

**EXPLANATIONS OF THE MATTERS SUBMITTED FOR VOTE**  
**AT THE ORDINARY SHAREHOLDERS' MEETING OF ENERSIS CHILE S.A.**  
**TO BE HELD ON APRIL 28, 2016**

**Distribution of fiscal year's net income and dividend payments:**

On Board of Directors held on February 29, 2016, it was agreed to propose a distribution of a total definitive dividend equivalent to 50% (fifty percent) of the annual pro-forma net income for fiscal year 2015, which is equal to Ch\$ 2,56492 per share, at the Ordinary Shareholders' Meeting of Enersis Chile S.A. This amount will be reduced by the interim dividend paid in January 2016. Thus, the total amount to be distributed on May 2016 will be Ch\$ 2,09338 per share.

The net income that will be distributed was calculated considering the following: i) Pro-forma existing net income from the division of Enersis S.A., approved at the Extraordinary Shareholders Meeting held on December 18, 2015, from which a new society denominated Enersis Chile S.A. was created, maintaining the same legal standing as Enersis S.A., which changed its name to Enersis Chile S.A., and ii) net income distributed in January 2016, which was deducted from the total distributable net income.

**Board of Directors election**

Corresponds to the designation of the definitive Board of Directors of Enersis Chile S.A. in accordance with Article 50 bis of Securities Market Law N°18,046, and Resolution No. 1956, dated December 22, 2009, of the Superintendencia de Seguros y Valores (Superintendencia de Valores y Seguros, "SVS"), the Company has informed to the SVS that it has received proposals of independent candidates to directors in order to select Directors for the Board of Directors to be held on April 28, 2016.

- ✓ The shareholder "AFP Capital", a Chilean Pension Fund, has proposed Mr. Gerardo Jofré Miranda.
- ✓ Enel Iberoamérica S.R.L. and Enel Latin América S.A. have proposed Mr. Fernán Gazmuri Plaza and Mr. Pablo Cabrera Gaete.

The aforementioned shareholders have proposed candidates to be independent directors within the legal and administrative period established for this purpose and in addition to meeting the requirement of representing more than 1% of the shares of Enersis S.A., legal requirement to propose candidates for independent directors.

In addition, on April 14, 2016, the Company received the proposal of the following candidates for director of Enersis Chile S.A from the shareholders Enel Iberoamérica S.R.L. and Enel Latinoamérica, S.A., at the meeting to be held on April 28, 2016:

- a) Hermann Chadwick Piñera
- b) Vincenzo Ranieri
- c) Bernabei Salvatore
- d) Giulio Fazio

**Establishing the Directors' remuneration.**

Enel Latinoamérica, S.A. has proposed to pay to the Board of Directors an annual variable remuneration equal to one thousandth (1/1000) of the net earnings for the current financial year.

Additionally, each Board of Directors' member shall be assigned a monthly remuneration, consisting of a fixed compensation of UF 180 per month and a fee of UF 66 for attending each Board meeting.

Pursuant to the provisions of the Company's by-laws, the Chairman of the Board is entitled to double the compensation compared of the other Directors.

The amounts received by the Directors as advances will be deducted from the annual variable remuneration. In the event that the advances are greater than the annual variable remuneration, no refunds will be paid. The balance of the annual variable remuneration will be paid, if relevant, after the Ordinary Shareholders Meeting of Shareholders approves the Annual Report, Balance Sheets, Financial Statements and reports of external auditors and accounting reviewers for the year ended on December 31, 2016.

If a Director of Enersis Chile S.A. serves on a Board of Directors of a subsidiary and/or related company, either national or foreign, or serves as a Director of a company or corporation in which

the economic group holds a direct or indirect interest, the Director will only be compensated by one Board of Directors.

Executive Officers of our Company, and/or of our subsidiaries or related companies, either national or foreign, will not be compensated if they serve as a Director of any subsidiary, related company or are affiliated in any way to our Company.

Such remunerations or payments may be received by the Executive Officers if they are authorized in advance, as part of their annual variable fee to be paid by respective companies with which they have a labor contract.

#### **Establishing the Directors' Committee's remuneration and budget determination for 2016.**

Enel Latinoamérica, S.A. has proposed to pay to the Directors' Committee an annual variable remuneration equal to 0.11765 per thousand (0.11765/1000) of net earnings of the current financial year.

Also, each Directors' Committee's member shall be assigned an (additional??) monthly remuneration, comprised of fixed and variable remuneration. Such remuneration is broken as follows: 60 UF as a fixed monthly remuneration, and 22 UF for attending each session.

The amounts received by the members of the Directors Committee as advances will be deducted from the annual variable remuneration. In the event that the advances are greater than the annual variable remuneration, no refunds will be paid. The balance of the annual variable remuneration will be paid, if relevant, after the Ordinary Shareholders Meeting of Shareholders approves the Annual Report, Balance Sheets, Financial Statements and reports of external auditors and accounting reviewers for the year ended on December 31, 2016.

Also, the Board of Directors of Enersis Chile S.A., at the session held on March 23, 2016, agreed to establish by Agreement N ° 21/2016, the 2016 budget and performance of the Directors' Committee of Enersis Chile S.A. and its advisors. The amount is 10,000 UF is proposed and will be voted on at the Ordinary Shareholders Meeting of Enersis Chile S.A.

#### **Appointment of External Auditing Company governed by Title XXVIII of Law 18,045:**

In accordance with Article 50 bis of Law 18,046 of Securities Market Law and Executive Orders N° 718/2012 and N° 764/2012 of the Superintendencia of Securities and Insurance, it is

established, with respect to the proposal of external auditors that *“the Board of Directors should provide the shareholders with its justifications of the various options to be proposed at the shareholders’ meeting, so that they have all the required information to engage an auditing firm to examine the financial statements. Such justification should contain, in detail, the Board’s reasons for proposing each firm, taking into account aspects like the hours and resources that they will devote to the review process, the experience of the auditing firm, the knowledge and experience of the team that will be in charge of such review, taking into account the industry, sector, size and other characteristics of the Company to be reviewed, and any other relevant aspect. The above should be accompanied by the corresponding order of preference of the different options to be proposed.”*

The shareholders will therefore be informed about the different options of external auditing firms that were considered, and with which the Board proceeded to determine their order of preference for its proposal to the Ordinary Shareholders’ Meeting. Proposals were requested from the firms E&Y, RSM Chile Auditores Ltda., PKF Chile Auditores Consultores Ltda., KPMG Auditores Consultores Limitada and Deloitte, the latter excused itself from participating due to lack of independency.

On March 23, 2016, after analyzing the proposals received in terms of their qualitative and quantitative features, the Company’s Board of Directors agreed, through the Resolution N° 39/2016, to propose to the Ordinary Shareholders’ Meeting of Enersis Chile S.A. to engage as external auditors of Enersis Chile S.A. for the year 2016 one of the following firms prioritized as stated below:

1° E&Y

2° PKF Chile Auditores Consultores Ltda.

3° RSM Chile Auditores Ltda.

4° KPMG Auditores Consultores Limitada

The reasons for proposing Ernst & Young first as the external auditor of Enersis Chile S.A. are the following: (i) Ernst & Young submitted the most competitive proposal according to the technical and economic evaluations of the proposals received; (ii) it presented a high standard of quality of the resources available for performing its audit and has a broad experience in the

electricity sector; (iii) it is one of the four largest auditing firms worldwide, and (iv) Ernst & Young is the auditing firm with the highest level of synergy with Enersis Chile S.A., as Enersis Chile's parent and controller companies have Ernst & Young as their main auditor.

### **Designation of two main Account Inspectors, two substitutes and their remunerations**

Enersis Chile S.A. will propose as Account Inspectors to the Ordinary Shareholders Meeting to Mr. Luis Bone Solano and Mr. Waldo Santiago Gomez, and their respective alternates Mr. Franklin Ruiz and Mr. Roberto Salinas Lausen Kuhlmann.

The remuneration for the Account Inspectors Account that will be proposed to the Ordinary Shareholders Meeting shall be the amount of 50 UF, in order to be determined definitely.

### **Appointment of private Risk Rating Agency:**

On February 29, 2016, through the Resolution N° 24/2016, the Company's Board of Directors unanimously agreed, by those in attendance, to propose for consideration the appointment of the companies Feller Rate Clasificadora de Riesgo Limitada and Fitch Chile Clasificadora de Riesgo Limitada as the local private Risk Rating Agencies, and Moody's Investors Services and Standard & Poor's International Ratings Services as the international private Risk Rating Agencies of Enersis Chile S.A. for 2016 at Enersis Chile' Ordinary Shareholders' Meeting.

### **Approval of Investment and Financing Policy:**

On February 29, 2016, through the Resolution N° 27/2016, the Company's Board of Directors agreed to propose the Investment and Financing Policy described below.

## **2016 INVESTMENT AND FINANCING POLICY**

### **1. INVESTMENTS**

A) Investment areas:

i) Enersis Chile S.A. will invest, as authorized by its bylaws, in the following areas: Contributions for investment in, or for the creation of subsidiaries and related companies whose activity is aligned, related or linked to any form or type of energy, the supply of public utilities, or whose main raw material is energy.

ii) Investments consistent in the acquisition, exploitation, construction, rental, administration, trading and disposal of any class of fixed assets, whether directly or through subsidiaries.

iii) Other investments in all kinds of financial assets, titles or securities.

B) Maximum investment limits:

The maximum investment limits for each investment area shall be the following:

i) Investments in subsidiaries in the electricity sector: amounts needed by the subsidiaries to meet their respective corporate purposes, with a maximum amount equal to 50% of the Net Equity in the consolidated balance sheet of Enersis Chile S.A. as of December 31, 2015.

ii) Investments in other subsidiaries out of the electricity sector, as long as at least 50.1% of Enersis Chile consolidated assets are part of the electricity sector.

C) Participation in controlling investment area:

In order to control the investment areas and in accordance with Enersis Chile S.A.'s corporate purpose, the following procedure will be followed whenever possible:

i) At the subsidiaries or related companies' Ordinary Shareholders' Meetings, it will be proposed the Directors to be appointed at least with the Enersis Chile S.A.'s stake in that company, preferably are chosen from among directors or executives of the Company or its subsidiaries.

ii) Investment, financial and commercial policies will be proposed to the subsidiaries and related companies, as well as the accounting criteria and systems they should follow.

iii) The management of the subsidiaries and related companies will be supervised.

iv) Permanent control of debt limits will be maintained.

## 2. FINANCING

A) Maximum leverage

The maximum indebtedness of Enersis Chile S.A. is defined as the debt to total shareholders' equity ratio of 2.20 times, based on the consolidated equity of financial position.

B) Management attributions for agreeing Enersis Chile' dividend payment restrictions with lenders

Dividend payment restrictions may only be agreed upon with lenders if previously approved by a shareholders' meeting (ordinary or extraordinary).

C) Management attributions for granting liens to lenders

It corresponds to the Extraordinary Shareholders Meeting to approve the granting of liens or warranties in order to bail third parties obligations, related to essential assets described below.

D) Assets essential for normal operation of the Company

Assets that are essential for the normal operation of Enersis Chile S.A., are the shares that allows control by way of holding the majority of shares, agreements or shareholder agreements of Endesa Chile and Chilectra.

**2016 Dividend Policy:**

The Company Board of Directors, in session dated February 29, 2016, through the agreement 36/2016, approved the following Dividend Policy and the corresponding procedure on the dividends payment of Enersis Chile S.A., for the 2016 accounting period.

“2016 Dividend Policy”: The Board of Directors intent to propose to the Ordinary Shareholders' Meeting, to be held on the first four months of 2017, to distribute as a definite dividend, an amount equal to 50% of the net income for the 2016 accounting period. The definite dividend will correspond to be defined by the Ordinary Shareholders' Meeting, to be held on the first four months of 2017.

Compliance of the dividend program aforementioned will be conditioned to the net income effectively recorded, as well as on the forecasted results that periodically prepares the Company or the existence of determined conditions, according to what corresponds.

Dividend payment procedure: For the dividend payments, whether interim or definite, and in order to avoid their undue collection, Enersis Chile S.A. considers the modalities that are indicated as follows 1. Deposit in checking account, whose title holder is the shareholder. 2 Deposit in saving account, whose title holder is the shareholder. 3. Forwarding a nominative check or on-sight draft by registered mail to the residence of the shareholder that is listed in the Enersis Chile S.A.'s shareholders' register and 4. Pick up the check or on-site draft at the offices of DCV

Registros S.A., in its capacity as the Enersis Chile S.A.'s administrator of the shareholders' register or in the bank or branch offices that are determined for such purpose and that will be informed in the notice that is published regarding the payment of dividends. For these purposes, checking or savings accounts can be in any branch of the country.

It is necessary to underscore that the payment modality chosen by each shareholder will be used by DCV Registros S.A. for all dividends payment, while the shareholder does not express in writing his intention of modifying it and registers a new option.

The shareholders that do not have a payment modality registered, they will be paid according to modality N° 4 stated herein above.

In cases where the checks or on-site drafts are returned by mail to DCV Registros S.A., they will remain under their custody until the shareholders pick them up or request them.

In case of deposits in banking accounts, Enersis Chile S.A. and/or DCV Registros S.A. can request, for security reasons, their verification by the corresponding banks. If the accounts indicated by the shareholders are objected, whether in a prior verification process or for any other cause, the dividend will be paid according to the modality indicated in Point N° 4 herein above.

On the other hand, the Company has adopted and will continue to adopt in the future all necessary security measures required that is required by the dividends payment process, in order to safeguard both the shareholders as well as Enersis América S.A.

### **Other Matters Subject to Vote**

There have not been any additional matters submitted by shareholders for voting consideration by the Ordinary Shareholders' Meeting to date, and the Board of Directors has not agreed on any proposal either.

### **VOTING SYSTEM AT THE MEETING**

In accordance with articles 62 and 64 under the Chilean Act Law N° 18,046 and General Norm N° 273 of the Superintendence of Securities and Insurance enacted on January 13, 2010, it will



be proposed to the shareholders attending the Ordinary Shareholders' Meeting of Enersis Chile S.A. to proceed to vote by acclamation.