
ISSUER'S PARTICULARS

End of the financial year:

[31/12/2018]

Tax ID:

[A-28023430]

Corporate name:

[ENDESA, S.A.]

Registered office:

[RIBERA DEL LOIRA, 60, MADRID]

A. OWNERSHIP STRUCTURE

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

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
01/10/1999	1,270,502,540.40	1,058,752,117	1,058,752,117

Indicate whether different types of shares exist with different associated rights.

Yes

No

A.2. List the direct and indirect holders of significant ownership interests in your organisation at year-end, excluding Directors:

Name or corporate name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
ENEL. S.P.A	0.00	70.10	0.00	0.00	70.10

Details of the indirect interest:

Name or corporate name of the indirect shareholder	Name or corporate name of the direct shareholder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
ENEL. S.P.A.	ENEL IBERIA SRL	70.10	0.00	70.10

Indicate the most significant movements in the shareholder structure during the year:

A.3. Complete the following tables regarding the members of the Company's Board of Directors that hold voting rights in the Company:

Name or corporate name of director	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights	% voting rights that <u>may be transferred</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
IGNACIO GARRALDA RUIZ DE VELASCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOSE DAMIAN BOGAS GALVEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ALEJANDRO ECHEVARRÍA BUSQUET	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HELENA REVOREDO DELVECCHIO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MIQUEL ROCA JUNYENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. BORJA PRADO EULATE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRANCESCO STARACE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ENRICO VIALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALBERTO DE PAOLI	0.00	0.00	0.00	0.00	0.00	0.00	0.00

% of total voting rights held by directors	0.00
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Details of the indirect interest:

Name or corporate name of director	Name or corporate name of the direct shareholder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights	% voting rights that <u>may be transferred</u> through financial instruments
IGNACIO GARRALDA RUIZ DE VELASCO	MANILA INVERSIONES	0.00	0.00	0.00	0.00

Name or corporate name of director	Name or corporate name of the direct shareholder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights	% voting rights that <u>may be transferred</u> through financial instruments
	GLOBALES SICAV, S.A.				

This section indicates the percentage of the Company's shares held by Directors at 31 December 2018. Below we indicate the number of shares held by each Director at 31 December 2018:

- Mr. Borja Prado Eulate: 17,415 shares. However, it should be indicated that the Chairman Mr. Borja Prado purchased 841 shares in ENDESA on 15 January 2019, and therefore the balance at the date this report is issued totals 18,256 shares.
- Mr. Francesco Starace: 10 shares.
- Mr. José Bogas Gálvez: 2,374 shares.
- Mr. Alberto de Paoli: 10 shares.
- Mr. Miquel Roca Junyent: 363 shares.
- Mr. Alejandro Echevarría Busquet: 200 shares.
- Mr. Enrico Viale: 2,500 shares.
- Maria Helena Reboredo Delvecchio: 332 shares.
- Mr. Ignacio Garraida Ruiz de Velasco: 30,471 indirect shares through MANILA INVERSIONES GLOBALES SICAV, S.A.

A.4. Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities and except for those reported in section A.6:

Related party name or corporate name	Type of relationship	Brief description
ENEL IBERIA SRL, ENEL, S.P.A.	Corporate	Enel, S.p.A. holds 100% of the shares in Enel Iberia, SRL.

A.5. Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Related party name or corporate name	Type of relationship	Brief description
ENDESA INGENIERÍA, S.L.U.	Corporate	Endesa Ingeniería, S.L.U. (Endesa Group subsidiary) and Enel Sole, S.r.L. (Enel Group subsidiary) hold 50% stakes in the following temporary joint ventures: Mérida, Abarán, Rincón de la Victoria, Bolullos, Castro del Río, Muro de Alcoy, Fuente Álamo, Mora de Ebro, Los Alcázares, Vélez Rubio, Écija, Almodóvar del Río and Manacor. Endesa Ingeniería, S.L.U. (10%), Endesa Energía, S.A.U. (25%) (Endesa Group subsidiary) and Enel Sole, S.r.L. (25%) (Enel Group subsidiary) hold stakes in the
ENDESA GENERACIÓN, S.A.U.	Corporate	Endesa Generación, S.A.U. (Endesa Group subsidiary) and Enel S.p.A. hold

Related party name or corporate name	Type of relationship	Brief description
		40.99% and 4.32% stakes in the share capital of Elcogas, S.A., respectively.

- A.6. Unless irrelevant for both parties, describe the relationships that exist between significant shareholders, or those represented on the Board, and directors, or their representatives, in the case of legal person directors.

If applicable, explain how significant shareholders are represented. Specifically, indicate those directors that were appointed to represent significant shareholders, those whose appointment was promoted by significant shareholders, or which were associated with significant shareholders and/or group companies, specifying the nature of those relationships. In particular, mention the existence, identity and position held by any members of the Board, or representatives of directors, at the listed company who are also members of the Boards of Directors, or their representatives, of companies that own significant holdings in the listed company and/or group companies of those significant shareholders.

Name or corporate name of linked director or representative	Name or corporate name of linked significant shareholder	Corporate name of the company of the significant shareholder	Description of relationship/position
MR. BORJA PRADO EULATE	ENEL, S.P.A.	ENEL IBERIA SRL	Mr. Prado, Chairman of Endesa, S.A. Was appointed to the position when the controlling shareholder was Enel, S.p.A. He is also a director of ENEL IBERIA, S.R.L.
FRANCESCO STARACE	ENEL, S.P.A.	ENEL, S.P.A.	Mr. Starace is one of the four proprietary directors representing Enel and he is also the Chief Executive Officer of ENEL, S.p.A. and Chairman of the Board of Directors of ENEL IBERIA, S.R.L.
JOSE DAMIAN BOGAS GALVEZ	ENEL, S.P.A.	ENEL IBERIA SRL	Mr. Bogas, Chief Executive Officer of Endesa, S.A. was appointed to his current position when the controlling shareholder was Enel, S.p.A. He is also

Name or corporate name of linked director or representative	Name or corporate name of linked significant shareholder	Corporate name of the company of the significant shareholder	Description of relationship/position
			a director of ENEL IBERIA, S.R.L.
MS. MARIA PATRIZIA GRIECO	ENEL, S.P.A.	ENEL, S.P.A.	Ms. Grieco is one of the four proprietary directors representing Enel and she is also the Chairwomen of ENEL, S.p.A.
ENRICO VIALE	ENEL, S.P.A.	ENEL, S.P.A.	Mr. Viale is one of the four proprietary directors, representing Enel; he is also a Director of "Fondazione Centro Studi Enel", Enel Américas, S.A. and Slovak Power Holding, Sole Administrator of Enel Global Thermal Generation Srl and Head of Global Thermal Generation Enel de Enel, S.p.A.
ALBERTO DE PAOLI	ENEL, S.P.A.	ENEL, S.P.A.	Mr. De Paoli is one of the four proprietary directors representing Enel. He is also Chairman of Enel Green Power, S.p.A. and the Administration, Finance and Control Officer at ENEL. S.p.A.

A.7. Indicate whether any shareholders' agreements have been notified to the company pursuant to articles 530 and 531 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital, LSC). Provide a brief description and list the shareholders bound by the agreement, as applicable.

Yes
 No

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

Yes
 No

Expressly indicate any amendments to or termination of such agreements or concerted agreements actions during the year:

A.8. Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company pursuant to article 5 of the Spanish Securities Market Act (Ley del Mercado de Valores). If so, identify.

Yes
 No

Name or corporate name
ENEL IBERIA SRL

Enel, S.p.A. wholly owns Enel Iberia, S.R.L.

A.9. Complete the following tables on the company's treasury shares.

At year-end:

Number of shares held	Number of shares held indirectly(*)	% of total share capital
		0.00

(*) Through:

Name or corporate name of direct shareholder	Number of shares held directly
No data	

A.10. Give details of the applicable conditions and time periods governing any resolutions of the general shareholders' meeting authorising the board of directors to purchase and/or transfer treasury shares:

At the Ordinary General Meeting held on 27 April 2015, shareholders authorised the Company and its subsidiaries to acquire treasury shares pursuant to the provisions of Article 146 of Spain's Corporate Enterprises Act.
1. To revoke and make void, as to the unused portion, the authorisation for the derivative acquisition of treasury shares, granted by the Ordinary General Shareholders' Meeting held on 21 June 2010.

II. To once again authorise the derivative acquisition of treasury shares, as well as the pre-emptive rights of first refusal in respect thereto, pursuant to article 146 of the Spanish Corporate Enterprises Act under the following conditions:

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

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

c) The duration of this authorisation shall be 5 years.

d) As a consequence of the acquisition of shares, including those purchased previously and held at the time of the acquisition by the company or persons acting on their own behalf but, in its stead, the resulting net equity shall not be reduced to below the sum of the share capital plus the restricted reserves established by law or the bylaws, all in accordance with the provisions of letter b) of article 146.1 of Spain's Corporate Enterprises Act.

The authorisation also includes the acquisition of shares which, as the case may be, must be delivered directly to the employees and Directors of the Company or its subsidiaries, as a consequence of the exercise of stock option rights held.

A.11. Estimated floating capital:

	%
Estimated floating capital	29.90

A.12. Give details of any restriction (statutory, legislative or of any other type) on the transfer of securities or voting rights. In particular, report the existence of any type of restriction that may make difficult taking control of the company through the acquisition of shares in the market and any prior authorisation or notification requirements for acquisitions or transfers of the Company's financial instruments that are applicable due to industry regulations.

Yes
 No

A.13. Indicate whether the general shareholders' meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

Yes
 No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

A.14. Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes
 No

If so, indicate the different classes of shares and, for each class, the rights and obligations carried thereby:

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate the quorum required for constitution of the general shareholders' meeting. Describe how it differs from the system of minimum quorums established in the Spanish Corporate Enterprises Act (LSC):

Yes
 No

B.2. Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSC:

Yes
 No

B.3. Indicate the rules for modifying the company's bylaws. In particular, indicate the majorities required to amend the bylaws and, if applicable, the rules for protecting shareholders' rights when changing the bylaws.

Pursuant to article 26 of the Bylaws, in order for the General or an Extraordinary Shareholders' Meeting to validly agree on the amendment to the Corporate Bylaws, on first call, shareholders representing at least 50% of the subscribed capital with voting rights must be present. On second call, 25% of the capital must be represented.

B.4. Indicate the attendance figures for the general shareholders' meetings held during the year and the two preceding years:

Date of General Meeting	Attendance data					Total
	% attending in	% by proxy	% remote voting			
			Electronic means	Other		
26/04/2016	70.13	14.45	0.00	1.77	86.35	
Of which: floating capital	0.03	14.45	0.00	1.77	16.25	
26/04/2017	70.13	14.47	0.00	1.02	85.62	
Of which: floating capital	0.03	14.47	0.00	1.02	15.52	
23/04/2018	70.12	11.52	0.00	0.09	81.73	
Of which: floating capital	0.02	11.52	0.00	0.09	11.63	

B.5. Indicate whether at the general meetings held during the year there was any point on an agenda that was not approved by shareholders for any reason:

- Yes
 No

B.6. Indicate whether the Bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings or to vote remotely:

- Yes
 No

B.7. Indicate whether certain decisions, other than those required by law, involving an acquisition, disposal or contribution to another company of key assets or similar corporate transactions that must be submitted to the General Shareholders' Meeting for approval:

- Yes
 No

B.8. Indicate the web address and mode of accessing corporate governance content and other information for shareholders in respect of the general shareholders' meetings, all on the company's website:

The Company's website is www.endesa.com.

- Information on "Corporate Governance" can be accessed from the homepage via "Shareholders and Investors"

- To access General Shareholders' Meeting content, a direct banner link is posted on the home page from the time the meeting is called until it is held.

Once the meeting has been held, the General Shareholders' Meeting information can be accessed through two channels:

- Investors - Corporate Governance - Shareholders Meetings
- Investors - Shareholders - Shareholders Meetings

C. COMPANY MANAGEMENT STRUCTURE

C.1. Board of Directors

C.1.1 List the maximum and minimum number of directors included in the bylaws and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	9
Number of directors set by the general meeting	11

C.1.2 Complete the following table with board members' details:

Name or corporate name of director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
MR. BORJA PRADO EULATE		Executive	CHAIRMAN	20/06/2007	27/04/2015	RESOLUTION OF THE GENERAL SHAREHOLDER
FRANCESCO STARACE		Proprietary	VICE CHAIRMAN	16/06/2014	23/04/2018	RESOLUTION OF THE GENERAL SHAREHOLDER
MR. JOSE DAMIAN BOGAS GALVEZ		Executive	CHIEF EXECUTIVE OFFICER	07/10/2014	23/04/2018	RESOLUTION OF THE GENERAL SHAREHOLDER
MIQUEL ROCA JUNYENT		Independent	COORDINATING INDEPENDENT DIRECTOR	25/06/2009	26/04/2017	RESOLUTION OF THE GENERAL SHAREHOLDER
MR. ALEJANDRO ECHEVARRÍA BUSQUET		Independent	DIRECTOR	25/06/2009	26/04/2017	ACUERDO GENERAL SHAREHOLDE MEETING
HELENA REVOREDO DELVECCHIO		Independent	DIRECTOR	04/11/2014	27/04/2015	RESOLUTION OF THE GENERAL SHAREHOLDER
ENRICO VIALE		Proprietary	DIRECTOR	21/10/2014	23/04/2018	RESOLUTI ON BY THE

Name or corporate name of director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
						GENERAL SHAREHOLDER
ALBERTO DE PAOLI		Proprietary	DIRECTOR	04/11/2014	27/04/2015	RESOLUTION OF THE GENERAL SHAREHOLDER
IGNACIO GARRALDA RUIZ DE VELASCO		Independent	DIRECTOR	27/04/2015	27/04/2015	RESOLUTION OF THE GENERAL SHAREHOLDER
FRANCISCO DE LACERDA		Independent	DIRECTOR	27/04/2015	27/04/2015	RESOLUTION OF THE GENERAL SHAREHOLDER
MS. MARIA PATRIZIA GRIECO		Proprietary	DIRECTOR	26/04/2017	23/04/2018	RESOLUTION OF THE GENERAL SHAREHOLDER

Total number of Directors	11
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Indicate any board members who left during the reporting period, whether due to resignation, removal or any other cause:

Name or corporate name of director	Category of the director at the time	Date of last appointment	Leaving date	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
No data		//	//		

C.1.3 Complete the following tables on Board members and their respective categories:

EXECUTIVE DIRECTORS		
Name or corporate name of director	Post held in the company	Profile
MR. BORJA PRADO EULATE	CHAIRMAN	Born in Madrid in 1956. Holds a degree in Law from the Autónoma University of Madrid. Studied international relations and trade at the University of New York and at the firm Philip Brothers in the United States. Chairman of the Endesa Foundation, Member of the Spanish Trilateral Committee, Director

EXECUTIVE DIRECTORS

Name or corporate name of director	Post held in the company	Profile
		of Enel Iberia, S.R.L., Director of Península Capital and Director of Mediaset España Comunicación, S.A.
JOSE DAMIAN BOGAS GALVEZ	CHIEF EXECUTIVE OFFICER	Born in Madrid in 1955. Industrial Engineering degree from ICAI (1978). Iberia Country Manager at ENEL Group, Chairman of Gas y Endesa Generación, S.A., Chairman of Unión Eléctrica de Canarias Generación, S.A., Chairman of Endesa Red, S.A., Chairman of Enel Green Power España, S.L., Chairman of Endesa Medios y Sistemas, S.L. , Chairman of Elcogas, S.A., Director of Operador del Mercado Ibérico de Energía-Polo Español, S.A., Director of Enel Iberia S.R.L., Director of MIBGAS, S.A. (Iberian Gas Market).

Total number of executive directors	2
% of the board	18.18

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
FRANCESCO STARACE	ENEL, S.P.A.	Born in Rome (Italy) in 1955. Degree in Nuclear Engineering from the Polytechnic in Milan. Chief Executive Officer and Managing Director of Enel, S.p.A, Chairman of Enel Iberia, S.R.L., Vice Chairman of Endesa, S.A, Chairman of Eurelectric, Member of the Board of Directors of the United Nations Global Compact, Member of the Advisory Board of the United Nations initiative "Sustainable Energy 4 All" Member of the Executive Board of Fullbright, Member of the Advisory Board of the Polytecnic of Milan, Vice Chairman of the Italy-Japan Foundation.
ENRICO VIALE	ENEL, S.P.A.	Born in Mondovi (Italy) in 1957, Graduate School of Business, Santa Clara, USA. Master in Business Administration (M.B.A.), Facolta di Ingegneria, Turin, Italy. Degree in Civil Engineering, specialising in Hydraulics. Head of Enel Global Thermal Generation, Sole Administrator of Enel Global Thermal Generation Srl, Director of EPRI (Electric Power Research Institute), Director of Enel Américas, S.A. , Director of SPH (Slovak Power Holding), Director of "Fondazione Centro Studi Enel"
ALBERTO DE PAOLI	ENEL, S.P.A.	Born in Pavia (Italy) in 1965, he holds a degree in Economics from the University of La Sapienza, Rome (graduated with honors). Director

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
		General Manager of Administration, Finance and Control at ENEL, Chairman of Enel Green Power, S.p.A.
MS. MARIA PATRIZIA GRIECO	ENEL, S.P.A.	Born in Milan in 1952. Holds a degree in Law from Universidad Estatal de Milán. Chairwoman of Enel S.p.A., Director of Anima Holding, Ferrari and Amplifon.

Total number of proprietary directors	4
% of the board	36.36

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director	Profile
MIQUEL ROCA JUNYENT	Born in Cauderan (France) in 1940. Law graduate from the University of Barcelona and holder of an Honorary Doctorate from the distance learning universities of León, Gerona and Cadiz. Practicing attorney since 1962: Partner-Chairman of the firm Roca Junyent, with offices in Barcelona, Madrid, Palma de Mallorca, Girona and Lleida, Ombudsman at Seguros Catalana Occidente since March 1996, Non-voting secretary of the Board of Directors of Banco Sabadell, Abertis Infraestructuras, TYPESA, and Werfenlife, S.L.
MR. ALEJANDRO ECHEVARRÍA BUSQUET	Born in Bilbao (Spain) in 1942, he holds a degree in Business Administration from the University of Deusto. Chairman of Mediaset España Comunicación, S.A., Director of Sociedad Vascongada de Publicaciones, S.A., Director of CVNE, Director of Editorial Cantabria, S.A., Director of Diario El Correo.
HELENA REVOREDO DELVECCHIO	Born in Rosario (Argentina) in 1947. Holds a degree in Business Management and Administration from the Pontifical Catholic University of Argentina and PADE from the IESE Business School. Chairwoman of Prosegur Compañía de Seguridad, S.A. Chairwoman of Fundación Prosegur, Director of Mediaset España Comunicación and Euroforum Escorial, S.A.
IGNACIO GARRALDA RUIZ DE VELASCO	Born in Madrid in 1951. Holds a degree in Law from the Complutense University of Madrid (1974), Chartered Trade Broker and Stock and Exchange Broker. Chairman and CEO of Mutua Madrileña, Director of Caixabank, S.A., First Vice Chairman of Bolsas y Mercados Españoles (BME).
FRANCISCO DE LACERDA	Born in Lisbon (Portugal) in 1960. Holds a degree in Business Administration and Management from the Catholic University of Portugal (1982). CEO of CTT - Correos de Portugal since 2012. Chairman of Banco CTT. Chairman of CTT Expresso, Chairman of Tourline Express.

Total number of independent directors	5
% of the board	45.45

List any independent directors who receive from the company or group any amount or benefit other than standard director remuneration or who maintain or have maintained during the last year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained such a relationship.

If applicable, include a statement from the board detailing the reasons why the said director may carry on their duties as an independent director.

Name or corporate name of director	Description of the relationship	Reasons
HELENA REVOREDO DELVECCHIO	<p>Ms Helena Revoredo Delvecchio, is the Chairwoman of Prosegur, and an independent Director at Endesa since 4 November 2014. Ms. Helena Revoredo performs her functions as an independent director of ENDESA S.A. without prejudice to the possible commercial relationship between the Prosegur and Endesa Groups. In this regard, in 2018, the Prosegur Group entered into the following contracts with the Endesa Group, which were awarded by the Board of Directors of Endesa following a report from the Audit and Compliance Committee based on the results of the corresponding tender, and without the participation of the director Ms Revoredo, in accordance with the applicable legislation in matters of conflicts of interest:</p> <ul style="list-style-type: none"> - Contracts for the provision of security and surveillance services: personal protection. The contracts have been approved for a three-year period for a total amount of 2.05 million euros. - Service contract for information intelligence for a two-year period and for a total amount of 0.1 million euros. - Contract for updating the fire detection system at the Jinamar fossil fuel for a total amount of 0.05 million euros. In addition, during 2018 Prosegur Group carried out the following two transactions: <ul style="list-style-type: none"> - Contract for the Private Physical Security services of the Ascó 1, Ascó 2 and Vandellós II Nuclear Power Plants for a three-year period (01/01/2019 to 31/12/2021) and for a maximum value of 19.06 million euros. - Contract for 	<p>Ms Helena Revoredo performs her functions as an independent director of ENDESA S.A. without prejudice to the possible commercial relationship between the Prosegur and Endesa Groups. The services were awarded by Endesa's Board of Directors in 2018 without the involvement of Ms. Revoredo, pursuant to the legislation applicable to conflicts of interests. In any case, as part of these transactions it must be noted that: the nature of the services is ordinary; the services are provided under market conditions, as also demonstrated in the external advisor report issued to this end; and pursuant to international good corporate governance practice criteria, the amount is not significant or material, as these amounts come to less than 1% of the income or billing volume of both companies.</p>

Name or corporate name of director	Description of the relationship	Reasons
	Design, Supply and Testing of an Automatic Fire Detection System at Nuclear Power Plants for a maximum value of 0.1 million euros. In any case, as part of these transactions it must be noted that: the nature of the services is ordinary; the services are provided under market conditions, as also demonstrated in the external advisor report issued to this end; and pursuant to international good corporate governance practice criteria, the amount is not significant or material, as these amounts come to less than 1% of the income or billing volume of both companies.	

OTHER EXTERNAL DIRECTORS

The other external directors will be identified and the reasons listed why they cannot be considered proprietary or independent directors and details will be given of their relationships with the company, its executives or its

Name or corporate name of director	Reasons	Company, executive or shareholder with whom the relationship is	Profile
No data			

Total number of other external directors	N/A.
% of the board	N/A.

List any changes in the category of each director which have occurred during the year.

Name or corporate name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table on the number of female directors at the end of the past four years and their category:

	Number of female directors				% of total directors in each category			
	2018	2017	2016	2015	2018	2017	2016	2015
Executive					0.00	0.00	0.00	0.00

	Number of female directors				% of total directors in each category			
	2018	2017	2016	2015	2018	2017	2016	2015
Proprietary	1	1			25.00	25.00	0.00	0.00
Independent	1	1	1	1	20.00	20.00	20.00	20.00
Other external					0.00	0.00	0.00	0.00
Total	2	2	1	1	18.18	18.18	9.09	9.09

C.1.5 Indicate whether the Company has diversity policies with respect to the Board of Directors concerning matters such as, for example, age, gender, disability, training and professional experience. In accordance with the definition provided by the Audit Act, small and medium-sized companies must report, at minimum, the policy established with respect to gender diversity.

- Yes
 No
 Partial policies

If so, describe these diversity policies, its objectives, the measures and the manner in which they have been applied and the results obtained during the year. Explain the specific measures which have been adopted by the Board of Directors and the appointments and remuneration committee to ensure that there is a balance and diversity on the Board.

In the event that the Company does not apply a diversity policy, explain why not.

Describe the policies, objectives, measures and the manner in which they have been applied and the results obtained

On 10 December 2015, ENDESA's Board of Directors authorised an interim dividend of Euros 2017 per share for 18.

- Ensures that the proposed appointments of directors are based on prior analysis of the needs of the Board of Directors. In the analysis of the candidatures, the Appointments and Remuneration Committee, taking into account the needs of the Board of Directors and the individual and joint standards that the members of the Board's internal committee's must meet, will assess that all of the directors taken as a whole have the necessary knowledge of the businesses carried out by the Company, economics, finance, accounting, audit, internal control and business risk management, as well as the commitment that is required to hold the position, any outstanding proceedings against the candidates, among other things.

- It encourages a diversity of knowledge, professional competency and different management styles, the integration of experience and it also promotes, to the extent possible, gender diversity. Particularly, with regard to gender diversity, the Policy for Selecting Directors establishes the goal of the number of female directors representing, at least, 30% of the total members of the Board of Directors by 2020.

Furthermore, Endesa has the intention of amending its Diversity Policy to extend its scope to the Audit and Compliance Committee and the Appointments and Remuneration Committee in accordance with the new wording of subsection 6 of Article 540.4.c) of the Spanish Enterprises Act, as amended by Law 11/2018 regarding non-financial and diversity information, which indicates that a diversity policy must be applied to specialised Board of Directors' Committees.

APPLICATION

The Board of Director submitted these re-elections and ratifications to the General Meeting of Shareholders at the proposal of the controlling shareholder Enel, S.p.A. after having received a report from the Appointments and Remuneration Committee and after having performed an analysis of the current composition of the Board and its needs, and assessment of the conditions that the directors must meet to perform their duties and the dedication required to do so, all in accordance with Endesa's Corporate Governance Policy and the Policy of selecting Director Candidates at Endesa. An analysis was performed on:

- The size of the Board of Directors: Endesa complies with all of the recommendations of the code of good governance for listed companies and the standards established by the best international practices regarding the number of directors on the Board of Directors. Endesa's Board of Directors consists of 11 members, which is the size required to obtain effective and participative operations and is in line with recommendation 13 of the CBG, which advises between five and fifteen members.

- Structure of the Board of Directors: Proprietary and independent directors should occupy a majority of seats on the Board of Directors, while the number of executive directors should be the necessary minimum, In accordance with recommendation 15. The percentage of proprietary directors of the total non-executive directors should not be greater than the proportion between Company capital represented by those directors and the rest of the capital, in accordance with CBG recommendation 16. The number of independent directors represents 45% of the Board, and is therefore in line with recommendation 17 and international practices and proxy advisors which establish, in such cases, a minimum of 33% of independent directors.

- Profiles of Directors: Details of Appendix

- Diversity: The policy for selecting candidates for the office of director encourages a diversity of knowledge, experience and gender, reflected through Endesa's diverse governing body starting at the initial stage of candidate selection. Specifically, this Policy seeks the integration of different management and professional skills and experience (including those that are specific to the businesses performed by the Company, such as economic-financial, accounting and audit, internal control, business risk management and legal), also promoting, insofar as possible, diversity of age and gender. - Gender: The Policy for selecting directors shall promote the goal of the number of female directors representing, at least, 30% of the total members of the Board of Directors by 2020. In this connection, in 2017, following the inclusion of Ms. María Patrizia Grieco on the Board of Directors, the percentage of women has increased from 9% to 18.18%. - Age: The average age on the Board of Directors is 65.3, with ages ranging from 53 to 78. - Training: The background of Directors is diverse and encompasses disciplines related to the industry to which the Company belongs, such as engineering, law, the economy, etc. As a whole, Directors have the technical knowledge and sufficient experience to perform their duties accordingly. - Length of service of the members of the Board: The average time of service of members of Endesa's Board in 2018 is 5.1 years, compared to the Ibex 35 average of 6.7 years in 2017. - Nationality: Foreigners make up 45% of Endesa's Board of Directors.

C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women:

Explanation of measures

Endesa is convinced that diversity in all of its facets, at all levels of its professional team, is an essential factor for ensuring the Company's competitiveness and a key element of its corporate governance strategy.

Therefore, it ensures equal opportunities and fair treatment in people management at all levels, maximising the value contribution of those elements that differentiate people (gender, culture, age, capacities, etc.), promoting the participation and development of women in the organisation, especially in leadership positions and, in particular, on the Board of Directors.

In this regard, the Policy for Selecting Directors will promote the goal of the number of female directors representing, at least, 30% of the total members of the Board of Directors by 2020.

Selection process:

No procedures for selecting new candidates for Directors were developed in 2018. However, the General Meeting held on 23 April 2019 reelected Mr. Francesco Starace and Mr. Enrico Viale as proprietary directors and Mr. José D. Bogas Gálvez as Executive Director (all of them had exhausted therefore-year terms). It also ratified the appointment of Ms. María Patrizia Grieco, Who had previously been nominated in 2017 through the co-optation procedure.

The Appointments and Remuneration Committee bases its proposals for appointing, ratifying or re-electing on the outcome of an objective, verifiable and transparent selection process, which will start with a preliminary analysis of the requirements of the Board of Directors, the Audit and Compliance Committee and the Appointments and Remuneration Committee, as a whole, taking the integration of different management and professional experiences and skills as the goal, and promoting diversity of knowledge, experiences and gender, considering the weight of the different activities performed by Endesa and taking into account those areas or sectors that must be the object of specific promotion, such as information technologies.

When analysing candidates, the Appointments and Remuneration Committee, based on the needs of the Board of Directors and the requirements that the Board's internal committees may have on an individual or joint basis, will assess the following elements:

i) the candidates' professional and technical skills. As a whole, directors must fulfil the knowledge required of the activities undertaken by the Company, in terms of economic and financial aspects, accounting, audit, internal control and business risk management aspects, amongst others.

ii) the candidates' management experience, also taking into account the context in which Endesa operates;

iii) the commitment required for performing the role, also assessing the roles already performed by the candidates in other companies;

iv) the possible existence of conflicts of interest;

v) the significance of possible professional, financial or commercial relationships, existing or maintained recently, directly or indirectly, of candidates with the Company or with other Group companies; and also

vi) possible pending procedures, against the candidates, and also any criminal sentences or administrative penalties that the competent authorities may have imposed on them.

In the case of candidates for independent director, the Appointments and Remuneration Committee will especially verify compliance with the requirements for independence established by Law.

In any case, proposals for the appointment, ratification or re-election of Directors finally made to the Board shall be made with regard to renowned persons who have the relevant experience and professional knowledge to perform their duties and who assume a commitment of sufficient dedication for the performance of the tasks inherent therein.

When, despite the measures taken, there are few or no female directors, explain the reasons:

Explanation of reasons

Not applicable

C.1.7 Explain the conclusions of the appointments committee on the verification of compliance with the Policy for Selecting Directors. And, in particular, on how this policy is promoting the goal of the number of female directors representing, at least, 30% of the total members of the Board of Directors by 2020.

No procedures for selecting new candidates for Directors were developed in 2018.

The procedures for re-election and ratification carried out in 2018, for Mr. Francesco Starace, Mr. Enrico Viale, Mr. José D. Bogas Gálvez and Ms. María Patrizia Grieco, included a prior analysis of the Board's needs and the conditions that directors must meet to exercise their positions, and the dedication required to adequately perform their duties.

With the nomination and reelection of Ms. María Patrizia Grieco is a testament to Endesa's dedication to promoting the participation and development of women in the Organisation, especially in leadership positions and, in particular, on the Board of Directors and to fulfilling the objective of female directors accounting for at least 30% of Board members by 2020.

At its meeting on 17 December 2018, the Appointments and Remuneration Committee unanimously agreed, in terms of verifying the compliance of the policy for selecting candidates for the office of director, that the composition of the Board of Directors, in terms of number of members, structure and the professional experience and skills of its members, is currently appropriate based on the needs of the Company and in line with best corporate governance practices.

Endesa is convinced that diversity in all of its facets, at all levels of its professional team, is an essential factor for ensuring the Company's competitiveness and a key element of its corporate governance strategy.

C.1.8 Explain, when applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 3% of the share capital.

Name or corporate name of shareholder	Reasons
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained.

Yes

No

C.1.9 Indicate what powers, if any, have been delegated to directors or board committees by the Board of Directors:

Name or corporate name of the Director or committee	Brief description
JOSE DAMIAN BOGAS GALVEZ	Since 7 October 2014, the Board of Directors has delegated all powers of the Board that could be delegated legally and as per the bylaws to the Chief Executive Officer. The Chief Executive Officer of Endesa, S.A., José Damián Bogas Gálvez, shall exercise all powers delegated to him jointly with the Executive Committee of the Board of Directors, as applicable.

C.1.10 List the Directors, if any, who hold office as administrators, representatives of directors or executives in other companies belonging to the listed company's group:

Name or corporate name of director	Corporate name of the group company	Position	Executive duties?
JOSE DAMIAN BOGAS GALVEZ	ENDESA GENERACIÓN II	Joint director	NO
JOSE DAMIAN BOGAS GALVEZ	GAS Y ELECTRICIDAD GENERACIÓN, S.A.	Chairman	NO
JOSE DAMIAN BOGAS GALVEZ	ENDESA RED, S.A.	Chairman	NO
JOSE DAMIAN BOGAS GALVEZ	UNELCO GENERACIÓN, S.A.	Chairman	NO
JOSE DAMIAN BOGAS GALVEZ	ENEL GREEN POWER ESPAÑA, S.L.	Chairman	NO
JOSE DAMIAN BOGAS GALVEZ	ENDESA MEDIOS Y SISTEMAS, S.L.	Chairman	NO

The position held by Mr Bogas at Unelco Generación, S.A. has yet to be entered into the Mercantile Registry at the date of this report

C.1.11 List any company directors or representatives of corporate directors who likewise sit on the Boards of Directors or act as representatives of corporate directors at other non-group companies that are listed on official securities markets, insofar as these have been disclosed to the company:

Name or corporate name of director	Name of listed company	Position
MR. BORJA PRADO EULATE	MEDIASET ESPAÑA COMUNICACIÓN S.A.	DIRECTOR
MIQUEL ROCA JUNYENT	ACS	DIRECTOR
MR. ALEJANDRO ECHEVARRÍA BUSQUET	MEDIASET ESPAÑA COMUNICACIÓN S.A.	CHAIRMAN

Name or corporate name of director	Name of listed company	Position
HELENA REVOREDO DELVECCHIO	PROSEGUR COMPAÑÍA DE SEGURIDAD,S.A.	CHAIRMAN
HELENA REVOREDO DELVECCHIO	MEDIASET ESPAÑA COMUNICACIÓN S.A.	DIRECTOR
IGNACIO GARRALDA RUIZ DE VELASCO	BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A.	VICE CHAIRMAN
IGNACIO GARRALDA RUIZ DE VELASCO	CAIXABANK, S.A.	DIRECTOR
FRANCISCO DE LACERDA	CTT CORREOS DE PORTUGAL	VICE CHAIRMAN
MS. MARIA PATRIZIA GRIECO	ANIMA HOLDING, S.P.A.	DIRECTOR
MS. MARIA PATRIZIA GRIECO	FERRARI N.V.	DIRECTOR
MS. MARIA PATRIZIA GRIECO	AMPLIFON, S.P.A.	DIRECTOR

C.1.12 Indicate and, where appropriate, explain whether the company has established rules about the maximum number of boards on which its directors may sit and, if so, identify where this is regulated:

Yes
 No

Explication of the rules and identification of the regulating document

Article 10 of the Board Regulations establishes Incompatibilities for Directors and stipulates that any individual sitting on more than four boards of directors of listed companies, other than Endesa, S.A. or eight organisations in total (including listed and unlisted companies), may not be appointed as a Director of the Company, considering that membership on various boards of directors for companies within the same group shall, for these purposes, count as one board for each group of companies. In addition, for these purposes, any board of directors on which the Director sits shall not count when said board is that of a company that may submit abbreviated balance sheets and statements of changes in net equity or which is a holding company or a mere financial vehicle corporation.

C.1.13 Indicate the amounts of items relating to overall remuneration for the Board of Directors, as follows:

Remuneration accrued during the year to the board of directors (thousand euros)	6,522
Amount of pension rights accumulated by current directors (thousands of Euros)	14,042
Amount of pension rights accumulated by former directors (thousands of Euros)	3,641

C.1.14 List any members of senior management who are not executive directors and indicate total remuneration paid to them during the year:

Name or corporate name	Post(s)
MR. JUAN MARÍA MORENO MELLADO	Energy Management Department
FRANCISCO BORJA ACHA BESGA	General Secretary and Secretary of the Board of Directors and General Manager of

Name or corporate name	Post(s)
MR. JAVIER URIARTE MONEREO	General Manager Marketing
PABLO AZCOITIA LORENTE	General Manager Procurement
MARÍA MALAXECHEVARRÍA GRANDE	General Manager Sustainability
JOSÉ LUIS PUCHE CASTILLEJO	General Manager Resources
ALBERTO FERNÁNDEZ TORRES	General Manager Communications
MANUEL MARÍN GUZMÁN	General Manager ICT
MR. JOSEP TRABADO FARRÉ	General Manager Endesa X
JOSÉ CASAS MARÍN	General Manager Institutions and Regulations
MR. PAOLO BONDI	General Manager Thermal generation
ANDREA LO FASO	General Manager People and Organisation
MR. LUCA MINZOLINI	General Manager Audit
MR. LUCA PASSA	General Manager Administration, Finance and Control
MR. GONZALO CARBÓ DE HAYA	General Manager Nuclear
MR. RAFAEL GONZÁLEZ SÁNCHEZ	General Manager Renewable Energy
MR. GIANLUCA CACCIALUPI	General Manager Infrastructure and Networks
Total remuneration received by senior management (thousands of Euros)	
	15,913

In 2018, the following persons left the senior management of the Company:

- Exit by mutual agreement with the General Manager of Thermal Generation Mr. Manuel Morán Casero.
- Removal of Paolo Bondi as General Manager of Administration, Finance and Control and Appointment as General Manager of Thermal Generation.
- Exit due to the expiration of the international assignment contract concluded with the General Manager of Infrastructure and Networks Mr. Francesco Amadei.
- Exit by mutual agreement with the General Manager of Energy Management Mr. Álvaro Quiralte Abelló.
- Exit of Mr. Enrique de las Morenas Moneo as General Manager of Renewable Energies due to his appointment to new duties at Enel Group.

C.1.15 Indicate whether any changes have been made to the board regulations during the year:

- Yes
 No

Description of amendments

On 26 February 2018 the Board of Directors' Regulations were amended. The amendment of the Regulation of the Board of Directors had already been indicated in the 2017 Annual Corporate Governance Report (section C.1.18).

C.1.16 Indicate the procedures for selecting, nominating, re-electing and removing directors. List the competent bodies, procedures and criteria used for each of these procedures.

- Selection: the Appointments and Remuneration Committee (hereinafter CNR) is tasked with assessing the skills, knowledge and experience needed on the Board of Directors. For such purpose, the Committee shall define the duties and skills that the candidates must have in order to cover each vacancy and shall consider the time and dedication required in order to effectively perform their mandate, ensuring that, in particular, non-executive directors have enough time to properly perform their duties

and send to the Board of Directors its proposed appointments of Independent Directors and report on those of other directors. In line with the policy for selecting candidates for the office of director, the CNR will base its proposals for appointing, ratifying or re-electing on the outcome of an objective, attestable and transparent selection process, which will start with a preliminary analysis of the requirements of the Board of Directors, the Audit and Compliance Committee and the Appointments and Remuneration Committee, as a whole, taking the integration of different management and professional experiences and skills as the goal, and promoting diversity of knowledge, experiences and gender, considering the weight of the different activities performed by Endesa and taking into account those areas or sectors that must be the object of specific promotion, such as information technologies.

When analysing candidates, the CNR, based on the needs of the Board of Directors and the requirements that the Board's internal committees may have on an individual or joint basis, will assess the following elements:

- i) the candidates' professional and technical skills. As a whole, directors must fulfil the knowledge required of the activities undertaken by the Company, in terms of economic and financial aspects, accounting, audit, internal control and business risk management aspects, amongst others.
- ii) the candidates' management experience, also taking into account the context in which Endesa operates;
- iii) the commitment required for performing the role, also assessing the roles already performed by the candidates in other companies;
- iv) the possible existence of conflicts of interest;
- v) the significance of possible professional, financial or commercial relationships, existing or maintained recently, directly or indirectly, of candidates with the Company or with other Group companies; and also
- vi) possible pending procedures, against the candidates, and also any criminal sentences or administrative penalties that the competent authorities may have imposed on them.

In any case, proposals for the appointment, ratification or re-election of Directors finally made to the Board shall be made with regard to renowned persons who have the relevant experience and professional knowledge to perform their duties and who assume a commitment of sufficient dedication for the performance of the tasks inherent therein.

To select candidates, the CNR may request the services of one or more external consultants specialising in the search for and selection of candidates with a view to enhancing the efficiency, effectiveness and impartiality of procedures for identifying candidates.

- Appointment: The General Shareholders' Meeting is responsible for both appointing and removing members of the Board of Directors. In the event of vacancies arising on the Board of Directors, the same shall appoint Directors, following a report by the Appointments and Remuneration Committee, until the next General Shareholders' Meeting is held.

- Re-election: The term of office of Directors shall be four years and they may be re-elected for periods of like duration. The proposal for reelecting Directors sent by the Board of Directors to the General Meeting of Shareholders will be based on a proposal from the Appointments and Remuneration Committee, when involving Independent Directors, and after receiving a report from that Committee, when involving Directors in another category.

- Removal: The position of Director may be renounced and revoked. The term of office of Directors shall be four years. The General Shareholders' Meeting is responsible for removing members of the Board of Directors. Furthermore, and prior thereto, the CNR shall be responsible for proposing or informing the Board of Directors of the removal of a Board member, with reference to Independent Directors or other categories of Directors, respectively, when: their remaining on the Board of Directors may impair the credit and reputation of the Company, or they are subject to any instance of incompatibility or prohibition, or the shareholders that they represent transfer their equity stake in its entirety, or reduce it.

C.1.17 Explain to what extent the Board's annual evaluation has prompted significant changes in its internal organisation and the procedures applicable to its activities:

Description of amendments

As a result of the annual evaluation process on the functioning of the Board and of its Committees in 2018, no changes have been made to the internal organisation of the Board of Directors or its Committees, nor to the procedures applicable to their activities.

Describe the evaluation process and the areas evaluated by the Board of Directors aided, where applicable, by an external consultant, with regard to the operation and composition of the Board and its committees, and any other area or aspect that must be assessed.

Description of the assessment process and the areas evaluated

In November and December 2018 the Chairman of the Board coordinated, with the advisory services of the external consultant Deloitte and the support of the Secretary to the Board, the self-assessment of the Board of Directors for 2018, complying with art. 529 (9) LSC and recommendation 36 of the Good Governance Code for CNMV Listed Companies, which states that the Plenary of the Board of Directors must evaluate and adopt, where applicable, an action plan once a year, to correct any deficiencies detected, regarding:

- The quality and efficiency of the operation of the board of directors.
- The operation and composition of its committees.
- Diversity in the composition and powers of the board of directors.
- The performance of the chairman of the board of directors and the chief executive officer.
- The performance and contribution of each director, paying special attention to the Chairs of the board's different committees.

The opinion of the directors regarding the various matters being assessed was obtained through two ways, based on the organic importance and availability of each of the members of the Board of Directors: interviews and questionnaires.

There are three differentiated aspects of the results of the evaluation process:

- Monitoring of the Action Plan for 2018.
- Strengths and areas of improvement relating to the Board of Directors, the Audit Committee, the Appointments and Remuneration Committee, the Chairman of the Board, the Chief Executive Officer, each Directors and the Secretary of the Board of Directors.
- Improvement actions to be implemented in 2019.

C.1.18 Disclosure, in those years in which the evaluation has been assisted by an external consultants of the business relationships that the consultant or any company in its group maintains with the company or any group company.

Deloitte does not present any threats that could compromise or affect the Firm[s independence when rendering the Services: Deloitte has established very strict risk control, independence and conflict of interest policies that guarantee the elimination or mitigation of potential threats, thereby assuring its independence when rendering professional services.

The invoices issued by the Firm (including all lines of business) to Endesa in 2017 was equivalent to 2.2% of total revenue.

C.1.19 Indicate the cases in which directors must resign.

Directors must resign in the events described in article 12.2 of the Board of Directors' Regulations.

In this connection, Directors must tender their resignation in the following circumstances: when their remaining on the Board of Directors may impair the credit and reputation of the Company, when they are subject to any instance of incompatibility or prohibition provided for by law or in the Regulations of the Board of Directors; when, in the case of independent directors, just cause is found by the Board of Directors following a report by the Appointments and Remuneration Committee, or when the shareholders they represent transfer their equity stage in its entirety, or reduce it. In the latter case, the corresponding number of proprietary directors will be reduced.

Finally, in the event that a Director ceases in his position, whether due to resignation or otherwise, prior to the end of his mandate, he must explain the reasons in a letter to be sent to all Board members. Without prejudice to said removal being reported as a significant event, a report must be given on the reason for the removal in the Annual Corporate Governance Report.

C.1.20 Are qualified majorities, other than those prescribed by law, required for any type of decision?

- Yes
 No

If applicable, describe the differences.

C.1.21 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed chairman of the Board of Directors:

- Yes
 No

C.1.22 Indicate whether the bylaws or the board regulations set any age limit for directors:

- Yes
 No

C.1.23 Indicate whether the Bylaws or the board regulations set a limited term of office, or any other requirements that are stricter than those established by law, for independent directors:

- [] Yes
[v] No

C.1.24 Indicate whether the bylaws or board regulations stipulate specific rules on appointing other directors as a proxy to the board, the procedures thereof and, in particular, the maximum number of proxy appointments a director may hold. Also indicate whether any limitation has been stipulated regarding the categories that can be appointed proxy, other than any limitations imposed by law. If so, give brief details.

Article 45 of the Company Bylaws and article 20.2 of the Board of Directors' Regulations state that each director may grant a proxy to another member of the Board of Directors. Proxies shall be granted in writing and specifically for each Board Meeting. No director may hold more than three proxies, with the exception of the Chairman, to whom this limit shall not apply, although he may not represent the majority of the Board of Directors. Non-Executive Directors may only delegate their proxy to another non-executive.

C.1.25 Indicate the number of board meetings held during the year. Indicate how many times the board has met without the chairman in attendance. Attendance will also include proxies appointed with specific instructions.

Number of board meetings	13
Number of board meetings held in the absence of the chairman	

Indicate the number of board meetings held by the coordinating director and other directors in the absence and without representation on behalf of any executive director:

Number of meetings	
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Indicate the number of meetings of the various board committees held during the year.

Number of meetings of the AUDIT AND COMPLIANCE COMMITTEE	11
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	9

C.1.26 Indicate the number of board meetings held during the year and member attendance data:

Number of meetings when at least 80% of directors attended	13
% of attendance compared with the total votes cast during the year	96.30
Number of meetings in situ or representations made with specific instructions of all directors	13

% of votes cast in person and by representatives with specific instructions, compared with the total votes cast during the year	100.00
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C.1.27 Indicate whether the individual and consolidated financial statements are certified before they are submitted to the board for issue:

- Yes
 No

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior to their authorisation for issue by the board:

Name	Position
JOSE DAMIAN BOGAS GALVEZ	Chief Executive Officer
MR. LUCA PASSA	General Manager - Administration, Finance and Control

C.1.28 Explain the mechanisms, if any, established by the board of directors to prevent the individual and consolidated financial statements it authorises for issue from being presented at the general shareholders' meeting with a qualified audit report in the audit report.

The main function of the Audit and Compliance Committee is to advise the Board of Directors and supervise and control the creation and presentation of financial and non-financial information, the independence of the auditor and the efficiency of internal risk control and management systems, in addition to informing the Board of Directors of operations with related parties.

The Audit and Compliance Committee, in terms of the process of creating economic-financial and non-financial information, has the following duties:

- To monitor the preparation and the presentation of the Company's required financial information and, where appropriate, the Group, and submit recommendations or proposals to the Board of Directors, with a view to safeguarding its integrity.
- Regularly revise, analyse and comment on financial statements and other relevant non-financial information with management, internal auditing, the external auditor, or, as applicable, an audit firm.
- Assess, considering the different sources of information available, whether the Company has correctly applied accounting policies and use its own judgement to reach a conclusion.
- Inform the Board of Directors on the veracity, integrity and reliability of regulated financial information that, given its status as a listed company, the Company must publish on a periodic basis:
 - a) annual financial report that covers financial statements and separate management reports for the Company and the consolidated Group, revised by the auditor.
 - b) half-yearly financial report on the first six months of the year, that covers the condensed financial statements and the separate interim management reports for the Company and the consolidated Group.
 - c) interim statements concerning the first and third quarters of the year, containing an explanation of the significant events and operations that have occurred during the period between the start of the financial year and the end date of each quarter, in addition to a general statement on the financial position and results of the Company and its consolidated Group.
- Monitor the efficiency of the internal control of the Company's financial information, including the receipt of reports from those responsible for internal control and internal auditing an independent third party (Deloitte) and, in any event, ensuring that the report contains a conclusion on the reliability and feasibility of the system (ICFR), informing the Board of Directors accordingly, and discussing significant weaknesses in the internal control system detected during the audit. In this respect, and if necessary, the Audit and Compliance Committee

may present recommendations or proposals to the Board of Directors and a deadline for follow-up.

- ensure that the remuneration of the External Auditor for his work does not compromise its quality or its independence, verifying the limits on the concentration of the auditor's business.
- oversee compliance with the audit agreement, regularly receiving information on the audit plan and results thereof from the External Auditor, in addition to any other aspects relating to the audit process.
- Issue of a report expressing the opinion on the independence of the auditor, in accordance with article 529 (14) of the Corporate Enterprise Act.

To complete its supervisory duties, the Audit and Compliance Committee will prepare a final assessment regarding the auditor's actions and how it contributed to the quality of the audit and the integrity of the financial information.

If, having performed the auditor assessment, the Audit and Compliance Committee believes there are aspects that are cause for concern or unresolved in terms of the quality of the audit, the Committee shall assess the possibility of informing the Board of Directors and, if deemed appropriate, will inform supervisory authorities as applicable.

Throughout the process, and in compliance with the recommendation 42.2 d) of the Code of Good Governance for listed companies and the provisions of article 33 of the Board of Directors' Regulations, the Audit and Compliance Committee has an ongoing objective and professional relationship with the Company's accounts auditor, in respect of its independence, and agrees to provide all information said auditor may need in order to perform its tasks. For this purpose, in 2018, Ernst & Young, S.L. attended various meetings with the Board of Directors and the Audit and Compliance Committee to report on the following points:

- Presentation of the auditor on the audit for the year: Favourable report on the Annual Accounts and Individual and Consolidated Management Reports for the year ended 31 December 2017. Furthermore, the external auditor presented and explained the content of the additional report for the Audit and Compliance Committee, in accordance with Article 36 of the LAC.
- Information regarding the work performed on the half yearly results. Limited review of the financial information regarding Endesa, S.A. and subsidiaries at 30 June 2018.
- Auditor Activity Plan for 2018

C.1.29 Is the secretary of the board also a director?

- Yes
 No

If the secretary is not a director, complete the following table:

Name or corporate name of the secretary	Representative
FRANCISCO BORJA ACHA BESGA	

C.1.30 Indicate the specific mechanisms implemented by the company to preserve the independence of the external auditors, and any mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Pursuant to Article 52 of the Bylaws and the Audit and Compliance Committee Regulations, the main task of the Audit and Compliance Committee (hereinafter, CAC) is to promote compliance with good corporate governance and ensure the transparency of all actions of the Company in the economic and financial area and external and compliance audits and internal audits and, therefore, it shall:

-Liaise with external auditors in order to receive information on all matters which may place at risk their independence, for examination by the Committee, and any others related to the procedures concerning the audit of the accounts and, when applicable, authorise services other than those prohibited, under the terms set out in the applicable regulations, on independence, as well as those communications as provided by account auditing laws and technical auditing standards.

Supervise the efficiency of the Company's internal control, internal auditing and risk management systems, and also discuss, with the auditor, the significant weaknesses of the internal control system detected while performing the audit, all without compromising its independence. To this end, and as applicable, recommendations or proposals may be submitted to the Board of Directors, along with the corresponding follow-up period.

-Monitor the preparation and the presentation of the required financial information, and submit recommendations or proposals to the Board of Directors, with a view to safeguarding its integrity.

- Make recommendations to the Board of Directors for the selection, appointment, reappointment and removal of the auditor of accounts, assuming responsibility for the selection process, as set out in the applicable regulations, and the terms of his or her engagement, and receive regular information from him or her on the progress and findings of the audit programme, besides preserving independence in the exercise of his or her duties.

As a result of the CNMV's approval of the "Technical Guide 3/2017 on audit fees at public-interest entities", in 2018 the Audit and Compliance Committee approved:

- a procedure for selecting an auditor that specifies the standards or parameters to be taken into consideration from among a sufficient number of auditors and audit firms invited to participate by the Audit Committee.
 - A policy regarding the rendering of non-audit services and the relationship with the auditor, including criteria that define its actions including, among others, a prohibition against the auditor rendering certain services, the approval of the rendering of non-audit services and the establishment of limits regarding the fees to be received by the auditor for non-audit services, taking into account the provisions of European and Spanish legislation. In addition, the procedure stipulates that the Audit and Compliance Committee shall issue annually, prior to the issuance of the auditors' report, a report which will express an opinion on whether the independence of the auditors or audit firms is compromised. The auditor will also issue an annual statement of its independence regarding the Company and any companies directly or indirectly associated with it, as well as detailed and individualised information regarding services other than the statutory audit and the fees received by the auditor from the Company and any companies it controls.
- Moreover, there is no relationship other than that derived from professional activities with financial analysts, investment banks and credit rating agencies.

C.1.31 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

- Yes
 No

On 17 December 2018, the Board of Directors resolved to submit a proposal to the 2019 General Shareholders' Meeting the appointment of KPMG Auditores, S.L. as auditor of the separate and consolidated financial statements of Endesa, S.A., as well as the limited review of the half-yearly financial statements for the 2020-2022 period, in accordance with the recommendation made by the Audit and Compliance Committee.

Explain any disagreements with the outgoing auditor and the reasons for the same.

- Yes
 No

C.1.32 Indicate whether the audit firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group:

- Yes
 No

	Company	Group companies	Total
Amount of non-audit work (in thousands €)	1,191	93	1,284
Amount of non-audit work / amount of audit work (%)	44.37	7.59	32.89

C.1.33 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given to shareholders at the general meeting by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

Yes
 No

C.1.34 Indicate the number of consecutive years during which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Individual	Consolidated
Number of consecutive years	8	8
	Individual	Consolidated
Number of years audited by current audit firm/vNumber of years the company or group's financial statements have been audited (%)	21.05	25.81

C.1.35 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies:

Yes
 No

Details of procedure

The Board of Directors' Regulations stipulate that the call to meeting of the Board shall be made with the required notice, at least 48 hours before the date set for the meeting, to each of the directors and shall include the agenda, clearly identifying the items on which the Board of Directors shall make a decision or adopt a resolution so that the directors may study or gather, in advance, the information required to make such decisions. Likewise, the minutes of the preceding meeting shall be attached.

Directors have an IT application to handle documents from Board meetings and Committee meetings online, facilitating the right to information and availability and access thereto.

In line with the Board of Directors Regulations, Directors, as required to perform their duties, have access to all of the Company's services and have a duty to request, and the right to gather, all information from the Company which may be appropriate or necessary in order to perform their duties, as well as any advising required in relation to any matter. The right to information extends to investees. The request will be made by the Chairman through the Board Secretary and conveyed by the Chief Executive Officer.

Furthermore, the Board may request information on the actions of Senior Management of the Company and may ask for such explanations as it sees fit. Said request shall be made by the Chairman through the Board Secretary and shall be conveyed by the Chief Executive Officer.

C.1.36 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

Yes
 No

Details of procedure

Directors must tender their resignation when they come under any of the cases established by Article 12.2 of the Board of Directors' Regulations and, specifically, "Directors must tender their resignation when their remaining on the Board of Directors may impair the credit and reputation of the Company" Likewise, pursuant to article 28.bis of the Board of Directors' Regulations, Directors shall notify the Company, via the Board Secretary, of the start of any type of legal criminal investigation or proceedings, in Spain or abroad, in which they are involved, as well as of all developments related thereto. The Audit and Remuneration will analyse the information available, presented by the Director, via the Secretary, to determine whether this event could damage the Company's credit or reputation.

In case where the investigation or criminal proceedings leads to a Director being indicted or tried for any of the crimes stated in company law, the Board of Directors shall examine the matter as quickly as possible and, after reporting to the Appointments and Remuneration Committee, decide on the course of action that is most suitable for the company's interests. In the event that the criminal proceedings take place in a jurisdiction outside of Spain, similar concepts and legal categories to those set down in Spanish law will be applied.

C.1.37 Indicate whether any Member of the Board of Directors has notified the company that he/she has been indicted tried for any of the offences stated in article 213 of the Spanish Corporate Enterprises Act.

- Yes
 No

C.1.38 Indicate the significant agreements to which the company is a party and which take effect, undergo changes or terminate upon a change of control following a takeover bid and the effects thereof.

At 31 December 2018, ENDESA, S.A. has loans and other borrowings from banks and ENEL Finance International, N.V. of approximately 4,560 million Euros, with an outstanding debt of 4,225 million Euros, which might have to be repaid early in the event of a change of control over ENDESA, S.A.

Furthermore, certain ENDESA subsidiaries that operate in the renewable energy business, and which are financed through project finance have financial debt of 103 million Euros, in addition to associated derivatives with a negative net market value of 6 million Euros, which might have to be settled early if there is a change of control over ENDESA.

C.1.39 Identify in general and describe in detail any agreements made between the company and its directors, executives or employees containing severance or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	22
Type of beneficiary	Description of the agreement
Executive directors, senior executives and executives	These clauses are the same in all the contracts of the Executive Directors and senior executives of the Company and of its Group and were approved by the Board of Directors following the report of the Appointments and Remuneration Committee and provide for termination benefits in the event of termination of the employment relationship and a post-contractual non-competition clause. With regard to management, although this type of termination clause is not the norm, the contents of cases in which it arises are similar to the scenarios of general employment relationships.

Type of beneficiary	Description of the agreement
	<p>Furthermore, ENDESA's Remuneration Policy established that when new directors are included, a maximum number of two years of total annual remuneration will be set as payment for contract termination, applicable in any case in the same terms to the executive director contracts. The regime for these clauses is as follows. Termination of the employment relationship: - By mutual agreement: termination benefit equal to an amount from 1 to 3 times the annual remuneration, on a case-by-case basis. - ENDESA's 2016-2018 Directors' Remuneration Policy established that when new directors are included, a maximum number of two years of total annual remuneration will be set as payment for contract termination, applicable in any case in the same terms to the executive director contracts. -At the unilateral decision of the executive: no entitlement to termination benefit, unless the decision to terminate the employment relationship is based on the serious and culpable breach by the Company of its obligations, the position is eliminated, or in the event of a change of control or any of the other cases for compensation for termination provided for in Royal Decree 1382/1985. -As a result of termination by the Company: termination benefit equal to that described in the first point. -At the decision of the Company based on the serious wilful misconduct or negligence of the executive in discharging his duties: no entitlement to termination benefit. These conditions are alternatives to those arising from changes to the pre-existing employment relationship or its termination due to early retirement for senior executives. Post-contractual non-competition clause: In the vast majority of contracts, senior executives are required not to engage in a business activity in competition with ENDESA for a period of two years; as consideration, the executive is entitled to an amount equal to up to 1 time the annual fixed remuneration payment.</p>

Indicate whether, beyond the cases established by legislation, these agreements must be reported to and/or authorised by the governing bodies of the company or its group. If so, specify the proceedings, cases and nature of the bodies that are responsible for their approval, or making notification:

	Board of Directors	General meeting
Body authorising clauses	√	
	Yes	No
Are the shareholders informed of such clauses at	√	

C.2. Board committees

C.2.1 Give details of all the board committees, their members and the proportion of executive, proprietary, independent and other external directors:

EXECUTIVE COMMITTEE		
Name	Position	Category
IGNACIO GARRALDA RUIZ DE VELASCO	MEMBER	Independent
JOSE DAMIAN BOGAS GALVEZ	MEMBER	Executive
MR. ALEJANDRO ECHEVARRÍA BUSQUET	MEMBER	Independent
MIQUEL ROCA JUNYENT	MEMBER	Independent
MR. BORJA PRADO EULATE	CHAIRMAN	Executive
FRANCESCO STARACE	MEMBER	Proprietary
ALBERTO DE PAOLI	MEMBER	Proprietary

% of executive directors	28.57
% of proprietary directors	28.57
% of independent directors	42.86
% other external directors	0.00

Explain the functions attributed to this committee and describe the organisational and operational rules and the responsibilities attributed to the committee. Explain the most important actions taken during the year with respect to these functions, and how they have been exercised in practice, either in accordance with the law, and bylaws or other corporate agreements.

Article 22 of the Board of Directors' Regulations, which regulates the composition and operating system of the Executive Committee, in the first place, establishes its optional nature, and also establishes the following organisational and operational rules:

The Executive Committee, if any, shall consist of a minimum of five and a maximum of seven Directors, including the Chairman and the Chief Executive Officer.

The Chairman of the Board of Directors will chair the Executive Committee and the Secretary of the Board of Directors will act as such on the Executive Committee. The rules on substituting such officers shall be as stipulated for the Board of Directors.

The composition of the Executive Committee shall reasonably reflect the structure of the Board. The Executive Committee shall have the power to adopt resolutions related to the powers delegated thereto by the Board as well as all other resolutions which, in the event of emergency, may need to be adopted.

Members of the Executive Committee shall be appointed by proposal of the Appointments and Compensation Committee and shall require the favourable vote of at least two thirds of the Board members.

Resolutions of the Executive Committee on matters for which it has been delegated powers by the Board shall be implemented as soon as they have been adopted. However, in cases where, in the opinion of the Chairman or of the majority of the members of the Executive Committee, the importance of the matter so advises, the resolutions of the Executive Committee will be submitted for subsequent ratification by the Board. The Secretary of the Executive Committee shall be that of the Board of Directors and will draft minutes of the resolutions passed and inform the Board of the same.

The minutes must be available to all Board members. It must be highlighted that the Executive Committee did not meet in 2018.

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
IGNACIO GARRALDA RUIZ DE VELASCO	CHAIRMAN	Independent
MR. ALEJANDRO ECHEVARRÍA BUSQUET	MEMBER	Independent
HELENA REVOREDO DELVECCHIO	MEMBER	Independent

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
MIQUEL ROCA JUNYENT	MEMBER	Independent
FRANCISCO DE LACERDA	MEMBER	Independent
ALBERTO DE PAOLI	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	16.67
% of independent directors	83.33
% other external directors	0.00

Explain the functions, including any in addition to those established by law, attributed to this committee, and describe its organisational and operational rules and procedures. Explain the most important actions taken during the year with respect to these functions, and how they have been exercised in practice, either in accordance with the law, and bylaws or other corporate agreements.

The Audit and Compliance Committee, hereinafter CAC, will comprise a minimum of three and a maximum of six members of the Board of Directors. It shall be exclusively comprised of non-executive directors, the majority of which should be independent directors. Members of the CAC shall serve a term of office of four years and they may be re-elected for periods of like duration.

The appointment of members of the CAC shall be based on their knowledge and experience in accounting, auditing, finance, internal control and risk management, in addition to appropriate training in corporate governance and corporate social responsibility. As a whole, members of the Committee shall have relevant technical knowledge in terms of the electricity and gas industry to which the Company belongs.

The Chairman of the Audit and Compliance Committee shall be appointed by the Board of Directors from the independent directors sitting on the Committee, bearing in mind their knowledge and experience in accounting, auditing or risk management. The Chairman must be substituted every four years and may be re-elected after one year after his vacating office has lapsed.

The CAC will meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors.

Committee meetings will be validly assembled when the majority of the Committee members attend in person or by proxy. Resolutions must be adopted with the favourable vote of the majority of the Directors attending the meeting. In the event of a tie, the Chairman or Acting Chairman, will have the tie-breaking vote.

The Secretary of the Committee shall be the same as the Secretary of the Board of Directors who will draft the minutes of the resolutions passed thereat and the Board will be informed of these resolutions.

The main functions of the Committee shall be to advise the Board of Directors and supervise and control the creation and presentation of financial and non-financial information, the selection, appointment and independence of the auditor and the efficiency of internal risk control and management systems, oversee internal audit services, supervise the communication strategy and relationship with shareholders and investors, oversee compliance with corporate governance rules, revise the corporate social responsibility policy and monitor the corresponding strategy and practices, in addition to informing the Board of Directors of operations with related parties. These duties will be deemed to be without limitation and without prejudice to such other duties by law and as may be entrusted to the Committee by the Board of Directors.

The most important action taken by the Committee in 2018 was as follows: inform the Board of the Company's financial and non-financial information, the supervision of the internal control and risk management systems, the approval of the policy regarding the rendering of non-audit services and the relationship with the auditor, which establishes the criteria for ensuring the independence of the external auditor, the approval of the procedure for contracting the auditor, the process of selecting the auditor of the individual and consolidated annual accounts of Endesa, S.A. for the period 2020-2022, to be proposed to shareholders at the 2019 general meeting, and informing the Board of related transactions, among other things.

All of the activities carried out by the Audit and Compliance Committee in 2018 are described in the Audit and Compliance Committee Activity Report published on the Company's website.

Identify the Directors on the Audit Committee who have been appointed on the basis of knowledge and experience of accounting or auditing, or both, and state the date on which the Chairman was appointed.

Names of directors with experience	IGNACIO GARRALDA RUIZ DE VELASCO
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Date appointed as Chairman	19/09/2016
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APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
IGNACIO GARRALDA RUIZ DE VELASCO	MEMBER	Independent
MR. ALEJANDRO ECHEVARRÍA BUSQUET	MEMBER	Independent
HELENA REVOREDO DELVECCHIO	MEMBER	Independent
MIQUEL ROCA JUNYENT	CHAIRMAN	Independent
FRANCISCO DE LACERDA	MEMBER	Independent
ALBERTO DE PAOLI	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	16.67
% of independent directors	83.33
% other external directors	0.00

Explain the functions, including any in addition to those established by law, attributed to this committee, and describe its organisational and operational rules and procedures. Explain the most important actions taken during the year with respect to these functions, and how they have been exercised in practice, either in accordance with the law, and bylaws or other corporate agreements.

The Appointments and Remuneration Committee, hereinafter CNR, shall be formed by a minimum of three and a maximum of six non-executive members of the Board of Directors, at least two of whom must be independent directors.

The Chairman of the Appointments and Remuneration Committee shall be appointed by the Board of Directors from among its independent Directors.

The CNR will meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors.

Committee meetings will be validly assembled when the majority of the Committee members attend in person or by proxy.

Resolutions must be adopted with the favourable vote of the majority of the Directors attending the meeting. In the event of a tie, the Chairman or Acting Chairman, will have the tie-breaking vote.

The CNR may contract external consultancy services. The Secretary of the Committee shall be that of the Board of Directors who will draft the minutes of the resolutions passed thereat and the Board will be informed of these resolutions.

The Appointments and Compensation Committee shall have the following duties:

Assess the capacities, knowledge and experience required on the Board of Directors in order to submit proposals to the Board on the selection, appointment, re-election and removal of members of the Board; propose members to sit on the Executive Committee and each of the Committees and report on the proposed appointment and removal of senior managers, the basic conditions of their contracts and payment; propose the adoption of remuneration systems for senior management in addition to proposing the Director remuneration policy to the Board of Directors, in addition to the individual remuneration and other contract terms for Executive Directors; establish a gender representation target for the Board of Directors and examine and organise the succession plan for the Chairman of the Board of Directors and the CEO, amongst others.

The Committee's main actions in 2018 consisted of the reelection and appointment of Mr. José Damián Bogas Gálvez as the Executive Director, the ratification of the appointment by co-optation and the reelection of Ms. Ms. Patrizia Grieco as a Proprietary Director; the re-election of the proprietary directors Mr. Francesco Starace and Mr. Enrico Viale, The removals and appointments, and compensation for, the Executive Committee, the variable remuneration for senior management, the annual report regarding Directors' remuneration, Compliance with the policy for selecting candidates to director positions and amendments to that policy, the evaluation of the Committee and the Board in 2018 with the collaboration of an external advisor and the approval of the Committee's Annual Activity Report, among other things.

All of the activities carried out by the Appointments and Remuneration Committee in 2018 are described in the Appointments and Remuneration Committee Activity Report published on the Company's website.

C.2.2 Complete the following table on the number of female directors on the various board committees at the end of the past four years:

	Number of female directors							
	2018		2017		2016		2015	
	Number	%	Number	%	Number	%	Number	%
EXECUTIVE COMMITTEE		0.00		0.00		0.00		0.00
AUDIT AND COMPLIANCE COMMITTEE	1	16.65	1	16.65	1	16.65	1	16.65
APPOINTMENTS AND REMUNERATION	1	16.65	1	16.65	1	16.65	1	16.65

C.2.3 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, 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.

AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is regulated by the Bylaws and the Board of Directors' Regulations and the Audit and Compliance Committee Regulations. These regulations can be consulted on the Company's website www.endesa.com.

The Audit Committee draws up, inter alia, the annual activity report for the Audit and Compliance Committee.

APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee is regulated by the Bylaws and the Board of Directors' Regulations. These regulations can be consulted on the Company's website www.endesa.com.

The Appointments and Remuneration Committee draws up an Activity Report each year.

EXECUTIVE COMMITTEE

The Executive Committee is regulated by the Bylaws and the Board of Directors' Regulations. These regulations can be consulted on the Company's website www.endesa.com.

The Executive Committee did not meet in 2018.

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Explain, if applicable, the procedures and competent bodies for approving related-party or intragroup transactions.

The procedure for approving operations with related parties is set out in Endesa's Operations with Related Parties Regulations. Procedure for requesting approval for operations linked to Directors:

1. Endesa Directors must request approval from the Board of Directors, through the General Secretary and the Board of Directors, for any transaction that they or their related parties intend to perform with Endesa or with any company in the Endesa Group, prior to performing it.
2. When the Secretary is also a Director and requests authorization, the request shall be forwarded to the Chairman of the Board of Directors.
3. The request shall state: (a) the Director or person related to the Director that is going to undertake the operation and the nature of the relationship. (b) The Endesa Group company with whom the operation will be undertaken. (c) The purpose, the value and the main terms and conditions of the operation. (d) The nature of the operation. (e) Any other information or circumstances that may be relevant in terms of assessing the operation.
4. Notwithstanding the provisions of section 1 above, senior managers who are aware of any potential operation linked to Directors or persons related thereto, shall inform General Secretary and the Board of Directors, and the General Manager of Administration, Finance and Control at Endesa.

Procedure for requesting approval for operations linked to significant shareholders:

1. Operations that Endesa or Endesa Group companies undertake with significant shareholders or persons related thereto must be approved by the Board of Directors, following a report from the Audit and Compliance Committee.
2. Endesa Group Senior Management must request approval from the Board of Directors, through the General Secretary and the Board of Directors, for any transaction that Endesa or any company in the Endesa Group intends to perform with significant shareholders or their related parties. Likewise, the Senior Management must inform the General Manager of Administration, Finance and Control at Endesa of this request.
3. The request shall state: (a) the significant shareholder or person related to the significant shareholder that is going to undertake the operation and the nature of the relationship. (b) The Endesa Group company with whom the operation will be undertaken. (c) The purpose, the value and the main terms and conditions of the operation. (d) The nature of the operation. (e) Any other information or circumstances that may be relevant in terms of assessing the operation.

Approval of the transaction by the Board:

1. When the operation must be approved by the Board of Directors, the General Secretary and the Board of Directors shall ask the Audit and Compliance Committee to issue the corresponding report, submitting the information gathered to this effect.
2. The Audit and Compliance Committee will analyse this information and issue a report on the operation, for which purpose it may request any information it deems fit through the General Secretary and the Board of Directors. In accordance with the provisions of the Board of Directors' Regulations, the Audit and Compliance Committee may use any external advisors it deems fit to issue this report.
3. The Audit and Compliance Committee report will be submitted to the Board of Directors so that it may rule as appropriate in relation to authorising the transaction.
4. Under urgent circumstances for which due justification is provided, the CEO may approve the operation, which shall be ratified at the first Board meeting held after the decision is adopted.

Obligation of Directors to abstain from participating in decision-making:

Directors who are going to perform the operation or related to the party who is going to perform it or Directors who are also the significant shareholder affected or is related to the latter, and also any Directors who have been appointed at the request of the aforementioned significant shareholder or who, for any other reason, are affected by a conflict of interests must abstain from participating in the deliberation and voting on the agreement in question, so that the independence of the Directors approving the related-party operation is guaranteed in relation to the Directors affected by it.

In terms of related-party operations with Directors and those with significant shareholders, approval shall not be required from the Board of Directors (although they must be reported to the General Secretary and Board of Directors) for related-party operations with Directors and related parties that also satisfy the following requirements: They are governed by standard form contracts applied on an across-the-board basis to a large number of clients; They go through at market prices, generally set by the person supplying the goods or services; They are transactions of little relevance, being understood to be those whose information is not required to express a faithful rendering of Endesa assets, financial status and results. In any case, they may only be understood to be of little relevance if their amount is no more than one per cent of the Endesa's annual revenues.

D.2. List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's significant shareholders.

Name or corporate name of the significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (In thousands €)
ENEL IBERIA SRL	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Operating lease agreements	196
ENEL IBERIA SRL	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Rendering of services	179
ENEL IBERIA SRL	ENEL GREEN POWER ESPAÑA, S.L.	Contractual	Services rendered	292
ENEL IBERIA SRL	ENDESA, S.A.	Contractual	Management contracts	1,435
ENEL IBERIA SRL	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Operating lease agreements	1,105
ENEL IBERIA SRL	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Rendering of services	231
ENEL IBERIA SRL	ENDESA ENERGÍA, S.A.	Contractual	Sale of finished goods and work in	2
ENEL IBERIA SRL	ENDESA FINANCIACIÓN FILIALES, S.A.	Contractual	Interest charged	739
ENEL IBERIA SRL	ENDESA, S.A.	Contractual	Dividends and other distributions	1,025,577
ENEL, S.P.A.	DISTRIBUIDORA PUERTO DE LA CRUZ, S.A.	Contractual	Management contracts	17
ENEL, S.P.A.	EASA I	Contractual	Management contracts	8
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Management contracts	2,235
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Services rendered	1,518

Name or corporate name of the significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (In thousands €)
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Purchase of finished goods and work in progress	19,160
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Rendering of services	2,633
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA, S.L.	Contractual	Interest charged	152
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA, S.L.	Contractual	Management contracts	5,786
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA, S.L.	Contractual	Services rendered	14
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA, S.L.	Contractual	Rendering of services	7,808
ENEL, S.P.A.	ENCASUR	Contractual	Management contracts	10
ENEL, S.P.A.	ENCASUR	Contractual	Rendering of services	3
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Interest charged	91,825
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Management contracts	9,848
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Services rendered	768
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Interest paid	1,130
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Rendering of services	2,975
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Purchase commitments	6,700
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Property, plant and equipment	3,700
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Management contracts	7,763

Name or corporate name of the significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (In thousands €)
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Purchase commitments	101,066
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Property, plant and equipment	191,137
ENEL, S.P.A.	ENDESA INGENIERÍA, S.L.	Contractual	Management contracts	100
ENEL, S.P.A.	ENDESA INGENIERÍA, S.L.	Contractual	Rendering of services	1,490
ENEL, S.P.A.	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Management contracts	30
ENEL, S.P.A.	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Services rendered	36,434
ENEL, S.P.A.	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Rendering of services	22
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Financing Agreements: loans	3,000,000
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Guarantees	120,000
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Management contracts	8,724
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Operating lease agreements	55
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Services rendered	88
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Property, plant and equipment	189,846
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Other	1,104
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Rendering of services	3,082
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Sale of finished goods and work in	18,044

Name or corporate name of the significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (In thousands €)
ENEL, S.P.A.	ENDESA ENERGÍA XXI, S.L.	Contractual	Management contracts	83
ENEL, S.P.A.	ENDESA ENERGÍA XXI, S.L.	Contractual	Rendering of services	33
ENEL, S.P.A.	ENDESA OPERACIONES Y SERVICIOS COMERCIALES,	Contractual	Management contracts	342
ENEL, S.P.A.	ENDESA OPERACIONES Y SERVICIOS COMERCIALES,	Contractual	Services rendered	233
ENEL, S.P.A.	ENDESA OPERACIONES Y SERVICIOS COMERCIALES,	Contractual	Rendering of services	26
ENEL, S.P.A.	ENDESA FINANCIACIÓN FILIALES, S.A.	Contractual	Management contracts	2
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Interest charged	1,101
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Services rendered	293
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Purchase of finished goods and work in	52,942
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Other	431,730
ENEL, S.P.A.	GESA GENERACIÓN, S.A.	Contractual	Management contracts	964
ENEL, S.P.A.	GESA GENERACIÓN, S.A.	Contractual	Rendering of services	198
ENEL, S.P.A.	UNELCO GENERACIÓN, S.A.	Contractual	Management contracts	841
ENEL, S.P.A.	UNELCO GENERACIÓN, S.A.	Contractual	Rendering of services	412
ENEL, S.P.A.	ENDESA RED, S.A.	Contractual	Management contracts	1,214

Name or corporate name of the significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (In thousands €)
ENEL, S.P.A.	ENDESA RED, S.A.	Contractual	Services rendered	425
ENEL, S.P.A.	ENDESA RED, S.A.	Contractual	Rendering of services	16
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Interest paid	1,626
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Rendering of services	1,479
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Sale of finished goods and work in	1,116

The following transactions generated negative figures, but they have been recorded as positive because the application does not allow the use of negative figures (thousand euros):

- ENEL, S.P.A. with ENEL GREEN POWER ESPAÑA, S.L. (Contractual) Interest charged 152
- ENEL, S.P.A. with ENEL GREEN POWER ESPAÑA, S.L. (Contractual) Services received 14
- ENEL, S.P.A. with ENDESA MEDIOS Y SISTEMAS, S.L. (Contractual) Management agreements 30
- ENEL, S.P.A. with ENDESA MEDIOS Y SISTEMAS, S.L. (Contractual) Services rendered 22
- ENEL, S.P.A. with ENDESA ENERGÍA, S.A. (Contractual) Sale of finished goods and work in progress 18,044
- ENEL, S.P.A. with ENDESA ENERGÍA XXI, S.L. (Contractual) Management agreements 83
- ENEL, S.P.A. with ENDESA FINANCIACIÓN FILIALES, S.A. (Contractual) Management agreements 2
- ENEL, S.P.A. with ENDESA GENERACIÓN, S.A. (Contractual) Purchases of finished goods and work in progress 52,942
- ENEL, S.P.A. with ENDESA RED, S.A. (Contractual) Services rendered 16

D.3. List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's managers or directors:

Name or corporate name of director or senior manager	Name or corporate name of related party	Relationship	Nature of the transaction	Amount (In thousands €)
No data				N/A.

- D.4.** List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens:

Corporate name of the group company	Brief description of the transaction	Amount (In thousands €)
No data		N/A.

- D.5.** List the significant transactions carried out between the company or group of companies and with other related parties that have not been reported in the previous sections:

Corporate name of the related party	Brief description of the transaction	Amount (In thousands €)
No data		N/A.

- D.6.** List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

Directors shall take the necessary measures to avoid becoming involved in situations in which their interests, whether personally or on behalf of another party, may conflict with the corporate interest and their duties before the Company.

Specifically, under the duty to avoid situations of conflicts of interests, Directors shall be obliged to abstain from:

- Undertaking transactions with the Company, with the exception of ordinary operations made under standard conditions for clients and that are of limited relevance, understood to be those whose information is not required to express a faithful rendering of the Company's equity, financial position and income.
- Use the Company's name or rely on their status as Directors to unduly influence operations for their own account.
- Use corporate assets, including confidential information belonging to the company, for private purposes.
- Take advantage of the Company's business opportunities.
- Obtain payments or benefits from third parties other than the Company and its Group associated with his/her position, with the exception of hospitality.
- Perform activities on their own account or the account of others that represent effective competition, whether currently or potentially, with the Company or that in any other way place them in a permanent conflict with the Company's interests.

Directors must inform the Board of Directors, through the Board Secretary, of any direct or indirect conflict of interest between them and the Company.

Directors shall abstain from participating in the deliberation and voting on agreements or decisions in which he/she or a related person has a direct or indirect conflict of interests. Agreements or decisions that affect their capacity as Directors, such as their appointment to or removal from roles on the Board of Directors, its Committees and the Executive Committee, or other similar agreements or decisions shall be excluded from the aforementioned abstention.

In any case, conflicts of interests in which Company Directors find themselves shall be reported on pursuant to the law in force.

Directors shall perform their duties as a faithful representative, employing good faith and acting in the best interests of the Company, interpreted with full independence, and they will ensure at all times that the interests of the shareholders as a whole, from whom their authority originates and to whom they are accountable, are best defended and protected.

The Directors, by virtue of their appointment, are obliged, in particular, to:

- Refrain from using their powers for any other purpose than for which they were originally granted.
- Perform their functions under the principle of personal responsibility with complete freedom and independence in terms of Instructions and third-party associations.
- Comply with the general principles and criteria of conduct contained in the Company's Code of Ethics.

Furthermore, Endesa has a Conflict of interests, exclusive service and commercial competition protocol, the purpose of which is to regulate the actions that Endesa employees must take in terms of exclusive service and commercial competition, and establish the rules to be applied in terms of conducts or situations that represent a direct or indirect potential conflict between the Company's interest and personal interests of any of its employees.

D.7. Is more than one group company listed in Spain?

Yes

No

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Explain the scope of the Risk Control and Management System in place at the company, including tax risk:

The Risk Management and Control Policy, approved by the Board of Directors and applied at Endesa and all subsidiaries, involves guiding and directing all strategic, organisational and operating activities to enable the Board of Directors to identify precisely the acceptable risk level, with a view to the managers of the various business lines maximising the Company's profit, maintaining or increasing its assets and equity and the certainty of this occurring above certain levels, preventing future uncertain events from undermining profit targets.

The Risk Management and Control Policy defines ENDESA's risk control system as an inter-linked network of legislation, processes, controls and IT systems, in which global risk is defined as the risk resulting from the consolidation of all risks to which it is exposed, taking into account the mitigating effects between the various risk exposures and risk categories, enabling the risk exposure of the Group's business areas and units to be consolidated and evaluated, and the corresponding management information to be drawn up for decision-making on risk and the appropriate use of capital.

The risk management and control process is based partly on the ongoing study of the risk profile, applying current best practices in the electricity sector or benchmark practices in risk management, criteria for standardising measurements and the separation of risk managers and risk controllers. It is also based on ensuring that the risk assumed is proportional to the resources required to operate the businesses, always respecting an appropriate balance between the risk assumed and the targets set by the Board of Directors.

The comprehensive risk management process consists of the identification, measurement, analysis and monitoring of different risks, together with their monitoring and control over time, based on the following procedures:

- Identification. The purpose of identifying risks is to maintain a prioritised and updated database of all the risks assumed by the corporation through coordinated and efficient participation at all levels of the Company.
- Measurement. The purpose of measuring parameters that allow risks to be aggregated and compared is to quantify overall exposure to risk, including all of ENDESA's positions.
- Control. The aim of the risk control is to guarantee that the risk assumed by ENDESA is in line with the targets set, in the last instance, by the Board of Directors of ENDESA, S.A.
- Management. The purpose of risk management is to implement actions aimed at adjusting risk levels at each level of the Company to the set risk tolerance and predisposition.

This process sets out to secure an overview of risk to assess and prioritise risks. It covers the main financial and non-financial risks to which the Company is exposed, both endogenous (due to internal factors) and exogenous (due to external factors), set out on an annual map featuring the main risks identified and establishing regular reviews.

To boost these initiatives, Endesa's Board of Directors has also approved a Tax Risk Management and Control Policy to guide and direct strategic, organisational and operating activities to enable Tax Affairs employees and the different departments at the organisation whose work involves the company's taxation, achieving the objectives set as part of the Company's Tax Strategy in terms of tax risk management and control.

E.2. Identify the bodies responsible for preparing and implementing the risk control and management system in place at the company, including tax risk:

Board of Directors. Responsible for determining the Risk Management and Control Policy, including tax issues, the supervision of the internal information and control systems and the setting the Company's acceptable risk level at all times. Audit and Compliance Committee. Its duties include:

1. Informing the Board of Directors of the Risk Management and Control Policy, including tax risks, for approval in addition to any amendments, ensuring that at least the following aspects are identified:
 - a) The different types of risk, financial and non-financial, (inter alia, operational, technological, legal, social, environmental, political and reputational) that the Company is exposed to, including among financial or economic risks, contingent liabilities and other risks not on the balance sheet.
 - b) The determination of the risk level the company sees as acceptable.
 - c) Measures in place to mitigate the impact of identified risk events should they occur.
 - d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.
2. Supervise the effectiveness of the Company's internal controls and risk management systems. To this end, the Audit and Compliance Committee shall be responsible for the direct supervision of Endesa's Risk Committee, which is internally responsible for the Risk Management and Control Policy. In this connection, it shall perform a periodic assessment of the internal Risk Management and Control function's performance.
3. Assess all aspects related to the Company's non-financial risks each year, including operating, technological, legal, social, environmental, political and reputational risks.

Risk committee. The body responsible for enforcing the Risk Management and Control Policy, supported by the internal procedures of the different business lines and corporate areas. Its main functions are as follows:

- Regularly provide the Board of Directors with a comprehensive view of current and foreseeable risk exposure.
 - Ensure that senior management participates in strategic risk management and control decisions.
 - Ensure coordination between the risk management unit and units responsible for its control and compliance with the risk management and control policy and its internal procedures.
 - Ensure the proper operation of the risk control and management systems and, in particular, ensure that all important risks regarding its management are appropriately identified, managed and quantified.
 - Actively participate in the preparation of risk strategy and in the major decisions about how to manage it.
 - Ensure that the risk control and management systems adequately mitigate risks within the Risk Management and Control Policy framework.
- The following functions are delegated to Risk Control by the Risk Committee in terms of managing and controlling risks at the company:
- Define the procedures and standards that make it possible to coordinate the company's integrated risk control system;
 - Produce the documentation that makes it possible to report the company's risk exposure or any relevant risk management or control event to the Risk Committee or any other decision-making body;
 - Ensure the adequate identification, definition, management and quantification of all risks that affect the company in a homogenous and periodic manner.
 - Coordinate periodic assessments that make it possible to ensure the correct functioning of risk management and control systems.
- Internal Control. Responsible for the implementation, update and monitoring of the system for internal control of financial reporting (ICFR), establishing the controls and procedures, as it sees fit, for ensuring the quality of the financial information that Endesa makes public.
- Business lines and corporate areas. All areas at the company, including the Tax Department, are directly involved in risk management. Its main responsibilities are:
- Consider risk management as an integrated part of its undertakings each day, having implemented the risk management framework in a consistent and effective manner.
 - Ensure that risk policies, risk management processes and internal controls associated with this line are implemented effectively pursuant to the principles and limits established.
 - Comprehensively identify both risks that affect business performance and those that arise as part of its undertakings.
 - Supporting Risk Control in risk measurement and reporting tasks.
 - Ensure that the segregation of functions established in the risk management framework is adhered to in such a way that it is guaranteed that effective controls are in place and their implementation does not create unnecessary inefficiencies.
- Internal Audit. Continuously supervise the structure and functionality of the Internal Risk Management and Control System (SCIQR) and internally or externally validate the risk model.

E.3. Indicate the main risks, including tax risks, and to the extent that those derived from corruption (the latter being within the scope of Royal Decree Law 18/2017) could affect the attainment of business objectives, are significant:

Endesa is exposed to the following risk factors when carrying out its activities:

- o Interest rate risk
- o Currency risk
- o Commodity risk
- o Liquidity and financial risk
- o Counterparty risk
- o Operational risk or industrial risk
- o Environmental risk or Legal and tax risk
- o Reputational risk
- o Strategic and regulatory risk
- o Compliance, bribery and criminal risks
- o Cybersecurity risks

E.4. State whether the company has risk tolerance levels, including tax risk:

The businesses, corporate areas, and companies that form part of the Business Group establish the risk management controls required to ensure that transactions are performed in the markets in accordance with ENDESA's policies, principles and procedures and, in any case, respecting the following limits and rules:

- Alignment of the risk levels with the objectives set by the Board of Directors.
- Optimisation of risk management and control on a consolidated basis, priority being given this rather than individual management of each individual risk.
- Continuous evaluation of the hedging, transfer and mitigation measures to guarantee its suitability and the adoption of best market practices.
- Continuous studying of laws, rules, current regulations, jurisprudence and legal doctrine, including tax laws, to guarantee that transactions are made in accordance with the principles that regulate the activity.
- Upholding and complying with internal rules, focusing in particular on Corporate Governance, the Code of Ethics, the Zero-Tolerance Plan Against Corruption, and the general principles for criminal risk prevention.
- The duty to protect the health and safety of those working within and for the Company.

- Commitment to sustainable development, efficiency and respect for the environment, identifying, assessing and managing the environmental impacts on ENDESA's activities.
- Responsible optimisation of the use of available resources, in order to provide yields for our shareholders as part of a relationship based on the principles of loyalty and transparency.
- ENDESA's financial policies contemplate the active management of financial risk related to the ordinary operation of the Company. In general, speculative positions are restricted.
- In terms of taxes, the risk tolerance level is defined in the company's Tax Strategy determined by the Board of Directors and reflected in the Tax Risk Management and Control Policy. The Company is committed to satisfying current tax regulations, employing a reasonable interpretation thereof at all times and trying to avoid, following said interpretation, undue tax costs and inefficiencies for the company.

Moreover, ENDESA's Board of Directors, on 30 January 2017 and having obtained a favourable report from the Audit and Compliance Committee, approved ENDESA's Tax Risk Management and Control Policy, and the principles that must guide ENDESA's Tax Function, defining the obligations and responsibilities within the organization to this end and including a description of the measures that must be in place to mitigate any tax risks potentially identified, in addition to the principles that must guide the correct control of tax risks, including the application of a series of ex-ante preventive controls on the one hand, and the application of a series of ex-post controls, which entail their identification, measurement, analysis, monitoring and reporting in line with the provisions of ENDESA's Risk Management and Control Plan and ENDESA's Risk Map Guidelines.

The objective of risk control is achieved through the following steps:

- Definition of quantitative references that reflect ENDESA's strategy and its predisposition to risk (limits) and the monitoring thereof.
- Identification and consideration of possible breaches of established limits.
- Establishment of actions, processes and information flows needed to allow for periodic review of limits in order to take advantage of specific opportunities arising from each activity.
- If risk limits are exceeded, the appropriate corrective measures are suggested, using hedging, transfer (insurance) and mitigation mechanisms for manageable risk and, in the case of non-manageable risk, the contingency plans are assessed or the activity is halted.

E.5. Identify any risks, including tax risk, which have occurred during the year:

The risks that occurred during the year were inherent to the activity performed, such as constant exposure to regulatory, interest-rate, exchange-rate, volatility of fuel, credit or counterparty risk.

These risks remained within normal limits in proportion to the Company's activity, and the established control systems worked adequately.

In terms of cyber-security risk, the response to attacks suffered by ENDESA in 2018 was adequate and their impact was of little relevance.

In 2016, the Tax Agency notified ENDESA of the agreement to initiate the proceedings regarding the consolidated tax group to which ENDESA, S.A. belongs and its subsidiaries with respect to income tax expense for 2011 to 2014. In April 2018, notices of disagreement of the consolidated income tax expense group for 2011 to 2014 were signed for Euros 44 million (Euros 38 million tax and Euros 6 million interest). On 9 July 2018, the final settlement agreements were issued, which were appealed on 27 July 2018 before the Central Economic and Administrative Court. The items submitted to the courts that will likely result in losses amount to Euros 27 million (Euros 24 million for the tax rate and Euros 3 million in interest) and are the result of differing criteria on the deductibility of plant decommissioning expenses and certain financial expenses during the audited period

E.6. Explain the response and oversight plans for the Company's primary risks, including tax risk, and the procedures followed by the Company to ensure that the Board of Directors response to any new challenges:

ENDESA has a risk identification system that allows regular assessment of the nature and magnitude of the risks that the organisation is facing. The development of an integrated risk control and management process and, as part of it, a structured and standardised reporting system, has helped synergies to be obtained for the consolidation and comprehensive processing of risks and has allowed key indicators to be developed to detect potential risks and send early alerts. The comprehensive risk management process implemented in the Company establishes, inter alia:

Achieving a balanced debt structure that makes it possible to minimise the cost of the debt over several years with reduced Volatility in the Consolidated Income Statement, through the diversification of types of financial assets and liabilities and modifications to the risk exposure profile by arranging derivatives. Contracting currency swaps and exchange rate hedges to mitigate currency risk. ENDESA also strives to balance cash collections and payments for its assets and liabilities in foreign currencies.

Exposure to fluctuations in commodity prices is managed long term through the diversification of contracts, management of the procurements portfolio by tying it to indexes that perform in a similar or comparable way to final electricity prices (generation) or selling prices (supply), and through periodic contractual renegotiation clauses, the objective of which is to maintain the economic equilibrium of procurements.

In the short term, liquidity risk is mitigated by ENDESA by maintaining a sufficient level of resources available unconditionally, including cash and short-term deposits, drawable lines of credit and a portfolio of highly liquid assets.

ENDESA's liquidity policy consists of arranging committed long-term credit facilities with both banking entities and ENEL Group companies and financial investments in an amount sufficient to cover projected needs over a given period, based on the status and expectations of the debt and capital markets. In addition, ENDESA develops the centralised cash function, drawing up cash forecasts to ensure it has sufficient cash to meet operational needs.

ENDESA performs very detailed monitoring of the credit risk and takes a series of precautions that include, inter alia: Risk analysis, assessment and monitoring of counterparty credit quality; Establishment of contractual clauses, collateral requirements, requesting guarantees or obtaining insurance. - Exhaustive review of the level of counterparty exposure; Diversification of counterparties

There is one single defined environmental policy for all of ENDESA.

Prevention and protection strategies are in place to mitigate risks of breakdown or accidents that temporarily interrupt the operation of the plants.

In order to transfer certain risks, mitigating the effects if they occur, ENDESA attempts to obtain adequate insurance cover in relation to the main risks associated with its business – including, inter alia, damages to the Company itself, general civil liability, environmental and nuclear power plant liability.

ENDESA manages most of the tax obligations for ENDESA and its controlled companies in a centralised fashion. Therefore, it has developed procedures for each of the taxes that it manages. Besides describing the processes for properly paying taxes and performing quality control regarding taxes paid, these processes include the appointment of a person responsible for the process and a person responsible for supervising it.

Due to the existence of different interpretations of applicable regulations, ENDESA relies on experts in the area to analyse them and it also relies on prestigious legal and tax advisors who collaborate in the interpretation of these regulations, which allows ENDESA to adapt its actions to legal requirements.

In order to have thorough, reliable knowledge of the status of audience opinion, ENDESA has social research tools used regularly and exclusively for the Company, and also information from studies of the same nature that are available to the public.

In terms of the supervision of tax risk and the corresponding response plans, the unit that handles tax affairs periodically identifies risks associated with the tax function, classifies them depending on the risk factor in question and the type of risk and

performs an economic assessment. Subsequently, they are managed accordingly with a view to eliminating or reducing the risk, and only assumed when it is considered that there are solid arguments to defend the stance taken. Risks are reported to the Risk Control Unit on a periodic basis for their inclusion in the company's Risk Map.

To combat the risk of cyber-security, a strategy has been deployed that is structured around a management framework aligned with international standards and government incentives that make it possible to protect information, industrial assets and emerging technologies.

The Board of Directors approves the Company's risk map, which is presented to the Audit and Compliance Committee by General Managers in line with the strategy

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms which comprise the internal control over financial reporting (ICFR) risk control and management system at the company.

F.1. The entity's control environment.

Specify at least the following components with a description of their main characteristics:

F.1.1 The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

Board of Directors

The supervision of internal information and control systems is role of assigned to the Board of Directors that cannot be delegated and the Audit and Compliance Committee, as set out in Spain's Corporate Enterprises Act, is responsible for overseeing the efficiency of the Company's internal controls, in addition to other responsibilities.

Audit and Compliance Committee

ENDESA's Audit and Compliance Committee Regulations state that the main task of this Committee is to promote good corporate governance and ensure the transparency of all actions of the ENDESA in the economic and financial, external audit, compliance and internet audit areas.

The committee is entrusted with supervising the preparation and presentation of regulatory financial information and monitoring the efficacy of ENDESA's ICFR and risk management systems, as well as discussing with the auditors or audit firms any significant weaknesses detected in the internal control system during the course of the audit work.

It is also responsible for supervising internal audit services, monitoring its independence and efficacy, proposing the selection, appointment, reappointment and removal of the head of internal audit and receiving regular report-backs on its activities, and verifying that senior management are acting on the findings and recommendations of its reports.

Audit and Compliance Committee members are appointed in light of their knowledge and experience of accounting, audit or risk management.

Transparency Committee

In 2004, ENDESA set up a Transparency Committee, presided by the Chief Executive Officer and consisting of senior executives, including all members of the Executive Management Committee together with other members of ENDESA management directly involved in the preparation, certification and disclosure of financial information.

This Committee's main purpose is to ensure compliance with and the correct application of general financial reporting principles (confidentiality, transparency, consistency and responsibility) by evaluating the events, transactions, reports and other matters of relevance disclosed and determining the manner and deadlines for making these disclosures.

The duties of the Transparency Committee also include assessing the findings submitted to it by ENDESA's Administration, Finance and Control Department, based on the report prepared by ENDESA's Internal Control Unit with respect to compliance with and the effectiveness of the internal financial information controls and the internal controls and procedures concerning market disclosures, taking corrective and/or preventive action and reporting to the Audit and Compliance Committee of the Board of Directors in this respect.

Administration, Finance and Control Department

ENDESA's Administration, Finance and Control Department, n supporting the Transparency Committee, performs the following ICFR-related duties:

- Proposing financial reporting policies to the Transparency Committee for approval.
- Evaluating the effectiveness of the ICFR in place and how well they work, including any breaches of approved internal control policies, reporting the results to the Transparency Committee.

Internal Control Unit

Within ENDESA's Administration, Finance and Control Department, there is a dedicated ICFR Unit tasked with the following duties:

- Communicating approval of ICFR policies and procedures to ENDESA's various subsidiaries and business units.
- Maintaining, updating and making the ICFR model and the documentation associated with procedures and controls available to the company.
- Defining the flow charts for certifying the evaluation of the effectiveness of the controls and procedures defined in the ICFR model.

- Overseeing the process of certifying internal controls over financial reporting and the internal disclosure controls and procedures, and submitting periodical reports on its conclusions with respect to the system's effectiveness.
All matters relating to internal control over financial reporting are regulated in the organisational procedure No. 5 "Internal Control over Financial Reporting", the purpose of which is to establish the operating principles and lines of responsibility for the establishment and maintenance of internal controls over financial reporting, to guarantee that they are reliable and that reports, events, transactions and other material developments are disclosed internally and externally in an adequate form and timeframe. The ICFR system is evaluated and certified every six months.

F.1.2 The existence or otherwise of the following components, especially in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying sufficient procedures so this structure is communicated effectively throughout the company:

The Board of Directors, through the CEO and the Appointments and Remuneration Committee, is responsible for the design and review of the organisational structure and for defining lines of responsibility and authority.
The Organisational and Human Resources Unit is tasked with designing, planning and disclosing the change management framework in the case of major organisational transformations, planning change programmes and the related resources and processes. It is also responsible for defining the guidelines for the Group's organisational structure and for relevant organisational changes. Lastly, the unit ensures the definition and implementation of the global job post systems, evaluating the key professional functions and executive positions. Corporate policy No. 26 "Organisational Guidelines" defines and establishes criteria for identifying, developing and implementing organisational guidelines, and also the evaluation and assessment of roles.
The various organisational guidelines are posted on ENDESA's Intranet and are available for viewing by all ENDESA employees.

- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action:

ENDESA has the following internal regulations on ethics and crime prevention: Code of Ethics

ENDESA has a Board-endorsed Code of Ethics which itemises the ethical commitments and duties to which the professionals working for ENDESA and its subsidiaries, be they Directors or staff, no matter their positions, are bound in the course of managing these companies' business and corporate activities.
The Code of Ethics comprises:

- The general principles governing relations with stakeholders that define ENDESA's benchmark business values.
- The standards of conduct for dealing with all groups of stakeholders, enshrining the specific guidelines and rules which ENDESA professionals must adhere to in order to uphold the general principles and avoid unethical behaviour.
- The Implementation Mechanisms, describing the organisational structure of the Code of Ethics environment, responsible for ensuring that all employees are aware of, understand and comply with the Code.

The principles and provisions of ENDESA's Code of Ethics must be respected and complied with by the members of the Board of Directors, the Audit and Compliance Committee and other governing bodies of ENDESA and its subsidiaries, as well as these entities' executives, employees and any other professionals related to ENDESA via contractual relationships of any type, including those working for or with them on an occasional or temporary basis.

The Code's general principles include that of "Information transparency and integrity", which stipulates that "ENDESA's professionals must provide complete, transparent, comprehensible and accurate information such that when entering a relationship with the Company the implicated parties can take independent decisions that are informed with respect to the interests at stake, the alternatives and the relevant ramifications".

Zero Tolerance Plan Against Corruption

The Board-approved Zero Tolerance Plan Against Corruption requires all ENDESA employees to be honest, transparent and fair in the performance of their work. The same commitments are expected of its other stakeholders, i.e. people, groups and institutions that help ENDESA meet its objectives or that are involved in the activities it performs in order to achieve its goals.

In compliance with Principle 10 of the Global Compact, of which ENDESA is a signatory, "Businesses should work against corruption in all its forms, including extortion and bribery", ENDESA expressly rejects all forms of corruption, direct and indirect, to which end it has an anti-corruption programme in place.

Criminal Risk Prevention Model

Organic Law 5/2010, which amends Organic Law 10/1995 of 23 November of the Criminal Code, established a range of offences applicable to legal entities and referred to the need to establish surveillance and control measures for their prevention and detection. This legal regime was reformed by Organic Law 1/2015, of 30 March, detailing the requirements that allow legal entities to prove their diligence in the field of criminal prevention and detection. In accordance with the provisions of this Organic Law, ENDESA has developed certain internal rules that have satisfied the need for adequate control and management systems applied in the area of criminal detection and prevention, particularly in conduct to restrict bribery. Endesa's Criminal and Anti-Bribery Compliance Policy (hereinafter, "Compliance System") includes a comprehensive body of provisions, the basis of which is the Criminal and Anti-Bribery Compliance Policy, which respects Spanish legal requirements in this area and is also sufficient to meet the expectations reasonably placed on organisations that operate with the highest levels of commitment in advanced markets. The Audit and Compliance Committee (CAC) is responsible for correctly applying the "Criminal Regulatory Compliance System", for which purposes it uses the Supervision Committee, which is a collegiate body endowed with autonomous powers of initiative and control and independence in the exercise of its functions and whose powers and principles of action are established in its Regulations. The Supervision Committee reports solely and exclusively to the Audit and Compliance Committee, which, among others, has specific functions for criminal risk prevention according to its Rules of Procedure. The main activities that take place in Endesa for the effective application of the Compliance System are risk assessment and control and surveillance of the same, thereby guaranteeing its design and operation. The Criminal and Anti-Bribery Compliance Policy was approved by the Board of Directors on 6 November 2017 and supplements the Risk Control and Management Policy; the former establishes the general principles of the Compliance System, which underlies the contents and application of all corporate internal rules, as well as the conduct of the Organisation. The criminal risk prevention and anti-bribery system at Endesa has been certified under UNE 19601 and UNE-ISO 37001 since the end of 2017.

- A 'whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential:

ENDESA has had an Ethics Channel or box in place since 2005. This is accessible via its corporate website and intranet to all employees, so that all stakeholders can report, securely and anonymously, any irregular, unethical or illegal conduct which has, in their opinion, occurred in the course of ENDESA's activities.

The procedure for using this channel ensures confidentiality, as all complaints and communications are managed by an independent external supplier. In addition to this Channel, a number of other channels are available for submitting complaints. These are all routed to Internal Audit, in accordance with ENDESA's internal procedures.

Internal Audit is responsible for ensuring that all complaints received are processed correctly, considering them and acting independently of other company units. It has access to all company documents needed for the exercise of its functions. It also monitors the implementation of the recommendations included in its audit reports. Internal Audit reports to the Board of Directors through the Audit and Compliance Committee, which centralises and channels significant complaints to the Board.

- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

The Business Organisation and Human Resources Department works together with the Administration, Finance and Control Department to prepare the training schedule for all staff involved in preparing the ENDESA's annual financial statements. This Plan includes ongoing updates on business trends and regulatory developments affecting the activities performed by the various ENDESA companies, specific IFRS skills courses and training regarding ICFR standards and developments.

The Administration, Finance and Control Department at ENDESA provided 7,493.70 hours of training in 2018, of which 15.86% involved technical and professional skills (administration, finance, control, economy, legal, etc.) and organisational training (environment, digitalisation, process and project management, etc.). The rest of the training hours were earmarked to management skills, workplace health and safety matters and IT skills. Of these hours 35.93% were for language training and 8.22% for information technology.

In addition, whenever necessary, ENDESA provides specific training courses on financial reporting and control matters to staff outside the Administration, Finance and Control Department who are directly or indirectly involved in supplying information used in the financial reporting process.

F.2. Risk assessment in financial reporting.

Report at least:

F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented:

Since 2005, ENDESA has had a formally organised ICFR.

- The process covers all financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

The financial reporting risk identification and maintenance process covers the following financial information objectives:

- Existence and occurrence
- Integrity/completeness
- Measurement/valuation
- Presentation, disclosure and comparability
- Rights and obligations

ENDESA's Internal Control Unit updates the ICFR relevant processes map to reflect any quantitative or qualitative change that may affect the internal control model.

The risks are reviewed every time there is a change in processes or whenever a new company is included within the scope. This review can result in the identification of new risks, which are mitigated by designing new controls or updating existing controls.

- A specific process is in place to identify the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles or holding companies:

ENDESA keeps a corporate register, which is permanently updated, with information on all its shareholdings, whether direct or indirect, including all entities over which ENDESA has the power to exercise control, regardless of the legal structure giving rise to such control (so that this register also includes holding companies and special purpose vehicles).

The management and updating of this corporate register is governed by corporate protocol N.035, entitled "ENDESA Corporate Records Management".

ENDESA's scope of consolidation is determined on a monthly basis by the Administration, Finance and Control Department based on the information available in the corporate records and in accordance with the criteria stipulated by International Financial Reporting Standards (hereinafter "IFRS") and other local accounting regulations. All ENDESA companies are informed of any changes to the scope of consolidation.

- The process addresses other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) insofar as they may affect the financial statements:

The identification and update of financial reporting risks forms an intrinsic part of the continuous review of the processes that form part of the ICFR and the design of new processes identified as important.

- Which of the company's governing bodies is responsible for overseeing the process:

The Audit and Compliance Committee is responsible for supervising the effectiveness of the internal control over financial reporting system at ENDESA and reporting its assessment to the Board of Directors. To this end, recommendations or proposals may be submitted to the Board of Directors, along with the corresponding follow-up period.

F.3. Control activities.

Indicate the existence of at least the following components, describing their main characteristics.

F.3.1 Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case and documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

ENDESA discloses financial information to the market quarterly. This financial information is prepared by the Management Area, which performs certain controls as part of the closing of accounts procedure in order to ensure the reliability of the information disclosed.

In addition, the Planning and Control Area analyses and monitors the information produced.

The General Manager of Administration, Finance and Control analyses the reports received, provisionally certifying the aforementioned financial information for submission to the Transparency Committee.

The Transparency Committee itself for half years, and the representatives designated by the Transparency Committee for quarters, analyse the information received from the Administration, Finance and Control Department. Once it approves the information received, it is sent to the Audit and Compliance Committee.

The Audit and Compliance Committee oversees the financial information presented to it. For the accounting closes that coincide with the end of a six-month financial period, and those of particular importance, the Audit and Compliance Committee also receives information from ENDESA's external auditor on the results of the work it has performed.

Lastly, the Audit and Compliance Committee presents its conclusions regarding the financial information presented to it to the Board of Directors. Once the Board has approved the information for issue, it is disclosed to the market.

Internal Control over Financial Reporting Model

ENDESA's ICFR model is in line with the model established for all Enel Group companies, which is based on the COSO Model (The Committee of Sponsoring Organisations of the Treadway Commission).

Firstly, there are Management Controls or "Entity Level Controls" (hereinafter "Management Controls" or "ELC") and "Company Level Controls" (hereinafter "CLC"). They are structural elements that are interrelated across all divisions/companies.

There are also specific ELC controls to mitigate the risk of Segregation of Duties (hereinafter "SOD-specific ELC") and access controls (hereinafter "ELC-ACCESS") that mitigate the risk of unauthorised access to the software applications or network folders involved in the process.

ENDESA has identified the following business cycles that are common to all of its subsidiaries:

- 1) Fixed assets
- 2) Accounting close
- 3) Capital investments
- 4) Finance
- 5) Inventory
- 6) Personnel Expenses
- 7) Procurement cycle
- 8) Revenue cycle
- 9) Taxes other than income tax

The ICFR unit manages and continuously updates documentation on each process, following the methodology established to this end. All organisational changes imply the need to review the control model in order to assess their impact and make any changes required to ensure operational continuity. The primary components identified in each process are:

- Risks.

- Control activities. Also called "Process Level Controls" (hereinafter "PLC"), except for the specific case of IT systems, which are called IT General Controls (hereinafter "ITGCs").

The control activities ensure that, in the ordinary course of business and in respect of all consolidated financial statement headings, ENDESA's control targets are met.

The internal control model applied in 2018 involves an average level of coverage of 95.22% of the main consolidated financial statement headings (total assets, indebtedness, pre-tax income and results).

All information relating to the internal control model is documented in the IT tool called SAP-GRC PROCESS CONTROL (hereinafter SAP-GRC). The persons responsible for each control activity are appointed by the process managers, and are responsible for carrying out the six-monthly self-assessments.

The Internal Control Unit provides those responsible for processes and controls with the support required and ensure that the assessment process proceeds correctly.

The ICFR assessment process includes:

- The certification of the internal control system, covering the following phases:
 - Self-assessment of the control activities, management controls, segregation of duty controls and access controls.
 - Sign-off from the people responsible at the different Organisational Units involved, escalated throughout the company's hierarchy through to the final sign-off by the CEO.
- All of these phases are monitored and supported by the Internal Control Unit.
- The verification performed by the external consultant on ENDESA's ICFR controls.

The outcome of the internal control system certification and the results obtained as part of the verification performed by the external expert are included in the report sent by the internal control unit to the Transparency Committee and the Audit and Compliance Committee.

The weaknesses detected are classified into three categories as follows, depending on their possibility of impact on the financial statements:

- Control weaknesses (insignificant)
- Significant weaknesses
- Material weaknesses

All weaknesses detected in the internal control system result in a specific action plan being drawn up to resolve each of them. The Internal Control Unit reports to the Transparency and Audit and Compliance Committees on these weaknesses detected in the ICFR until they are definitively resolved.

F.3.2 Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The ICT 2219Global Digital Solutions area is responsible for the IT and telecommunications systems for all ENDESA's businesses and geographic markets. The duties attributed to Global Digital Solutions include the definition, application and monitoring of the security standards and the development and operation of infrastructure and software, both for traditional models and for the new cloud computing paradigm. All computing activities are performed applying the internal control method in the field of information technologies.

ENDESA's internal control model and, in particular, Global Digital Solutions' model, encompass the IT processes, which in turn include the IT environment, architecture and infrastructure, and the applications, which affect transactions with a direct impact on the entity's key business processes and, ultimately, its financial information and reporting processes. These controls can be implemented by means of automated programming or using manual procedures.

ENDESA applies a global internal control model to IT systems

considered to be relevant to preparing financial information, which is designed to guarantee the overall quality and reliability of the financial information produced at each closing and, by extension, the information disclosed to the market.

The IT system internal control model is structured into four areas of governance:

- Planning and Organisation
- Solution and Maintenance
- Service Delivery and Support
- Performance Monitoring

These areas are in turn developed as part of processes and sub-processes with the necessary refinements to guarantee an appropriate level of control of the IT system and ensure the integrity, availability and confidentiality of each company's financial information.

ENDESA's internal IT system control model contains the control activities needed to cover the risks intrinsic to the following IT system management aspects, and financial information processes and systems:

- IT environment
- Management of application changes
- IT operations and management
- Logical security and physical access
- Telecommunications

To ensure the security of its information, in 2007, ENDESA set up its Information Security function, currently integrated into the Security Division of the Media Department, in response to requirements dictated by legislation, the technological environment and the market itself. This is based on the regulatory framework established for information security, whose guiding principles are included in the Security Policy (Policy 40), in the Information Protection and Classification Policy (Policy 33) and the IT Systems Access Control Policy (Policy 25) that ensure the Critical Event Policy (Policy 24) and its corresponding operational instructions (IO 131), as well as the ones that comply with the legally established requirements such as Operational Instructions on Personal Data Protection (IO 1430) and Protection of Infrastructure (IO 1391).

The Security Policy establishes the formal framework for identifying risks affecting the Company's assets and it refers to the technical and organisational measures needed for their Management and mitigation. It also establishes the principle of observing current legislation and applying safety regulations and standards.

The objectives of this are:

- The protection of employees from risks of an intentional nature or risks derived from natural disasters
- The establishment of an internal security model for applications, networks and IT systems, as well as industrial automation systems and the Company's control systems.

- Protection of tangible resources (work places, the company's infrastructure systems) from threats that could affect their value or compromise their functional capacity.

The Information Protection and Classification Policy (Policy 33) has the following objectives:

- Ensure that information is adequately managed and protected throughout its lifecycle.
- Establish an information classification system and the associated security categories.
- Identification of the roles and responsibilities relating to the handling and protection of information assets.
-

The IT System Access Control Policy (Policy 25), defines and implements the control model that is intended to ensure security surrounding access to the Company's IT systems and infrastructure, guarantee the segregation of duties in operations through a systematic model calling for the assignment of roles and a digital tool that provides automatic support for that task.

In order to comply with the Critical Infrastructure Act (Lot 8/2011), as a Critical Operator whose IT systems are subject to particular protection, Endesa reinforces its control framework through the publication of the Critical Infrastructure Protection Operational Instructions (I.O. 1391) which:

- Defines the security measures for the systems that support essential services.
- Manages the escalation, internal management and communication of security incidents to authorities.
- Applies a tool to comply with the defined control model.

In compliance with the General Data Protection Regulation (RGPD 2016/679), Personal Data Protection, Operational Instructions (I.O. 1430) ensures internal compliance with regulations at Endesa:

- Establishes a risk assessment model for the processing of personal data.
- Define security measures in accordance with the established risk level for prevention and mitigation purposes.
- Configures the operational management of security incidents affecting systems and/or information assets (in line with the provisions of Critical Event Management, PO. 24 and I.O. 131), Their assessment, escalation and internal communication, as well as their investigation and forensic analysis.
- Includes a Control Framework regarding the security measures applicable to the processing of personal data, as well as its regular update.

The Critical Event Operational Instructions and Policy (Policy 24) ensures quick and effective management of security incidents through the coordinated involvement of all of the areas concerned and their adequate handling in terms of communications and the organisation, with the knowledge and under the supervision of Company management.

In 2007, Endesa set up a Decision Rights Management function (currently known as Segregation of Duties, part of the ICFR Unit) to guarantee the identification, management and control of functional incompatibilities and ensure that no single person can dominate a critical process.

In terms of the foregoing, Function Segregation Controls (SOD-specific ELC) and logical access controls (ELC-ACCESS) form part of the ICFR and are assessed and verified just like all the other controls that form part of the model.

F.3.3 Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

When ENDESA outsources an activity involving the issue of financial information, it requires the supplier to provide a guarantee attesting to the internal control measures in place for the activities performed. When processes are outsourced, service providers are asked to obtain an ISAE 3402 "International Standard on Assurance Engagements" report. When IT infrastructure services are delegated (Datacenter and Hardware), service providers are required by contract to obtain an SOC1/SSAE16 report. These reports allow ENDESA to check whether the service provider's control objectives and activities have worked during the corresponding time horizon. In other instances, such as services to delegate software or IT platforms, ENDESA contracts an independent expert to certify that the services do not present any material shortcoming with respect to the process of generating the ENDESA's consolidated financial statements.

When ENDESA engages the services of an independent expert, it first assures itself of their legal and technical competence and skills. ENDESA has control activities in place in respect of independent expert reports, as well as staff with the ability to validate the reasonableness of the report findings.

There is also an internal procedure for hiring external advisors, which stipulates a series of clearances depending on the size of the engagement, which may even call for CEO approval. The results and/or reports of outsourced accounting, tax or legal activities are supervised by the Administration, Finance and Control Department and the Legal Counsel Department along with any other areas whose expertise is deemed of value to this end.

F.4. Information and communication.

Indicate the existence of at least the following components, describing their main characteristics.

- F.4.1 A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the company's operating units.

Responsibility for the application of ENDESA's accounting policies to all its geographic markets is centralised at ENDESA's Administration, Finance and Control Department.

ENDESA's Administration, Finance and Control Department has an Accounting Criteria and Reporting Unit which is specifically responsible for analysing the International Financial Reporting Standards (hereinafter, "IFRS") and the Spanish Chart of Accounts (GAAP) as they impact ENDESA Group companies. In performance of these functions, the Accounting Criteria and Reporting Unit is responsible for:

- Defining ENDESA's accounting policies.
- Analysing executed or planned one-off transactions to determine the appropriate accounting treatment in line with ENDESA's accounting policies.
- Monitoring the new standards being worked on by the International Accounting Standards Board (hereinafter, "IASB") and the Instituto de Contabilidad y Auditoría de Cuentas (hereinafter, "ICAC"), any new standards approved by the IASB and the related European Union endorsement process, assessing the impact their implementation will have on the Group's consolidated financial statements.
- Resolving any query made by any subsidiary regarding the application of ENDESA's accounting policies.

The Accounting Criteria and Reporting Unit keeps all those with financial reporting responsibilities at the various levels within ENDESA abreast of amendments to accounting standards, settling any doubts they may have and gathering the required information from subsidiaries to ensure consistent application of ENDESA's accounting policies and to enable it to quantify the impact of application of new or amended accounting standards.

ENDESA's accounting policies are based on IFRS and are documented in the "ENDESA Accounting Manual". This document is updated regularly and is distributed to the parties responsible for preparing the financial statements of all ENDESA companies.

- F.4.2 Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

ENDESA has a series of IT tools (classified internally as relevant for the purposes of ICFR) to cover all the reporting needs of its individual financial statements in addition to facilitating the consolidation process and subsequent analysis. These tools form part of a homogeneous process, under a single audit plan for the information corresponding to the separate financial statements of all ENDESA subsidiaries, including the notes and additional disclosures needed to prepare the consolidated financial statements.

Each year, ENDESA engages an independent expert to certify that the tools do not present any material shortcoming with respect to the process of generating ENDESA's consolidated financial statements.

The data is uploaded into the consolidation system by a process that begins with the loading of Financial Information System (transactional), which is also centralised and in place in virtually all ENDESA companies.

In turn, the ICFR model is supported by a IT system that produces all the information needed to draw conclusions with respect to effectiveness of the model.

F.5. Monitoring of the operation of the system.

Indicate the existence of at least the following components, describing their main characteristics.

- F.5.1** The ICFR monitoring activities undertaken by the Audit Committee and an internal audit function whose competencies include supporting the Audit Committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

Every six months, the Administration, Finance and Control Department's Internal Control Unit monitors the process by which the design and functioning of the ICFR system is evaluated and certified. It duly reports its findings to the Audit and compliance Committee, which is the body responsible for ensuring adequate internal control of the information disclosed to the market under the supervision of the Audit and Compliance Committee.

To this end, the Internal Control Unit is supplied with the evaluation of the entity/company, process and IT control (ELCs/CLCs), Process Level Controls (PLCs) and the Global Digital Solutions area receives the assessment from the ITGCs in order to verify:

- In the event of process changes, whether the identification of control activities has been duly updated and the new control activities sufficiently cover the process control risks.

- Whether all weaknesses in the control system design or functioning have been Identified. A weakness refers to an incident which implies, to a greater or lesser extent, that the control system may not be able to guarantee with reasonable assurance the ability to acquire, prepare, summarise and disclose the Company's financial information.

- Whether the actual/potential impact of the aforementioned weaknesses has been evaluated and any required mitigating control activities put in place to guarantee the reliability of the financial information, notwithstanding the existence of these weaknesses.

- The existence of action plans for each weakness identified.

In the course of this process, any incidents of fraud, no matter how insignificant, involving managers or staff participating in processes with a financial reporting impact are identified and reported.

In addition, over the course of the year, progress on the actions plans put in place by ENDESA to address any of the aforementioned shortcomings that are identified. These plans are defined by those responsible for each process and shared with the Internal Control Unit.

The Transparency Committee is informed of and certifies the evaluation of the model, the assessment of weaknesses and the status of related action plans twice a year.

Lastly, every six months, the Administration, Finance and Control Department presents the Audit and Compliance Committee with its conclusions with respect to the evaluation of the ICFR system and progress on executing the action plans deriving from earlier evaluations. The Audit and Compliance Committee is tasked with overseeing the effectiveness of the ICFR and informing the Board of Directors.

The half-yearly evaluations carried out in 2018 revealed no material ICFR weaknesses. The following is a list of the number of controls evaluated and reviewed by the external consultant:

Of the 2,213 controls that were evaluated, 395 were reviewed by the external consultant (of 2,045 PLC controls, 350 reviewed; of 151 ELC/CLC controls, 31 reviewed (ELC specific SOD 76 controls and 31 reviewed and the rest ELC/CLC 75 controls); of 17 ELC-ACCESS Controls, 14 reviewed.

There are also 155 general ITGC controls, 46 reviewed.

Accordingly, a total of 2,368 controls were evaluated, of which 441 were reviewed by the external consultant.

As a result of both the self-assessment process and the review carried out by the external consultant, 14 control weaknesses that do not significantly affect the quality of the financial information were identified, and 1 insignificant weakness relating to the segregation of duties and 15 insignificant weaknesses regarding ITGC general controls. In keeping with the foregoing, ENDESA's management believes that the ICFR model for the period 1 January to 31 December 2018 proved effective and that the controls and procedures in place to provide reasonable assurance that the information disclosed by the Group to the market is reliable and adequate are similarly effective.

Furthermore, ENDESA's Internal Audit Unit, whilst performing process audits, identifies the main weaknesses in the internal control system, proposing the action plans required to resolve them, those responsible for implementing them and the corresponding period for following up.

- F.5.2** A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its audit committee or board of directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

Each year, the Board of Directors holds a meeting with the external auditor to receive information on the work performed and the financial position of and risks faced by the Company. ENDESA's auditor has access to ENDESA Senior Management, to which end it holds regular meetings in order to gather the information needed to perform its work and to notify any control weaknesses encountered in the course of its work.

The internal audit function reports regularly to Senior Management and the Audit Committee on any material internal control weaknesses identified in the review of the different processes during the year, similarly reporting on the status of any action plans put in place to mitigate these weaknesses. The competencies of the Audit and Compliance Committee include regularly reviewing, analysing and commenting in the financial statements and other relevant non-financial information with management, internal auditing, the external auditor, or, as applicable, an audit firm.

F.6. Other relevant information.

All of ENDESA's material ICFR disclosures are covered in the preceding sections of this report.

F.7. External auditor report.

State whether:

F.7.1 The ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

In keeping with Circular 7/2015 of 22 December issued by Spain's National Securities Market Commission (CNMV), ENDESA is including in its 2018 Annual Corporate Governance Report information regarding the main features of its internal control and risk management systems with regard to statutory financial reporting, following the structure recommended in the CNMV Circular. In addition, ENDESA has considered it appropriate to ask its external auditor to issue a report on its review of the information disclosed in this ICFR report in accordance with the pertinent professional conduct guide.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the Company's compliance with the recommendations of the Good Governance Code for Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

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.

Compliant Explain

2. When the parent company and a subsidiary 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 listed subsidiary and other group companies.
- b) The mechanisms in place to resolve possible conflicts of interest.

Compliant Partially compliant Explain Not applicable

3. During the general shareholders' meeting, in addition to the written dissemination of the annual corporate governance report, the chairman of the Board of Directors verbally informed the shareholders, in sufficient detail, about the most relevant aspects of the Company's corporate governance and, in particular:

- a) About the changes that had occurred since the last general shareholders' meeting.
- b) About the specific reasons why the Company does not follow some of the recommendations in the Corporate Governance Code and about the alternative rules it applies, if any, in that area.

Compliant Partially compliant Explain

4. The Company should define and promote a policy of communication and contact with shareholders, institutional investors and vote advisors that fully respects rules against market abuse and treats shareholders in the same position in a similar fashion.

And the Company should make the policy public on its website, including information relating to the way in which the same has been put into practice and identifying the parties responsible for it.

Compliant Partially compliant Explain

5. The Board of Directors should not submit a proposed proxy for issuing shares or convertible bonds with the exclusion of pre-emptive rights to the general shareholders' meeting, for an amount higher than 20% of the capital at the time of the proxy.

And when the Board of Directors approves any issue of shares or convertible bonds with exclusion of pre-emptive rights, the Company should immediately publish on its website the reports on that exclusion referred to by commercial legislation.

Compliant Partially compliant Explain

6. Listed companies that draw up the following reports, whether of a compulsory or voluntary nature, should publish them on their website sufficiently in advance of the general shareholders' meeting, although their dissemination is not compulsory:

- a) Report on the independence of the auditor.
- b) Reports on the operation of the audit and appointment and remuneration committees.
- c) Audit committee's report on related-party transactions.
- d) Report on the corporate social responsibility policy. Compliant Partially compliant Explain

7. The Company should broadcast the general shareholders' meetings live on their website.

Compliant Explain

8. The audit committee should ensure the Board of Directors tries to present the annual accounts to the general shareholders' meeting without limitations or reservations in the audit report. Should such reservations exist, both the chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

Compliant Partially compliant Explain

9. The Company should publish on its website, permanently, the requirements and procedures that it will accept for certifying ownership of shares, the right to attend the general shareholders' meeting and exercising or delegating the right to vote.

And those requirements and procedures should favour the shareholders attending and exercising their rights and be applied in a non-discriminatory fashion.

Compliant Partially compliant Explain

10. When a legitimated shareholder has exercised the right, before the general shareholders' meeting, to complete the agenda or submit new proposed resolutions, the Company:
- a) Immediately disseminates these additional points and new proposed resolutions.
 - b) Publishes the attendance, remote voting and proxy card model with the precise amendments so that the new points on the agenda and alternative proposals may be voted on under the same terms as the proposals made by the Board of Directors.
 - c) Submits all of these points and alternative proposals to voting and applies the same voting rules to them as to those made by the Board of Directors, including, in particular, the presumptions or deductions on voting.
 - d) Subsequent to the general shareholders' meeting, announce the breakdown of the voting on these additional points or alternative proposals.

Compliant [] Partially compliant [] Explain [] Not applicable []

11. If the Company has planned to pay premiums for attendance at the general shareholders' meeting, a general policy on those premiums should be established in advance and the policy should be stable.

Compliant [] Partially compliant [] Explain [] Not applicable []

12. The Board of Directors should perform its duties with a single purpose and independent criteria, treat all shareholders in the same position in the same manner and be guided by the Company's interests, understood to be achieving a profitable and sustainable business in the long term, which promotes its continuity and the maximum financial value for the Company.

Pursuing the Company's interests, besides respecting laws and regulations and conduct based on good faith, ethics and respect for commonly accepted customs and good practices, it should try to conciliate the Company's interests with, as applicable, the legitimate interests of its employees, its providers, its clients and those of the remaining stakeholders that may be affected, and also the impact of the Company's activities on the community as a whole and on the environment.

Compliant [] Partially compliant [] Explain []

13. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise between five and fifteen members.

Compliant X Explain []

14. The Board of Directors should approve a policy for selecting directors that:

- a) Is precise and attestable.
- b) Ensures that the proposed appointments or re-elections are based on prior analysis of the needs of the Board of Directors.
- c) Encourages diversity of gender, experience and knowledge.

The result of the prior analysis of the needs of the Board of Directors should be contained in the appointments committee's report that is published when the general shareholders' meeting to which the ratification, appointment or re-election of each director is submitted is called.

The policy for selecting directors should promote the goal of the number of female directors representing, at least, 30% of the total members of the Board of Directors by 2020.

The appointments committee will check compliance with the policy for selecting directors annually and will report on it in the annual corporate governance report.

Compliant Partially compliant Explain

15. Proprietary and independent directors should occupy an ample majority of places on the Board of Directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Compliant Partially compliant Explain

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

This criterion may be minimised:

- a) In large cap companies where few equity stakes attain the legal threshold for significant shareholdings.
- b) In companies with a plurality of shareholders represented on the Board of Directors but not otherwise related.

Compliant Explain

17. The number of Independent Directors should represent at least half of all board members.

Nonetheless, when it is not a large cap company or when it is but has one or several shareholders acting in a concerted manner, who control more than 30% of the company capital, the number of independent directors should represent, at least, a third of the total directors.

Compliant Explain

18. Companies should publish the following Director particulars on their websites, and keep them permanently updated:

- a) Professional profile and background.
- b) Other boards of directors they belong to, whether listed companies or not, and also other paid activities they perform, whatever their nature.
- c) An indication of the Director's classification as Executive, Proprietary or Independent; in the case of Proprietary Directors, stating the shareholder they represent or have links with.
- d) The date of their first appointment and subsequent re-elections as a company Director.
- e) Shares held in the company, and any options on the same, that they own. Compliant

Partially compliant Explain

19. The annual corporate governance report should, after verification by the appointments committee, also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% 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 a proprietary directorship.

Compliant Partially compliant Explain Not applicable

20. Proprietary directors should resign when the shareholders they represent transfer their equity stake in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to Proprietary Directors, the latter's number should be reduced accordingly.

Compliant Partially compliant Explain Not applicable

21. 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 of Directors, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director takes on new roles or new obligations that prevent him or her from dedicating the time required for performing the duties of the role of director, is in breach of his or her fiduciary duties or comes under one of the grounds that disqualify him or her from being independent, in accordance with what is established in applicable legislation.

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 16.

Compliant Explain

22. Companies should establish rules obliging directors to inform the board of directors 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.

In cases where a Director is tried or indicted for any of the crimes stated in company law, the Board of Directors should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The Board of Directors should also disclose all such determinations in the annual corporate governance report.

Compliant Partially compliant Explain

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

When the board of directors makes material or reiterated decisions about which a director has expressed serious reservations, then 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 of directors, whether a director or otherwise.

Compliant Partially compliant Explain Not applicable

24. 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 of directors. 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.

Compliant Partially compliant Explain Not applicable

25. The appointments committee should ensure that non-executive directors have enough time to properly perform their duties.

The Board of Directors' Regulations should establish the maximum number of boards of directors that its directors may sit on.

Compliant Partially compliant Explain

26. The board of directors should meet with the necessary frequency to properly perform its functions and, at least, eight times a year, in accordance with a calendar and agendas set at the beginning of the year, to which each director may individually propose the addition of other items.

Compliant Partially compliant Explain

27. Director absences should be kept to the bare minimum and quantified in the annual corporate governance report. And, when necessary, they should delegate with instructions.

Compliant Partially compliant Explain

28. When directors or the secretary express concern about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing them can request that they be recorded in the minute book.

Compliant Partially compliant Explain Not applicable

29. The company should establish suitable channels for directors to obtain the advice and guidance they need to carry out their duties including, if required by the circumstances, external assistance at the company's expense.

Compliant Partially compliant Explain

30. Regardless of the knowledge required of the directors for exercising their duties, the companies should also offer directors refresher programmes when circumstances so advise.

Compliant Explain Not applicable

31. The agenda should clearly indicate those points on which the board of directors has to adopt a decision or agreement so that the directors may study or gather, in advance, the information required to make such decisions.

When, exceptionally, in urgent cases, the chairman wants to submit decisions or agreements that are not on the agenda to the board of directors for approval, prior and express consent will be required from the majority of directors present, which will be duly recorded in the minutes.

Compliant [X] Partially compliant [] Explain []

32. Directors shall be regularly informed of any changes in shareholdings and of the opinion of significant shareholders, investors and credit rating agencies as regards the company and its group.

Compliant [X] Partially compliant [] Explain []

33. The chair, as the person responsible for the effective operation of the Board of Directors, in addition to carrying out the duties assigned by law and the bylaws, should prepare and submit to the Board of Directors and agenda in terms of dates and matters to be discussed, organise and coordinate the regular assessment of the Board as well as, if appropriate, the CEO at the Company, assume responsibility for the management of the Board and the effectiveness of its operations, ensure that sufficient time is dedicated to the debate of strategic matters and prepare and review the knowledge recycling programs for each director when circumstances so advise.

Compliant [X] Partially compliant [] Explain []

34. When there is a coordinating director, the bylaws or board of directors' regulations should attribute to him or her, besides the powers corresponding by law, the following duties: presiding over the board of directors in the absence of the chairman and the vice chairmen, if there are any; echoing the concerns of the non-executive directors; maintaining contact with investors and shareholders to learn their points of view for the purpose of forming an opinion regarding their concerns, in particular, in relation to the company's corporate governance; and coordinating the plan for the succession of the chairman.

Compliant [X] Partially compliant [] Explain [] Not applicable []

35. The Secretary should take care to ensure that its actions and decisions are informed by those good governance recommendations of this Code of Good Governance that are applicable to the Company.

Compliant [X] Explain []

36. The board of directors, in plenary session, should evaluate and adopt, where applicable, an action plan once a year to correct deficiencies detected with regard to:
- The quality and efficiency of the operation of the board of directors.
 - The operation and composition of its committees.
 - Diversity in the composition and powers of the board of directors.
 - The performance of their duties by the chairman of the board of directors and by the company's chief executive officer.
 - The performance and contribution of each director, paying special attention to the managers of the board's different committees.

The evaluation of the different committees will be based on the reports they submit to the board of directors and the latter will be evaluated based on the report submitted by the appointments committee.

Every three years, the board of directors shall be assisted in carrying out an assessment by an independent external consultant, whose independence will be verified by the appointments committee.

The business relationships that the consultant or any company in its group maintains with the company or any group company must be listed in the annual corporate governance report.

The process and areas evaluated will be described in the annual corporate governance report.

Compliant [] Partially compliant [] Explain []

37. When the company has an executive committee, the breakdown of its members by director category should be similar to that of the board of directors itself. The secretary of the board should also act as secretary to the executive committee.

Compliant [] Partially compliant [] Explain [] Not applicable []

38. The board of directors should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all members of the board of directors should receive a copy of the executive committee's minutes.

Compliant [] Partially compliant [] Explain [] Not applicable []

39. The members of the audit committee and, especially, its chairman should be appointed bearing in mind their knowledge and experience in accounting, auditing or risk management, and most of those members should be independent directors.

Compliant [] Partially compliant [] Explain []

40. Under the supervision of the audit committee, there should be a unit that assumes the internal audit function and ensures the proper operation of internal reporting and control systems and that reports to the non-executive chairman of the board or of the audit committee.

Compliant [X]

Partially compliant []

Explain []

41. The head of the unit that assumes the internal audit function should present an annual work programme to the audit committee; directly report any incidents arising during its implementation; and submit an activity report at the end of each year.

Compliant [X]

Partially compliant []

Explain []

Not applicable []

42. Besides those set out in law, the following duties correspond to the audit committee:

1. With respect to internal control and reporting systems:
 - a) To monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, check for compliance with legal provisions, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles.
 - b) To strive for the independence of the unit that assumes the internal auditing function; propose the selection, appointment, re-election and removal of the person responsible for the internal auditing services; propose the budget for such service; approve the focus and work plan to ensure the activity is primarily focused on relevant risks for the company; receive regular information on its activities; and verify that senior management takes into consideration the conclusions and recommendations of its reports.
 - c) To establish and supervise a mechanism whereby staff can report, confidentially and, if possible and 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 of the external auditor:
 - a) To investigate the issues giving rise to the resignation of any external auditor.
 - b) To ensure that the remuneration of the external auditor for his work does not compromise its quality or its independence.
 - c) To oversee that the company reports, as a material fact, to the Spanish Securities Market Commission (CNMV) the change of auditor and accompanies it with a declaration on the eventual existence of disagreements with the outgoing auditor and, if any, the content thereof.
 - d) To ensure that the external auditor maintains an annual meeting with the board of directors, in plenary session, to inform it regarding the work performed and the financial position of and risks faced by the company.
 - e) To ensure that the company and the external 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 regulations on the independence of the auditors;

Compliant [X]

Partially compliant []

Explain []

43. 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.

Compliant [X]

Partially compliant []

Explain []

44. The audit committee should be informed of any transactions that would implement structural and corporate changes that the company aims to make for their analysis and a preliminary report to the board of directors on their economic conditions and their accounting impact and, especially, where applicable, on the proposed exchange ratio.

Compliant Partially compliant Explain Not applicable

45. The risk management and control policy should identify at least:

- a) The different types of risk, financial and non-financial, (inter alia, operational, technological, legal, social, environmental, political and reputational) that the company is exposed to, including among financial or economic risks, contingent liabilities and other risks not on the balance sheet.
- b) The determination of the risk level the company sees as acceptable.
- c) Measures in place to mitigate the impact of identified risk events should they occur.
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

Compliant Partially compliant Explain

46. Under the direct supervision of the audit committee or, where applicable, of a specialist committee of the board of directors, there should be an internal risk control and management function exercised by one of the company's internal units or departments that has expressly been entrusted with the following duties:

- a) Ensure the proper operation of the risk control and management systems and, in particular, ensure that all important risks that affect the company are appropriately identified, managed and quantified.
- b) Actively participate in drawing up the risk strategy and in important decisions regarding its management.
- c) Ensure that the risk control and management systems appropriately mitigate risk as part of the policy defined by the board of directors.

Compliant Partially compliant Explain

47. The members of the appointments and remuneration committee —or the appointments committee and the remuneration committee, if they are separate— should be appointed ensuring that they have the appropriate knowledge, aptitude and experience for the functions that they are called upon to perform and the majority of those members should be independent directors.

Compliant Partially compliant Explain

48. Large cap companies should have a separate appointments committee and remuneration committee.

Compliant []

Explain []

Not applicable []

The Endesa board of directors consists of 11 members, 5 of whom are independent. Following the recommendations in the Code of Good Governance, most members of the Appointments and Remuneration Committee (comprised of six members) are independent. Specifically, all independent members of the Board (five) sit on this Committee.

The decision has been taken not to separate the current Appointments and Remuneration Committee into two separate committees (Appointments Committee and Remuneration Committee) because the composition of both of them would be practically identical, and the five independent directors are members.

49. The nomination committee should consult with the chairman of the board of directors and the company's chief executive officer, especially on matters relating to executive directors.

Any board member should be able to suggest directorship candidates to the appointments committee for its consideration.

Compliant []

Partially compliant []

Explain []

50. The remuneration committee should exercise its functions independently and, besides the functions attributed to it by law, should also have the following duties:

- a) To propose the standard conditions for senior officer employment contracts to the board of directors.
- b) To check compliance with the remuneration policy set by the company.
- c) To regularly review the remuneration policy applied to directors and senior management, including systems of remuneration in shares and its application, and also guarantee that their individual remuneration is proportionate to that paid to the other company directors and senior management.
- d) To ensure that any potential conflicts of interest do not threaten the independence of any external advising provided to the committee.
- e) To verify information regarding remuneration of directors and senior executives provided in various corporate documents, including the annual report on remuneration of directors.

Compliant []

Partially compliant []

Explain []

51. The remuneration committee should consult with the chairman and chief executive, especially on matters relating to executive directors and senior officers.

Compliant []

Partially compliant []

Explain []

52. The rules for the composition and operation of the supervision and control committees should be in the board of directors' regulations and should be consistent with those applicable to the commissions that are applicable by law in accordance with the above recommendations, including:
- a) They should be exclusively comprised of non-executive directors, and the majority should be independent directors.
 - b) Committees should be chaired by an independent director.
 - c) 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 should report on their activity to the first board plenary following their meetings and should answer for the work done.
 - d) The committees may engage external advisors, when they feel this is necessary for the discharge of their duties.
 - e) Minutes should be taken of their meetings and should be available to all directors. Compliant [X] Partially compliant [] Explain [] Not applicable []

53. One or several committees of the board of directors should be responsible for supervising compliance with the corporate governance rules, with internal codes of conduct and with the corporate social responsibility policy; these may be the audit committee, the appointments committee, the corporate social responsibility committee, if there is one, or a specialist committee that the board of directors, exercising its powers of self-organisation, decides to create for the purpose, which will have the following specific minimum duties:
- a) Supervision of compliance with the internal codes of conduct and the company's corporate governance rules.
 - b) Supervision of the communications strategy and relationships with shareholders and investors, including small and medium shareholders.
 - c) Regular assessment of the suitability of the company's corporate governance system, so that it complies with its mission of promoting social interest and takes into account, as applicable, the legitimate interests of the other stakeholders.
 - d) Review of the company's corporate social responsibility policy, ensuring it is aimed at creating value.
 - e) Monitoring the corporate social responsibility strategy and practices and assess compliance therewith.
 - f) Supervision and assessment of the engagement processes for different interest groups.
 - g) Assessment of all aspects related to the company's non-financial risks – including operating, technological, legal, social, environmental, political and reputational risks.
 - h) Coordinating the process for reporting non-financial and diversity information, in accordance with applicable regulations and international benchmark standards.

Compliant [X]

Partially compliant []

Explain []

54. The corporate social responsibility policy should include the principles or commitments that the company assumes voluntarily in its relationship with the different stakeholders and should identify at least:
- a) The goals of the corporate social responsibility policy and the development of support instruments.
 - b) Corporate strategy relating to sustainability, the environment and social matters.
 - c) Specific practices in matters relating to: shareholders, employees, clients, providers, social matters, environment, diversity, tax obligations, respect for human rights and prevention of illegal conduct.
 - d) The methods or systems for monitoring the results of applying the specific practices indicated in the previous letter, the associated risk and management of the same.
 - e) Mechanisms for supervising non-financial risk, ethics, and business conduct.
 - f) Channels of communication, participation and dialogue with stakeholders.
 - g) Responsible communication practices that prevent manipulation of information and protect integrity and honour.

Compliant [X] Partially compliant [] Explain []

55. The company should report, in a separate document or in the management report, on matters relating to corporate social responsibility, using any of the internationally accepted methodologies.

Compliant [X] Partially compliant [] Explain []

56. The remuneration of the directors should be as necessary to attract and retain directors of the desired profile and to remunerate the dedication, qualification and responsibility that the role requires, but not so high that it compromise the non-executive director criteria of independence.

Compliant [X] Explain []

57. Remuneration linked to the company's performance and personal effort, and also remuneration comprising the delivery of shares, share options or rights to shares, or other share-based instruments and long-term savings systems such as pension plans, retirement schemes or other social benefit systems should be confined to executive directors.

The delivery of shares may be contemplated as remuneration for non-executive directors when they are obliged to retain them until the end of their tenure. The above will not be applicable to shares that the directors have to sell to satisfy costs related to their acquisition.

Compliant [X] Partially compliant [] Explain []

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

And, in particular, with regard to the variable components of the remuneration:

- a) They should be related to pre-determined and measurable performance criteria and those criteria should consider the risk assumed to obtain a result.
- b) They should promote the sustainability of the company and include non-financial criteria that should be appropriate for the creation of long-term value, such as compliance with the company's internal rules and procedures and its risk control and management policies.
- c) They should be based on balance between compliance with objectives in the short, medium and long term, which allow performance to be remunerated for continued effort over a long enough period of time for their contribution to the creation of sustainable value to be appreciated, so that the elements for measuring this performance do not only revolve around specific, occasional or special events.

Compliant [X] Partially compliant [] Explain [] Not applicable []

59. Payment of a relevant part of the variable components of the remuneration should be deferred for a sufficient minimum period to check that previously established performance conditions have been met.

Compliant [X] Partially compliant [] Explain [] Not applicable []

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

Compliant [X] Partially compliant [] Explain [] Not applicable []

61. A relevant percentage of the variable remuneration of executive directors should be linked to the delivery of shares or share-based financial instruments.

Compliant [X] Partially compliant [] Explain [] Not applicable []

62. Once the shares or options or rights to actions corresponding to the remuneration systems have been attributed, the directors may not transfer ownership of a number of shares equivalent to twice their annual fixed remuneration, nor may they exercise the options or rights until, at least, three years after they were attributed.

The above will not be applicable to shares that the directors have to sell to satisfy costs related to their acquisition.

Compliant [] Partially compliant [] Explain [] Not applicable []

63. Contractual agreements should include a clause that allows the company to claim a refund of variable components of remuneration when the payment was not adapted to performance conditions or when they were paid based on data which later proved to be incorrect.

Compliant X Partially compliant [] Explain [] Not applicable []

64. Payments for termination of contract should not exceed a set amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to check that the director has complied with the previously established performance criteria.

Compliant [] Partially compliant [X] Explain [] Not applicable []

The contractual conditions of current directors are prior to this recommendation. However, ENDESA's Directors' Remuneration Policy establishes that when new directors are incorporated into Senior Management at the Company or Group, a maximum number of two years of total annual remuneration will be set as payment for contract termination, applicable in any case in the same terms to the executive director contracts.

H. OTHER INFORMATION OF INTEREST

1. 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 and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable identify the code and date of adoption. In particular, please mention whether it has adhered to the Code of Good Tax Practices, of 20 July 2010:

CODE OF BEST PRACTICES

At its 20 December 2010 meeting, the Board of Directors of ENDESA approved the adoption of the Code of Best Tax Practices. In compliance with the provisions thereof, ENDESA's head of tax matters has been reporting annually to the Board, through the Audit Committee, on the company's tax policies and the tax implications of the company's most significant operations of the year. Likewise, on 25 January 2016, the ENDESA board of directors ratified the company's adherence to the code of Endesa, S.A. and its Spanish subsidiaries after the recent incorporation to the same of an appendix with new obligations of conduct both for the company and for the administration."

In addition, on 30 January 2017, the Board of Directors approved the annual submission of the Increased Transparency Report before the Spanish tax authorities, the content and format of which was approved in December 2016 at the Large Businesses Forum that ENDESA forms part of, all within the framework of cooperative compliance developed under the aforementioned CBTP. The aforementioned report for 2016 was submitted on 6 June 2017 and for 2017 on 25 June 2018.

This annual corporate governance report was adopted by the company's Board of Directors at its meeting held on:

[25/02/2019]

List whether any directors voted against or abstained from voting on the approval of this Report.

[] Yes
[v] No

ANNEX

ENDESA Group

**Auditor's report on the "Information relating
to Internal Control over Financial Reporting
(ICFR-SCIIF in Spanish)" for 2018**

*Translation of a report originally issued in Spanish. In the event of discrepancy
the Spanish-language version prevails*

AUDITOR'S REPORT ON THE "INFORMATION RELATING TO INTERNAL CONTROL
OVER FINANCIAL REPORTING (ICFR-SCIIF IN SPANISH)" OF THE ENDESA GROUP FOR 2018

To the Directors,

At the request of the management of ENDESA, S.A. (the Company) and its subsidiaries (the Group), and in accordance with our engagement letter dated January 23, 2019, we have performed certain procedures on the accompanying "ICFR-related information" included in the 2018 Annual Corporate Governance Report of the Group, which summarizes the Company's internal control procedures regarding annual financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that apart from the quality of design and operability of the ENDESA Group's internal control system in relation to its annual financial information, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the Group's internal control system was to establish the scope, nature, and timing of the audit procedures performed on the Group's financial statements. Therefore, our internal control assessment, performed for the audit of the aforementioned financial statements, was not sufficiently extensive to enable us to issue a specific opinion on the effectiveness of the internal control over the regulated annual financial information issued.

For the purpose of issuing this report, we exclusively applied the following specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit or a review on the internal control system, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's annual financial information for 2018 described in the accompanying ICFR.

Consequently, had we performed procedures additional to those shown in the abovementioned Guidelines, or carried out an audit or review on the internal control system of regulated annual financial information, other matters might have come to our attention which would have been reported to you.

Since this special engagement does not constitute an audit of the financial statements or a review in accordance with prevailing audit regulations in Spain, we do not express an opinion in the terms established therein.

The following procedures were applied:

1. Read and understand the information prepared by the Group in relation to the ICFR - which is provided in the disclosure information included in the Management Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in Section F, relating to the description of the ICFR, as per the Annual Corporate Governance Report model established by CNMV Circular 5/2013 of June 12, 2013, subsequently amended by CNMV Circular 7/2015 of June 22, 2015 and CNMV Circular 2/2018 of June 12 (hereinafter the CNMV Circulars).
2. Question personnel in charge of preparing the information described in the above section 1, to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions; (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.
3. Review the explanatory documentation supporting the information described in section 1 above, which should, mainly, include that information directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the internal audit function, senior executives and other internal/external specialists in their role supporting the Audit and Compliance Committee.
4. Compare the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.
5. Read the minutes of the Board of Directors Meetings, Audit and Compliance Committee, and other Company commissions in order to evaluate the consistency between issues described in the minutes related to the ICFR and information discussed in section 1 above.
6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the issuance of the information discussed in section 1 above.

As a result of the procedures applied on the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements of the article 540 of the Spain's Corporate Enterprises Act, and CNMV Circulars on ICFR description in the Annual Corporate Governance Report.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

Olatz Díez De Artazcoz Herreros

February 25, 2019

ANNEX: INFORMATION PROFILES OF DIRECTORS

Experience, professional skills and diversity as of 31 December 2018:

DIRECTORS	SKILLS AND COMPETENCIES					DIVERSITY			
	Finance & Risk	Engineering	Legal	Management	Strategy	Tenure (years)	Nationality	Gender	Age
Borja Prado Eulate	✓		✓	✓	✓	11	SPA	M	62
Francesco Starace	✓	✓		✓	✓	4	ITA	M	63
José Bogas Gálvez	✓	✓		✓	✓	4	SPA	M	63
Alberto De Paoli	✓			✓	✓	4	ITA	M	53
Miquel Roca Junyent	✓		✓	✓	✓	9	SPA	M	78
Alejandro Echevarría Busquet	✓			✓	✓	9	SPA	M	76
Maria Patrizia Grieco	✓		✓	✓	✓	1	ITA	F	66
Enrico Viale	✓	✓		✓	✓	4	ITA	M	61
Helena Revoredo Delvecchio	✓			✓	✓	4	ARG	F	71
Ignacio Garralda Ruíz de Velasco	✓		✓	✓	✓	3	SPA	M	67
Francisco de Lacerda	✓			✓	✓	3	PRT	M	58