endesa's global risk policy, issued and filed as a legal document.
- Providing corrective instructions in cases of breaches of Endesa's internal regulations.
- Analysing and regularly reviewing the level of risk exposure of its business and companies.
- Authorising those transactions which due to their high risk impact exceed the limits set, referring these where necessary to the Endesa Risk Committee.
- Informing the Endesa Risk Committee of the main agreements reached in this area.

D.4 Identification and description of the procedures for compliance with the various regulations affecting the Company and/or its Group.

The Company and its subsidiaries carry out their activities within the framework of different regulations: sector, securities market, environmental, labour, tax, etc. in Spain and the other countries where they operate. Rules, procedures and controls have, therefore, been established to guarantee compliance or, where applicable, immediately correct non-compliance.

Each of the Company's corporate or business areas is responsible for complying with the regulations applicable to the sector in which it operates. However, there are four units with clearly identified responsibilities, which guarantee compliance with internal and external regulations affecting Endesa and its subsidiaries:

General Secretariat and Board of Directors Secretariat, responsible for ensuring that the actions of the Company's Governance bodies are in formal and substantive compliance with the law; verifying compliance with the Bylaws and provisions from regulatory bodies; and safeguarding compliance with the procedures and rules of good governance.

Legal Advisory General Management, responsible for fostering those measures that guarantee compliance by Endesa and its Group companies with current legislation in all applicable aspects. Internal procedures ensure, therefore, involvement in all of the business areas with significant legal impact. The Company also has the necessary external advice on regulations that affect the company both in Spain and in the other countries where it operates.

Audit General Management, responsible for ensuring Endesa's internal regulations compliance, directly applicable to the subsidiaries fully owned by Endesa. In all the other companies where Endesa holds an interest, its representatives in governance and management bodies shall promote the adoption of the internal regulations. It is also responsible for coordinating and monitoring the work performed by external audit companies.

.Economic Financial and Control General Management, responsible for monitoring and coordinating the financing of business areas and subsidiaries; identifying, assessing and controlling risks; and verifying whether corporate businesses and areas are within established limits.

E- GENERAL MEETING

E.1 State if there are differences with the quorum provisions of the Spanish Companies Act in respect of General Meetings. If so, give details.

NO

	% quorum different from that set out in Article 102 of the Spanish Companies Act for general matters	% quorum different from that set out in Article 103 of the Spanish Companies Act for special cases under Article 103
Quorum required at 1 st call	0 0	
Quorum required at 2 nd call	0	0

E.2 State if there are differences with the rules laid down in the Spanish Companies Act regarding the adoption of resolutions. If so, give details.

NO

Describe how they differ from the rules established in the Spanish Companies Act:

E.3 List any shareholder rights in connection with General Meetings that differ from those contained in the Spanish Companies Act.

Neither the Bylaws nor the General Shareholders' Meeting Regulations grant Company shareholders any rights other than those established by the Spanish Companies Act, for common and non-voting, redeemable or preferred shares.

E.4 Indicate the measures, if any, adopted to encourage participation by shareholders at General Meetings.

Pursuant to the Bylaws, the Company approved its General Shareholders' Meeting Regulations to increase shareholders' interest therein through the appropriate management of mechanisms that may facilitate its information and foster its contribution to developing corporate will by exercising the right to intervene in debates and to vote.

Insofar as possible, ENDESA implements an active policy to disseminate its call to the General Meeting as extensively as possible, and tries to foster shareholders' participation through measures such as:

- Maximum publicity of the General Meeting's call, publishing it in the BORME (Official Gazette of the Mercantile Registry) as well as in different national newspapers and other local or regional papers, and maximum time between the call notice issuance and the General Meeting, which was 34 and 38 days in 2009 (Ordinary General Shareholders' Meeting and Extraordinary General Shareholders' Meeting), 32 days in 2008, 36 and 52 days in 2007 (Ordinary General Shareholders' Meeting and Extraordinary General Shareholders' Meeting), 32 days in 2006 and 35 days in 2005, giving shareholders the entire content of resolutions and other information with plenty of time in advance.
- Increase shareholders' regular communication channels with the Company, offering an additional mailbox on the website under the General Shareholders' Meeting caption.
- Direct broadcasting of the Annual General Meeting on the Company's website (www.endesa.es).
- Remote, regular mail and electronic voting and proxy in the 2009, 2008, 2007, 2006 and 2005 Ordinary and Extraordinary General Shareholders' Meetings.

In short, over recent years the Company has been striving to achieve the largest shareholders' participation possible at the General Meetings, achieving the following quorum in the last four fiscal years:

Year	Quorum
2005	66.23%
2006	48.26%
2007	75.11% (Annual General Meeting)
2007	93.57% (Extraordinary General Meeting)
2008	93.84 %
2009	93.54% (Annual General Meeting)
2009	93.75% (Extraordinary General Meeting)

E.5 Indicate whether the Chairman of the Board of Directors chairs General Meetings. Give details of what measures, if any, are adopted to ensure the independence and correct functioning of the General Meeting:

YES

Details of measures
The General Shareholders' Meeting guaranteed independence and proper operation responds to the General Shareholders' Meeting Regulations implemented in 2003, Article 1 of which state that the Regulations: 'govern, pursuant to legal provisions and the By-laws, the organisation and functioning of the General Shareholders' Meeting, its call, preparation, information, attendance and development to facilitate shareholders' exercise of their rights', thereby contributing to developing corporate will by exercising the right to intervene in debates and to vote.

E.6 Indicate, as appropriate, any amendments introduced to the General Meeting Regulations during the year.

PREAMBLE

In compliance with the Company Bylaws and in consideration of the standards of good governance for listed companies, the shareholders of Endesa hereby adopt the present regulation at their General Meeting. Its objective is to increase the participation of shareholders at the General Meeting, through optimal organisation of the mechanisms for informing shareholders and stimulating their contribution to corporate will by exercising their discussion and voting rights. For these purposes, legal and statutory regulations and recommendations for good governance, best practices in listed companies and Endesa's own experience have been considered to prepare the contents of this regulation.

Article 6. Competences.

The General Meeting is responsible for resolving all matters on which it is required to decide by law or the Company Bylaws and, in general, adopting all the agreements appropriate to its status as the Company's governing body. In particular, its responsibilities include the following:

- a) Resolution on the approval of the individual and consolidated annual accounts and distribution of profits/application of losses, and how to examine and, where applicable, approve company management.
- b) Appointment and, where applicable, renewal or ratification of members of the Board of Directors, without prejudice to the Board's cooptation powers, and agreement for its separation.
- c) Appointment and, where applicable, renewal of the auditors, and agreement of their replacement in legally permitted cases.
- d) Agreement of share capital increases or reductions, the issue of debt, the transformation, merger, spin-off or

- liquidation of the Company and, in general, any amendments to Company Bylaws.
- e) Approval and modification of the General Meeting Regulations.
 - f) Decision on those issues submitted for authorisation from the Board of Directors and other legally attributed decisions.
 - g) Exercise of any other authority attributed to it by Law or the Company Bylaws, and the knowledge of or decision on any issue which the Board of Directors agrees should be subject to reporting or resolution by the General Meeting, as it is considered of particular relevance to corporate interests.

Article 8. Publication and announcements of convened meetings.

1. The General Meeting is convened by notice in the "Boletín Oficial del Registro Mercantil" (Official Gazette of the Mercantile Registry) and one of the newspapers with highest circulation in the region, at least one month before the date of the meeting.
The meeting notice is sent by the Company to the Spanish National Securities Market Commission and other bodies governing the markets in which it is traded, according to the prevailing regulations in those markets.
2. The meeting notice states the date of first call and all the items on the agenda, indicating, as applicable, the agenda items which have been included at the request of legitimised shareholders. The date of a second call of the meeting can also be stated if required. The first and second call should be separated by at least 24 hours.
3. If the General Meeting, duly convened, is not held on the first call, and the date of the second call was not foreseen in the meeting notice, this should be announced, with the same publication requirements as for the first, within 15 days after the date the meeting was not held and 8 days prior to the meeting.
4. The text of the notice is included on the company's website and includes information on any other issues of interest for following the meeting, such as resources for simultaneous interpreting or audiovisual broadcasting of the General Meeting.
5. Shareholders representing at least five percent of share capital can request that a supplement be published to the notice of a General Shareholders' Meeting including one or more agenda items. This right should be exercised by written notice, which should be sent to the registered offices within the five days following publication of the meeting notice.
The supplement to the meeting notice should be published a minimum of fifteen days before the date established for the meeting.
Failure to publish the supplement to the meeting notice in the legally established period would nullify the meeting.
6. Proposals for the appointment or ratification of each director are included separately on the agenda, as are amendments to Company Bylaws, which are implemented for each Article or group of Articles that are substantially independent or consistent in their subject matter.

Article 10. Entitlement to attendance.

1. Shareholders who have registered their shares in the corresponding accounting record of book entries five days before the meeting, and who hold the corresponding attendance card, are entitled to attend the General Meeting. Attendance cards are issued by the institutions which hold the accounting records, and are used by shareholders as proof of authorised representation at the meeting in question.
2. Before the meeting, all attendees are provided with the text of the proposed agreements that will be subject to resolution at the General Meeting, excluding any appendix documents and, where applicable, the text of those responses provided to any information requests submitted by shareholders in writing before the General Meeting, when the Board of Directors considers it necessary or appropriate to inform the shareholders attending the meeting.
3. Members of the Board of Directors are required to attend General Meetings.
4. The Chairman can authorise the attendance of any person considered suitable, although the General Meeting can revoke this authorisation.

Article 11. Proxy.

1. All shareholders entitled to attend the General Meeting can do so by proxy. Representation should be conferred in writing separately for each individual meeting. This representation facility is without prejudice to the law for those cases of representation by family members and the issue of general powers.
In any case, no more than one proxy can attend the meeting in cases of voluntary or legal representation.
2. Representation can always be revoked. Personal attendance at the General Meeting of the represented party will revoke that representation.
3. Financial brokers legitimised as shareholders but which act on behalf of different clients can divide their vote, enabling them to comply with instructions received.

Article 20. Resolutions.

1. Resolutions must be adopted with the favourable vote of the majority of capital with voting rights present or represented at the meeting, without prejudice to the qualified quorum for constitution and voting established by the law and the Company Bylaws.
When substantially independent matters are subjected to voting at the General Meeting, the Board of Directors will make different proposals for agreements on which the shareholders can vote separately, particularly:
 - appointment or ratification of directors, which should be voted upon individually.
 - amendments to Corporate Bylaws, distinguishing between each Article or group of Articles that are substantially independent.
2. If proposals have been made on matters on which the meeting can agree but which are not included on the agenda, the Chairman can decide the order in which these will be voted upon. In other cases, the process for adopting agreements will follow the agenda set forth in the meeting notice.
3. Subject to a reading by the Secretary, from which it could be evident that no shareholders are opposed, any proposed agreements prepared by the Board of Directors are first put to the vote, followed by any prepared by other proponents in order of priority.
In any case, once a proposal is agreed, all other incompatible proposals relating to the same matter will be automatically rejected, without the need for a vote.
4. The following voting system will be followed to adopt agreements:
 - a) When agreements are on issues included in the agenda, votes in favour of the proposal are considered as those corresponding to the shares attending the meeting, present or by proxy, less the votes corresponding to the shares whose holders or representatives inform the Notary, by written correspondence or personal declaration, of their vote against, blank vote or abstention.
 - b) When agreements are on issues not included in the agenda, votes against the proposal are considered as those corresponding to the shares attending the meeting, present or by proxy, less the votes corresponding to the shares whose holders or representatives inform the Notary, by written correspondence or personal declaration, of their vote in favour, blank vote or abstention.
 - c) For the purposes foreseen in the two preceding paragraphs, shares attending the meeting are considered as those included in the list of attendees less those whose holders or representatives have absented themselves from the meeting before the vote and who have notified the Notary of this absence.
5. Notwithstanding paragraph four above, and based on the circumstances in each case, the Table of the Meeting can agree to another voting system for adopting agreements which make it possible to verify that the necessary votes in favour have been obtained and documenting the results of the vote.
6. Whichever voting system is followed, verification by the Table of the Meeting of a sufficient number of votes in favour for the required majority in each case will enable the Chairman to declare that the corresponding agreement has been approved.

Article 20 [bis] – Postal/electronic votes and proxies.

- a) Shareholders with attendance and voting rights can cast their vote on proposals concerning issues included in the agenda by post or electronically, pursuant to the Company Bylaws, this regulation and supplementary and developing regulations established by the Board of Directors.

Postal votes are cast by sending the Company the attendance card issued by the Company or institutions responsible for recognising book entries, without prejudice to any other requirements and conditions established by the Board of Directors in accordance with section b) of this Article.

Electronic votes are cast using a recognised electronic signature or any other type of guarantee considered appropriate by the Board of Directors for ensuring the authenticity and identification of the shareholder exercising their voting right, also without prejudice to any other requirements and conditions established by the Board of Directors in accordance with section b) of this Article.

Votes by any of the means foreseen in this section a) should be received by the Company sufficiently in advance of the General Meeting to be appropriately processed, otherwise votes will be considered as not cast. Shareholders entitled to attend who cast their postal/electronic votes as foreseen by this section a) will be understood as present for the purposes of constituting the General Meeting.

- b) The Board of Directors is empowered to develop the provisions of section a) above, establishing the rules, means and procedures appropriate to the technical status and terms, conditions, limits and requirements considered suitable to supplement the rules foreseen in this regulation for exercising voting rights by post/electronically. The Board of Directors, based on the status and security offered by the available technical resources, will also establish the date from when shareholders can cast a postal/electronic vote.
- c) In particular, the Board of Directors can regulate the use of guarantees other than electronic signatures for electronic votes to preserve the authenticity and identification of the shareholder exercising the right to vote, and can also reduce the period referred to in section a) for receipt of postal or electronic votes by the

Company.

In any case, the Board of Directors will adopt the measures necessary to avoid possible duplications and to ensure that those voting by post or electronically are duly authorised to do so, pursuant to Article 27 of the Company Bylaws.

- d) Articles a) and b) above are equally applicable to the authorisation of representation by the shareholder for the General Meeting by web or any other type of postal/electronic voting. In accordance with the Company Bylaws, shareholders' personal attendance at the General Meeting revokes any vote they have sent by post or electronically. Shareholders' personal attendance at the General Meeting also has the effect of revoking the proxy authorised electronically or any other type of postal/electronic correspondence foreseen in the regulations of the General Meeting.

E.7 Indicate the data on attendance at the General Meetings held in the year to which this report refers:

Attendance data					
Date of General Meeting	% attendance in person	% attendance by proxy	% by remote voting		Total
			Electronic vote	Other	
30/06/2009	0.005	93.532	0.000	0.005	93.542
14/12/2009	92.066	1.685	0.000	0.004	93.755

E.8 Briefly indicate the resolutions adopted at the General Meetings held in the year to which this report refers and the percentage of votes with which each resolution was adopted.

ORDINARY GENERAL MEETING 30 JUNE 2009

ONE. Examination and approval, as applicable, of the individual annual accounts of Endesa, S.A. (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the accounts) and the consolidated annual accounts of Endesa, S.A. and subsidiaries (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated accounts) for the year ended 31 December 2008.

This resolution is approved by majority vote, in favour: 990,388,807 shares, 99.99951%; against: 984 shares, 0.00010%; abstention: 3,621 shares, 0.00037%; blank: 205 shares, 0.00002%.

TWO. Examination and approval, as applicable, of the individual directors' report of Endesa, S.A. and the consolidated directors' report of Endesa, S.A. and subsidiaries for the year ended 31 December 2008.

This resolution is approved by majority vote, in favour: 988,130,796 shares, 99.77152%; against: 1,167 shares, 0.00012%; abstention: 2,261,549 shares, 0.22835%; blank: 105 shares, 0.00001%.

THREE. Examination and approval, as applicable, of the company management for the year ended 31 December 2008.

This resolution is approved by majority vote, in favour: 988,118,086 shares, 99.77024%; against: 14,288 shares, 0.00144%; abstention: 2,261,138 shares, 0.22831%; blank: 105 shares, 0.00001%.

FOUR. Examination and approval, as applicable, of the distribution of the profit and of the dividend for the year ended 31 December 2008.

This resolution is approved by majority vote, in favour: 990,376,246 shares, 99.99825%; against: 14,134 shares, 0.00143%; abstention: 3,132 shares, 0.00032%; blank: 105 shares, 0.00001%.

FIVE. Appointment of the auditor of the Company and its consolidated Group.

'Appointment of KPMG AUDITORES, S.L. as auditor of Endesa, S.A. and of its consolidated Group for 2009, 2010 and 2011'.

This resolution is approved by majority vote, in favour: 990,386,300 shares, 99.99926%; against: 1,592 shares, 0.00016%; abstention: 5,620 shares, 0.00057%; blank: 105 shares, 0.00001%.

SIX. Authorisation for the Company and its subsidiaries to acquire treasury shares pursuant to Article 75 and the first additional provision of the Spanish Companies Act.

This resolution is approved by majority vote, in favour: 990,328,201 shares, 99.99339%; against: 60,301 shares, 0.00609%; abstention: 5,010 shares, 0.00051%; blank: 105 shares, 0.00001%.

SEVEN. Set the number of members of the Board of Directors. Ratification, appointment, renewal or re-election of directors.

The number of directors on the Board of the Company is set at NINE (9), within the minimum and maximum number pursuant to the Corporate Bylaws.

Appointment of Mr. Fulvio Conti as member of Endesa S.A.'s Board of Directors.

Appointment of Mr. Luis de Guindos Jurado as member of Endesa S.A.'s Board of Directors.

Appointment of Mr. Miguel Roca Junyent as member of Endesa S.A.'s Board of Directors.

Appointment of Mr. Alejandro Echevarría Busquet as member of Endesa S.A.'s Board of Directors.

This resolution is approved by majority vote, in favour: 980,649,412 shares, 99.01613%; against: 6,929,060 shares, 0.69963%; abstention: 2,815,040 shares, 0.28423%; blank: 105 shares, 0.00001%.

EIGHT. Authorisation of the Board of Directors to implement and develop the resolutions adopted by the General Meeting and to delegate the powers conferred by the meeting, and granting of powers for the formalisation and registration of these resolutions and any respective amendments.

This resolution is approved by majority vote, in favour: 988,116,068 shares, 99.77004%; against: 15,356 shares, 0.00155%; abstention: 2,262,088 shares, 0.22840%; blank: 105 shares, 0.00001%.

EXTRAORDINARY GENERAL MEETING 14 DECEMBER 2009

ONE. Amendment to Article 7 of the Company Bylaws. Shareholder entitlements.

This resolution is approved by majority vote, in favour: 992,617,104 shares, 99.99832%; against: 12,927 shares, 0.00130%; abstention: 3,472 shares, 0.00035%; blank: 255 shares, 0.00003%.

TWO. Amendment to Article 9 of the Company Bylaws. Representation of shares. Shareholder registry.

This resolution is approved by majority vote, in favour: 992,617,565 shares, 99.99837%; against: 10,974 shares, 0.00111%; abstention: 4,964 shares, 0.00050%; blank: 255 shares, 0.00003%.

THREE. Amendment to Article 15 of the Company Bylaws. Share capital reduction.

This resolution is approved by majority vote, in favour: 992,617,111 shares, 99.99832%; against: 12,875 shares, 0.00130%; abstention: 3,517 shares, 0.00035%; blank: 255 shares, 0.00003%.

FOUR. Amendment to Article 22 of the Company Bylaws. Convening the General Meeting.

This resolution is approved by majority vote, in favour: 992,619,590 shares, 99.99857%; against: 9,168 shares, 0.00092%; abstention: 4,745 shares, 0.00048%; blank: 255 shares, 0.00003%.

FIVE. Amendment to Article 27 of the Company Bylaws. Entitlement to attendance.

This resolution is approved by majority vote, in favour: 992,617,726 shares, 99.99838%; against: 12,547 shares, 0.00126%; abstention: 3,230 shares, 0.00033%; blank: 255 shares, 0.00003%.

SIX. Amendment to Article 28 of the Company Bylaws. Representation.

This resolution is approved by majority vote, in favour: 992,617,536 shares, 99.99837%; against: 11,101 shares, 0.00112%; abstention: 4,866 shares, 0.00049%; blank: 255 shares, 0.00003%.

SEVEN. Amendment to Article 37 of the Company Bylaws. Number of directors.

This resolution is approved by majority vote, in favour: 992,619,469 shares, 99.99856%; against: 10,595 shares, 0.00107%; abstention: 3,439 shares, 0.00035%; blank: 255 shares, 0.00003%.

EIGHT. Amendment to Article 43 of the Company Bylaws. Meeting notice and location.

This resolution is approved by majority vote, in favour: 992,619,469 shares, 99.99856%; against: 10,595 shares, 0.00107%; abstention: 3,439 shares, 0.00035%; blank: 255 shares, 0.00003%.

NINE. Amendment to Article 45 of the Company Bylaws. Board positions.

This resolution is approved by majority vote, in favour: 992,619,305 shares, 99.99854%; against: 9,201 shares, 0.00093%; abstention: 4,997 shares, 0.00050%; blank: 255 shares, 0.00003%.

TEN. Amendment to Article 51 of the Company Bylaws. Audit and Compliance Committee.

This resolution is approved by majority vote, in favour: 992,414,401 shares, 99.97790%; against: 9,168 shares, 0.00092%; abstention: 209,934 shares, 0.02115%; blank: 255 shares, 0.00003%.

ELEVEN. Amendment to Article 52 of the Company Bylaws. Nomination and Remuneration Committee.

This resolution is approved by majority vote, in favour: 992,619,469 shares, 99.99856%; against: 10,595 shares, 0.00107%; abstention: 3,439 shares, 0.00035%; blank: 255 shares, 0.00003%.

TWELVE. Amendment to Article 53 of the Company Bylaws. Annual accounts.

This resolution is approved by majority vote, in favour: 992,619,375 shares, 99.99855%; against: 9,382 shares, 0.00095%; abstention: 4,746 shares, 0.00048%; blank: 255 shares, 0.00003%.

THIRTEEN. Amendment to Article 54 of the Company Bylaws. Contents of the annual accounts.

This resolution is approved by majority vote, in favour: 992,619,385 shares, 99.99855%; against: 9,224 shares, 0.00093%; abstention: 4,894 shares, 0.00049%; blank: 255 shares, 0.00003%.

FOURTEEN. Amendment to the preamble of the regulations of the General Meeting.

This resolution is approved by majority vote, in favour: 992,619,163 shares, 99.99853%; against: 9,220 shares, 0.00093%; abstention: 5,120 shares, 0.00052%; blank: 255 shares, 0.00003%.

FIFTEEN. Amendment to Article 6 of the regulations of the General Meeting. Competences.

This resolution is approved by majority vote, in favour: 992,619,542 shares, 99.99857%; against: 9,168 shares, 0.00092%; abstention: 4,793 shares, 0.00048%; blank: 255 shares, 0.00003%.

SIXTEEN. Amendment to Article 8 of the regulations of the General Meeting. Publicity and meeting notice.

This resolution is approved by majority vote, in favour: 992,619,077 shares, 99.99852%; against: 9,548 shares, 0.00096%; abstention: 4,878 shares, 0.00049%; blank: 255 shares, 0.00003%.

SEVENTEEN. Amendment to Article 10 of the regulations of the General Meeting. Entitlement to attendance.

This resolution is approved by majority vote, in favour: 992,622,408 shares, 99.99886%; against: 10,926 shares, 0.00110%; abstention: 169 shares, 0.00002%; blank: 255 shares, 0.00003%.

EIGHTEEN. Amendment to Article 11 of the regulations of the General Meeting. Representation.

This resolution is approved by majority vote, in favour: 992,623,782 shares, 99.99899%; against: 9,099 shares, 0.00092%; abstention: 622 shares, 0.00006%; blank: 255 shares, 0.00003%.

NINETEEN. Amendment to Article 20 of the regulations of the General Meeting. Adoption of resolutions.

This resolution is approved by majority vote, in favour: 992,623,845 shares, 99.99900%; against: 8,974 shares, 0.00090%; abstention: 684 shares, 0.00007%; blank: 255 shares, 0.00003%.

TWENTY. Amendment to Article 20 bis of the regulations of the General Meeting. Postal/electronic votes and proxies.

This resolution is approved by majority vote, in favour: 992,624,245 shares, 99.99904%; against: 8,974 shares, 0.00090%; abstention: 284 shares, 0.00003%; blank: 255 shares, 0.00003%.

TWENTY-ONE. Application of consolidated taxation.

Indefinite application to Endesa, S.A. as subsidiary of the tax group of which the parent is Enel Energy Europe, S.L. to the tax consolidation system regulated by Article VII of Chapter VII of Royal Legislative Decree 4/2004 of 5 March 2004, approving the revised text of the Spanish Income Tax Act.

This resolution is approved by majority vote, in favour: 992,628,167 shares, 99.99944%; against: 5,211 shares, 0.00052%; abstention: 125 shares, 0.00001%; blank: 255 shares, 0.00003%.

TWENTY-TWO. Ratification and appointment of Mr. Gianluca Comin as member of the Board of Directors.

Appointment of Mr. Gianluca Comin as member of the Board of Directors of Endesa, S.A. Mr. Comin was appointed as a director through the co-opting system by the Company's Board of Directors on 14 September 2009.

This resolution is approved by majority vote, in favour: 991,759,057 shares, 99.91188 %; against: 874,393 shares, 0.08809%; abstention: 53 shares, 0.00001%; blank: 255 shares, 0.00003%.

TWENTY-THREE. Authorisation of the Board of Directors to implement and develop the resolutions adopted by the General Meeting and to delegate the powers conferred by the meeting, and granting of powers for the formalisation and registration of these resolutions and any respective amendments

This resolution is approved by majority vote, in favour: 992,628,223 shares, 99.99944%; against: 5,228 shares, 0.00053%; abstention: 52 shares, 0.00001%; blank: 255 shares, 0.00003%.

For further information on the resolutions adopted at the meetings held in 2009, see the website.

E.9 Indicate whether the Bylaws contain any restriction establishing a minimum number of shares required to attend the General Meeting.

NO

Number of shares required to attend a General Meeting	
---	--

E.10 Indicate and provide support for the policies followed by the Company with respect to proxy voting at General Meetings.

The policy adopted by the Company on this matter observes its Bylaws, the General Shareholders' Meeting Regulations and current legal regulations.

E.11 Indicate whether the Company is aware of the policy of institutional investors on participating or not participating in the Company's decisions.

NO

E.12 Indicate the URL and means of accessing corporate governance content on your website.

The Company's website is www.endesa.es, although access is also possible through www.endesa.com. Two different channels are provided on the web's homepage to access Corporate Governance contents:

- Corporate Governance.
- Information for Shareholders and Investors.

This information is also available in English, although with a different structure.

F- DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE REGULATIONS

State the extent to which the Company complies or fails to comply with Unified Code recommendations. In the event of non-compliance with any of the recommendations, explain the recommendations, rules, practices or criteria applied by the Company.

1. The Bylaws of listed companies should not place an upper limit on the votes that can be cast by a single

shareholder, or impose other obstacles to the takeover of the Company by means of share purchases on the market.
See subsections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:
- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
 - b) The mechanisms in place to resolve possible conflicts of interest.
- See subsections: C.4 and C.7*

Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification.

In particular:

- a) The transformation of listed companies into holding companies through the process of 'subsidiarisation', i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;
- b) Any acquisition or disposal of key operating assets that would effectively alter the Company's corporate purpose;
- c) Operations that effectively add up to the Company's liquidation.

Complies

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Explain

Proposals for directors' appointments to be submitted to the shareholders at their General Meetings are disclosed as soon as the Board of Directors adopts the corresponding resolution.

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;
 - b) Amendments to the Bylaws, with votes taken on all Articles or groups of Articles that are materially different.
- See subsection: E.8.*

Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See subsection: E.4.

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the Company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the Company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The Board should see the core components of its mission as to approve the Company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the Company's interests and corporate purpose. As such, the Board in full should reserve the right to approve:

- a) The Company's general policies and strategies, and in particular:

- i) The strategic or business plan, as well as the annual management objectives and budgets.
- ii) Investment and financing policy.
- iii) Definition of the structure of the corporate group.
- iv) Corporate governance policy.
- v) Corporate social responsibility policy.
- vi) Compensation and performance evaluation policy for senior executives.
- vii) Risk control and management policy, as well as periodic monitoring of internal reporting and control systems.
- viii) Dividend policy, as well as treasury stock policy and, in particular, limits thereon.

See subsections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) At the proposal of the company's chief executive, the appointment and potential removal of senior executives, as well as their indemnity clauses.

See subsection: B.1.14

- ii) The remuneration of directors, as well as in the case of executive directors, the additional compensation for their executive functions and other conditions to be fulfilled by their contracts.

See subsection: B.1.14

- iii) The financial information listed companies must periodically disclose.
- iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
- v) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the Company conducts with directors, significant shareholders, shareholders with Board representation or other persons related thereto ("related-party transactions").

However, Board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across-the Board basis to a large number of clients.
2. They go through at market rates, generally set by the person supplying the goods or services.
3. Their amount is no more than 1% of the Company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the Board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full Board.

See subsections: C.1 and C.6

Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See subsection: B.1.1.

Complies

10. Institutional outside and independent directors should occupy an ample majority of Board places, while the number of executive directors should be the minimum practical, bearing in mind the complexity of the corporate group and the interests they control.

See subsections: A.2, A.3, B.1.3 and B.1.14.

Complies

11. In the event that a non-executive director can be deemed neither institutional nor independent, the Company should disclose this circumstance and the links that person maintains with the Company or its senior officers, or its shareholders.

See subsection: B.1.3

Not applicable

12. That among non-executive directors, the relation between institutional outside directors and independents should match the proportion between the capital represented on the Board by institutional outside directors and the remainder of the Company's capital.

This proportional criterion can be relaxed so the weight of institutional outside directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the Board but not otherwise related.

See subsections: B.1.3, A.2 and A.3

Complies

13. The number of independent directors should represent at least one third of all Board members.

See subsection: B.1.3

Complies

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The aforementioned Report should also disclose the reasons for the appointment of institutional outside directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for an institutional outside directorship.

See subsections: B.1.3 and B.1.4.

Complies

15. When female directors are few or non-existent, the Board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

- a) The process of filling Board vacancies has no implicit bias against female candidates;
- b) The Company makes a conscious effort to include women with the target profile among the candidates for Board places.

See subsections: B.1.2, B.1.27 and B.2.3.

Complies

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of Board meetings; and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the Board and, where appropriate, the Company's Chief Executive, along with the chairmen of the relevant Board committees.

See subsection: B.1.42

Partly complies

Endesa does not conduct a periodic evaluation of the Board.

17. When a Company's Chairman is also its chief executive officer, an independent director should be empowered to request the calling of Board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of non-executive directors; and to lead the Board's evaluation of the Chairman.

See subsection: B.1.21

Not applicable

18. The Secretary should take care to ensure that the Board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies.
- b) Comply with the Company Bylaws and the regulations the General Shareholders' Meeting, the Board of Directors and others.
- c) Are informed by those good governance recommendations of the Unified Code that the Company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full Board meeting, and the relevant appointment and removal procedures should be detailed in the Board's regulations.

See subsection: B.1.34

Complies

19. The Board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each Director may propose the addition of other items.

See subsection: B.1.29

Partly complies

With regard to the inclusion of new matters in the agenda, Article 46 of the Bylaws establishes that: The Board shall debate the agenda and the matters proposed by the Chairman or the majority of its members, both present or represented. In addition, Article 10.2 of the regulations of the Board of Directors states that one third of its members may request, prior to the Board meeting, the inclusion of those points they consider should be addressed.

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See subsections: B.1.28 and B.1.30

Complies

21. When directors or the Secretary express concerns about a particular proposal or, in the case of directors, about the Company's performance, and such concerns are not resolved at the meeting, the person expressing them can

request that they be recorded in the minute book.

Complies

22. The Board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the Board's operation.
- b) Starting from a report submitted by the Nomination Committee, how well the Chairman and Chief Executive have carried out their duties.
- c) The performance of its Committees on the basis of the reports furnished by the same.

See subsection: B.1.19

Explain

Endesa S.A.'s Board has not evaluated its Board or Committees during 2009.

23. All directors should be able to exercise their right to receive any additional information they require on matters within the Board's competence. Unless the Bylaws or regulations of the Board of Directors indicate otherwise, such requests should be addressed to the Board Chairman or Secretary.

See subsection: B.1.42

Complies

24. All directors should be entitled to call on the Company for the advice and guidance they need to carry out their duties. The Company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the Company's expense.

See subsection: B.1.41

Complies

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the Company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) Directors should apprise the Nomination Committee of any other professional obligations, in case they may detract from the necessary dedication.
- b) Companies should lay down rules concerning the number of boards in which their board members can take part.

See subsection: B.1.8, B.1.9 and B.1.17

Partly complies

The amendment to the Bylaws, during the Extraordinary General Shareholders' Meeting of 25 September 2007, removed the rule on the number of boards the directors may be part of.

27. The proposal for the appointment or renewal of directors which the Board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the Board:

- a) On the proposal of the Nomination Committee, in the case of independent directors.
- b) Subject to a report from the Nomination Committee in all other cases.

See subsection: B.1.2.

Complies

28. Companies should post the following director particulars on their websites, and keep them permanently updated:

- a) Professional experience and background.
- b) Directorships held in other companies, listed or otherwise;

- c) An indication of the director's classification as executive, institutional or independent; in the case of institutional outside directors, stating the shareholder they represent or have links with.
- d) The date of their first and subsequent appointments as a Company director, and;
- e) Shares held in the Company and any options on the same.

Complies

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See subsection: B.1.2.

Complies

30. Proprietary directors should resign when the shareholders they represent dispose of their interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to institutional outside directors, the latter's number should be reduced accordingly.

See subsections: A.2, A.3 and B.1.2

Complies

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Bylaws, except where just cause is found by the Board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the Company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See subsections: B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to inform the Board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in Article 124 of the Spanish Companies Act, the Board should examine the matter and, in view of the particular circumstances and potential harm to the Company's name and reputation, decide whether he or she should be called on to resign. The Board should also disclose all such determinations in the Annual Corporate Governance Report.

See subsections: B.1.43 and B.1.44

Complies

33. All directors should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.

When the Board makes material or reiterated decisions about which a director has expressed serious reservations, he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the Board (director or otherwise).

Not applicable

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See subsection: B.1.5

Complies

35. The Company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

- a) Amount of fixed components, with an itemisation, where applicable, of the per diems for participating in the

meetings of the Board and of its Committees and an estimate of the annual fixed remuneration to which they give rise.

b) Variable remuneration components, in particular:

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.

ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and
iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or assumptions.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) The conditions applicable to the contracts of executive directors exercising senior executive functions. Among them:

i) Duration;

ii) Notice period; and

iii) Any other clauses covering hiring bonuses, as well as indemnities or 'golden parachutes' in the event of early termination of the contractual relation between company and chief executive officer.

See subsection: B.1.15

Complies

36. Remuneration comprising the delivery of shares in the Company or other companies in the group, share options or other share-based instruments, payments linked to the Company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain the shares until the end of their tenure.

See subsections: A.3 and B.1.3

Complies

37. External directors' remuneration should sufficiently compensate them for the education, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies

38. In the case of remuneration linked to Company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Not applicable

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies

40. The Board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the Board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See subsection: B.1.16

Partly complies

As from its call notice, the Board of Directors offers shareholders the Directors' Remuneration Policy Report, addressing all the matters referred to by recommendation 35 and all the other matters required thereunder. Nevertheless, the regulations of the Board of Directors and the General Meeting Regulations do not include the concept of consultative vote.

41. The notes to the annual accounts should list individual directors' remuneration during the year, including:
- a) A breakdown of the remuneration obtained by each company director, to include where appropriate:
 - i) Participation and attendance fees and other fixed director payments;
 - ii) Additional compensation for acting as Chairman or member of a Board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes
 - v) Any severance packages agreed or paid;
 - vi) Any compensation they receive as directors of other companies in the Group;
 - vii) The remuneration executive directors receive in respect of their senior executives posts;
 - viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the Group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.
 - b) An individual breakdown of deliveries of shares, share options or other share-based instruments to directors, itemised by:
 - i) Number of shares or options awarded in the year, and the terms set for their execution;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
 - c) Information on the relation in the year between the remuneration obtained by executive directors and the Company's profits, or some other measure of enterprise results.

Complies

42. When the Company has an Executive Committee, the breakdown of its members by director category should be similar to that of the Board itself. The Secretary of the Board should also act as secretary to the Executive Committee.

See subsections: B.2.1 and B.2.6

Partly complies

The Board is composed of 44.44% institutional outside directors, 33.33% independent directors and 22.22% executive directors. The Executive Committee comprises 40% institutional outside directors, 20% independent directors and 40% executives.

43. The Board should be kept fully informed of the issues discussed and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the Committee's minutes.

Explain

The resolutions adopted by the Executive Committee are reported at Board meetings.

44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the composition and operation of the Audit Committee and the Nomination and Remuneration committee or committees should be set forth in the regulations of the Board of Directors, and include the following:

- a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each Committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first Board plenary following each meeting;
- b) These committees should be formed exclusively of non-executive directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.
- c) Committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Minutes of meeting proceedings should be drawn up and a copy sent to all Board members.

See subsections: B.2.1 and B.2.3

Partly complies

As to section e), it should be noted that all the members of the Audit and Compliance Committee and of the Nomination and Remuneration Committee are also members of the Board of Directors. The Chairmen of both Committees also report on the resolutions adopted by the Board of Directors.

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance Committees.

Complies

46. All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, etc.) the Company is exposed to, with the inclusion of contingent liabilities and other off-balance-sheet risks and financial or economic risks;
- b) The determination of the risk level deemed acceptable by the Company;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above-mentioned risks, including contingent liabilities and off-balance-sheet risks.

See subsection: D

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the Group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so that the main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior executives are acting on the findings and recommendations of its reports.
- d) Establish a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

- a) Make recommendations to the Board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.
- b) Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior executives are acting on its recommendations.
- c) Monitor the independence of the external auditor, to which end:
 - i) The Company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

- ii) The Committee should ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;
- iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.
- d) In the case of groups, the Committee should urge the Group auditor to take on the auditing of all component companies.

See subsections: B.1.35, B.2.2, B.2.3 and D.3

Complies

51. The Audit Committee should be empowered to meet with any Company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to Board decision-making:

- a) The financial information listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
- c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See subsections: B.2.2 and B.2.3

Complies

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See subsection: B.1.38

Complies

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members, as the case may be – should be independent directors.

See subsection: B.2.1

Explain

The Nomination and Remuneration Committee is composed of four members; two independent outside directors and two institutional outside directors. In any case 92.063% of the capital of the Company is held by a single shareholder.

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the Board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the Chairman and Chief Executive, making recommendations to the Board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the Chief Executive proposes to the Board.
- d) Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

See subsection: B.2.3

Partly complies

As to section b), there are no rules in this regard in Endesa's internal regulations.

56. The Nomination Committee should consult with the Company's Chairman and Chief Executive, especially on

matters relating to executive directors.

Any Board member may suggest directorship candidates to the Nomination Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in the earlier recommendations:

a) Propose to the Board of Directors:

- i) The remuneration policy for directors and senior officers;
- ii) The individual remuneration and other contractual conditions of executive directors.
- iii) The standard conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the Company.

See subsections: B.1.14 and B.2.3

Complies

58. The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive directors and senior officers.

Complies

G - OTHER INFORMATION OF INTEREST

If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report, indicate and explain below.

B.1.2.

Mr. Borja Prado Eulate was appointed as Chairman on 24 March 2009.

B.1.11

Other remuneration includes the amounts of contractual compensation for Messrs. Entrecanales and Morrás, who left on 24 March 2009 and 25 June 2009, respectively, and the total financial entitlements for Mr. Miranda accrued until his early retirement on 30 June 2009.

B.1.12

Endesa S.A.'s Board of Directors agreed to the following appointments in 2009: Mr. Francisco Arteaga Alarcón, Mr. Enrique Durand Baquerizo, Mr. Alfonso López Sánchez, Mr. Massimo Tambos and Mr. Antonio Torvá Jordán. The following left the Company in 2009: Mr. Pio Cabanillas Alonso, Ms. M Isabel Fernández Lozano, Mr. Juan Gallardo Cruces, Mr. Pedro Larrea Paguaga, Mr. Rafael Mateo Alcalá, Mr. Germán Medina Carrillo, Mr. Rafael Montes Caracuel, Mr. Antonio Pareja Molina, Mr. Bartolomé Reus Beltrán, Mr. Félix Rivas Anoro and Mr. Mario Valcarce Durán.

B.1.25

Until 25 September 2007, Article 42 of the By laws established a number of conflicts of interest for Directors, including their age. This condition was eliminated at the Extraordinary General Shareholders' Meeting held on 25 September 2007, with the regulations of the Board of Directors pending amendment.

B.1.26.

Until 25 September 2007, Article 38 of the Bylaws established a maximum eight-year office, two terms, for independent directors. This condition was eliminated at the Extraordinary General Shareholders' Meeting held on 25 September 2007, with the regulations of the Board of Directors pending amendment.

B.1.30.

The percentage of absences over the total number of votes for the period was calculated by multiplying the total number of Board meetings by the number of Board members.

B.2.1

On 30 June 2009 the Board of Directors approved the removal from the organisation of the Economic Financial and Investments Committee and Industrial, Strategy and Synergies Committee, as their functions were carried out elsewhere on the Board of Directors.

This section can include any other information, clarification or qualification relating to the previous sections of the report, provided that it is material and not repetitive.

In particular, indicate whether the company is subject to any corporate governance legislation other than that prevailing in Spain, and if so, include the information that it is required to furnish, where such information differs from that required in this report.

Binding definition of Independent Director:

State whether any independent director has or has had a relation with the Company, its significant shareholders or its executives, which had it been sufficiently significant or important would have prevented the director from being considered independent according to section 5 of the Unified Code on good governance:

NO

Date and signature:

This Annual Corporate Governance Report was approved by the Company's Board of Directors at its meeting held on

22/02/2010

State if there have been Directors who have voted against or have abstained in relation to the approval of this Report.

NO

PUBLISHED BY: DIRECCIÓN GENERAL DE COMUNICACIÓN
DESIGN BY: DIRECCIÓN GENERAL DE COMUNICACIÓN / CROMOTEX
LAYOUT AND SEPARATIONS: CROMOTEX
PRINTED BY: TF ARTES GRÁFICAS
LEGAL DEPOSIT: M-00000-2009

Este libro ha sido producido bajo las normas ISO 9001:2008 Sistema de Gestión de la Calidad, e ISO 14001:2004 Sistema de Gestión Medioambiental y verificada según el EMAS. Dichos sistemas verifican que en todo momento el proceso se realiza optimizando tanto la parte productiva como la gestión de residuos de acuerdo a la normativa vigente. Todos los papeles empleados proceden de bosques gestionados de manera responsable y han sido fabricados libre de cloro elemental (ECF) con pH neutro y están libres de metales pesados. Papel adecuado para archivo según la norma ISO 9076



Impreso en papel certificado FSC





RIBERA DEL LOIRA 60 28042 MADRID | TEL. 912131000 | www.endesa.es