



**EXPLANATIONS OF THE MATTERS SUBMITTED FOR VOTE AT THE ORDINARY SHAREHOLDERS' MEETING  
OF ENEL CHILE S.A. TO BE HELD ON APRIL 29, 2020**

▪ **Approval of the Annual Report, Balance Sheet, Financial Statements and External Auditors' and Account Inspectors' Reports for the year ended December 31, 2019**

The Board agreed to propose the Ordinary Shareholders' Meeting of Enel Chile S.A. the approval of the Annual Report, Balance Sheet, Financial Statements and reports of external auditors and account inspectors for the year ended December 31, 2019. The documents are available on the Company's website [www.enelchile.cl](http://www.enelchile.cl).

▪ **Distribution of fiscal year 2019 net income and dividends**

According with Enel Chile's current dividend policy, it corresponds to distribute a dividend equivalent to 60% of fiscal year 2019 net income equal to Ch\$ 296,153,604,925, or Ch\$ 2.5690473850 per share, deducting the interim dividend paid in January 2020, equal to Ch\$ 0.4472311187 per share.

Thus, the effective amount that will be proposed to distribute to the shareholders at the next Ordinary Meeting will be of a total of Ch\$ 2.1218162663 per share to be paid on May 27, 2020 to all those shareholders registered in the Register of Shareholders with 5 business days in advance of said payment date.

Additionally, the distribution of an eventual dividend will be proposed, with a charge against the retained earnings of previous years of Ch\$ 114,883,118,648, equivalent to Ch\$ 1.6609633798 per share, to be paid in May 2020, together with the payment of the final dividend.

As a consequence, it will be proposed to the Ordinary Shareholders' Meeting of Enel Chile S.A. the distribution of a definitive dividend for an amount equivalent to 60% of the net income as of December 2019, this is Ch\$ 2.5690473850 per share, and the interim dividend paid in January 2020 must be deducted from this amount, therefore the effective amount that will be proposed to pay to the shareholders will be Ch\$ 2.1218162663 per share, with a proposal to be paid in Chilean pesos on May 27, 2020.

▪ **Establishing Board member's compensation**

It is proposed to submit to shareholders' approval, the same compensation structure of the previous year for the Board of Directors of Enel Chile S.A. .:



Pay to Board of Directors of Enel Chile a monthly compensation, one part to any event and part eventual, to each member of the Board.

This compensation is broken down as follows:

216 U.F. as a fixed monthly remuneration for any event and 79.2 U.F. as an allowance for attendance at the session, all with a maximum of 16 sessions in total, whether be ordinary or extraordinary, within the corresponding fiscal year.

In accordance with the provisions of the bylaws, the compensation of the Chairman of the Board of Directors will double the compensation of a director.

In the event that a Director of Enel Chile S.A. has participation in more than one Board of Directors of subsidiaries and/or associate, or act as Director or Counselor of other companies or legal persons, in which Enel Chile S.A. holds, directly or indirectly, any participation, the Director only can receive a compensation in one of those Boards of Directors.

The executives of Enel Chile S.A. and/or of its subsidiaries or associate, will not receive remuneration or allowances for themselves in the event of serving as directors in any of the subsidiaries, associate, or participated in any way, of Enel Chile S.A. However, such remunerations or allowances may be received by the executives to the extent that this is expressly and previously authorized as an advance of the variable part of their remuneration to be paid by the respective companies with which they are linked by a work contract.

- **Establishing the Directors' Committee compensation and budget for 2020**

It is proposed to submit to shareholders' approval, the same compensation structure of the previous year for the Directors' Committee of Enel Chile S.A. .:

Pay to the Directors' Committee a monthly compensation, one part to any event and part eventual, to each member of the Directors' Committee. Such compensation is broken down as follows: 72 U.F. as a fixed monthly compensation for any event and 26.4 U.F. as a diet for attendance at the session, all with a maximum of 16 sessions in total, whether ordinary or extraordinary, within the corresponding fiscal year.

The Board of Directors of Enel Chile S.A., during the session held on February 25, 2020, through Agreement N° 13/2020, agreed to propose to the Ordinary Shareholders' Meeting of Enel Chile S.A. a 10,000 UF operating budget for the Directors' Committee of Enel Chile S.A. and its advisors for 2020. This amount does not include the compensation for the members of the Directors' Committee.



- **Report on Board of Directors' expenses and Annual Report on the Directors' Committee Management and Expenses**

This matter is only to inform Shareholders, and it is therefore not subject to vote by the Shareholders Meeting.

- **Appointing an External Audit Firm governed by Title XXVIII of Law 18.045**

In accordance with Article 50 bis of Law 18,046 and Executive Orders N° 718/2012 y N° 764/2012 of the Financial Market Commission regarding the proposal of external auditing firms, *"the Board of Directors must provide the shareholders with justification of all candidates who will be proposed at the shareholders' meeting, in order to provide all necessary information to the Shareholders for the decision of which audit firm will 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 they will devote to the review process, the experience of the audit 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 aspect considered relevant. The above should be accompanied by the corresponding order of preference of the candidates proposed."*

Therefore, for Shareholder information, the audit firms under consideration to be proposed to the Ordinary Shareholders' Meeting, and in the order which indicates the Board of Directors preference, are listed below. The Board requested proposals from firms KPMG Auditores Consultores SpA, Mazars Auditores Consultores SpA, PKF Chile Auditores Consultores Ltda., and ARTL Chile Auditores Ltda. On the other hand, EY, Deloitte, PwC y BDO recused from the process due to independence issues.

On March 30, 2020, and after analyzing the received proposals regarding their qualitative and quantitative features, the Board of Directors of Enel Chile S.A. agreed to propose to the Ordinary Shareholders Meeting the following list of firms as the External Auditors for Enel Chile S.A., in order of preference:

- 1° KPMG Auditores Consultores SpA
- 2° Mazars Auditores Consultores SpA
- 3° PKF Chile Auditores Consultores Ltda.
- 4° ARTL Chile Auditores Ltda.

The relevant justifications for presenting KPMG Auditores Consultores SpA as the preferred candidate to be the External Audit Firm of Enel Chile S.A. are the following: (i) KPMG Auditores Consultores SpA submitted the most



competitive proposal, in both technical and economic terms; (ii) it has high qualifications in terms of available resource quality as well as experience in the electricity sector; (iii) it is one of the four most important external auditing firms nationally and internationally; and (iv) the firm with the highest level of synergy with Enel Chile S.A., since Enel Chile S.A.'s controlling shareholder, Enel S.p.A., has KPMG Auditores Consultores SpA as its main external auditing firm.

▪ **Appointment of two Account Inspectors, two alternates, and their compensation**

Enel Chile S.A. will propose to the Ordinary Shareholders' Meeting Mr. **Luis Osvaldo Rivera Villagrán** and **Rolf Ernst Heller Ihle** as account inspectors, and **Bruno David Agustín Costa Nattero** and **Wenceslao Matamala Castro**, as their respective alternates. They have all confirmed their independence from the Company, and have submitted copies of their valid Account Inspector and External Auditor Registration Membership Certificate (RICAIE in its Spanish acronym), issued by the Financial Market Commission.

The compensation for account inspectors to be proposed to, and decided by, the Ordinary Shareholders' Meeting amounts to UF 50.

▪ **Appointment of Private Risk Rating Agencies**

It will be proposed to the Ordinary Shareholders' Meeting the designation of firms **Feller Rate Clasificadora de Riesgo** and **Fitch Chile Clasificadora de Riesgo** nationally, and **Fitch Ratings**, **Standard & Poor's International Rating Services** and **Moody's Investor Services** internationally, as the Private Risk Rating Agencies for Enel Chile S.A. for 2020.

▪ **Approval of the Investment and Financing Policy**

On February 25, 2020, through Agreement N° 15/2020, the Board of Directors of Enel Chile S.A. agreed to propose the following investment and financing policy to the Shareholders' Meeting:

1. "INVESTMENTS

A) Investment Areas:

- i) Enel Chile will invest, as authorized by its bylaws, in the following areas: investments in, or for the creation of, subsidiaries and associate companies whose activities are aligned, related, or linked to energy, in any type or form, or to the provision of utility services or whose primary raw material is energy;
- ii) Investments consisting of the acquisition, exploitation, construction, rental, administration, commercialization, and disposal of all kinds of property, either directly or through subsidiaries;



- iii) Other investments in all types of financial assets or transferable securities
  
- B) Maximum investment limits: the maximum investment in each investment area is the following:
  - i) Investments in its electricity sector subsidiaries, the amount necessary for the subsidiaries to fulfill their respective corporate purpose, limited to a maximum amount equal to 50% of Total Equity of Enel Chile S.A. consolidated balance sheet as of December 31, 2019.
  - ii) Investments in other subsidiaries not in the electricity business, with a maximum amount equal to 50% of the Total Equity of the consolidated balance sheet of Enel Chile as of December 31, 2019, as long as at least 50.1% of the total consolidated assets of Enel Chile S.A. belong to the electricity industry.
  
- C) Participation in the control of investments: In order to control investments, and in accordance with the corporate purpose of Enel Chile, the following procedure will be adhered to, whenever possible:
  - i) At the subsidiaries' or associate companies' Shareholders' Meetings, proposals will be submitted to appoint directors to reach at least the percentage of Enel Chile's ownership share in such company and preferably chosen among board members or executives of Enel Chile or its subsidiaries, taking care always to comply fully with Resolution 667/2002 of the H. Resolutive Commission;
  - ii) Investment, financing and commercial policies will be proposed to the subsidiaries and associate companies, in addition to the accounting systems and criteria to follow;
  - iii) Management of subsidiaries and associate companies will be supervised; and (iv) debt levels will constantly be monitored.

## 2. FINANCING

- A) The maximum amount of debt. The maximum indebtedness of Enel Chile S.A. will be given by the ratio of Total Financial Debt (defined as other current financial liabilities plus other noncurrent financial liabilities) to Total Equity equal to or less than 2.2 times calculated with figures from Enel Chile's consolidated balance sheet as of December 31, 2019;
  
- B) Management's attributions to convene with lenders regarding Enel Chile's dividend distribution restrictions. Management may only convene with lenders regarding dividend distribution restrictions if such restrictions have been approved by a shareholders' meeting (ordinary or extraordinary);



- C) Management's attributions to convene with lenders regarding granting guarantees. The Extraordinary Shareholders' Meeting is to approve granting liens or warranties on the essential assets indicated below, as guarantee to third-party obligations;
- D) Assets essential to the Company's operation. Assets considered essential for the operation of Enel Chile are the stocks that allow maintaining control, either by holding the majority of shares or through agreements or pacts with shareholders, of Enel Generación Chile S.A., Enel Distribución Chile S.A., Enel X Chile SpA and Enel Green Power Chile Limitada, or the entity that succeeds the latter."

▪ **Dividend Policy 2020 and Information on Procedures to be followed for Dividend Distribution**

On February 25, 2020, through Agreement N°16/2020, the Board of Directors agreed to propose to the Ordinary Shareholders' Meeting of Enel Chile S.A. the following Dividend Policy for 2020, as well as the corresponding procedure for the payment of dividends of Enel Chile S.A.

"Dividend Policy 2020:

The Board of Directors intends to distribute an interim dividend, deducted from the net income of fiscal year 2020, of up to 15% of net income as of September 30, 2020, as shown on the consolidated financial statements of Enel Chile S.A. as of that date, to be paid in January 2021.

The Board of Directors also intends to propose to the Ordinary Shareholders' Meeting, to be held during the first four months of 2021, the distribution of a definitive dividend equal to 60% of net income for the fiscal year 2020. The definitive dividend will correspond to the one determined by the Ordinary Shareholders' Meeting to be held during the first four months of 2021.

Compliance with the aforementioned dividend program will be conditioned to the actual net income the company obtains, as well as to the results of projections the company regularly performs, or to the nonexistence of certain conditions, supervening during the corresponding year that could alter the projections indicated above, as appropriate.

**Dividend Payment Procedure for Enel Chile S.A.**

For the payment of dividends, whether interim or definitive, and aiming to avoid undue collection, Enel Chile S.A. considers the following alternatives: 1. Deposit in a checking account, whose holder is the shareholder; 2. Deposit in a



savings account, whose holder is the Shareholder; 3. Forwarding a check or bank note through certified mail services to the residence of the shareholder, as listed in the Enel Chile S.A. Shareholder Registry; and 4. Check or bank note available for pick up at the offices of *DCV Registros S.A.* as the administrator of the Shareholder Registry of Enel Chile S.A., or in the bank or branch offices that are determined for such purpose, and that will be disclosed in the notice to be published regarding dividend payments.

To these effects, checking and savings accounts may be from any bank in the country.

It is important to emphasize that the preferred method of payment by each shareholder will be used by *DCV Registros S.A.* for all dividend payments, as long as the shareholder does not express in writing his or her intention to modify the payment method and requests another alternative.

The shareholders that have not registered a method of payment will be paid by method N° 4, described above.

If checks or bank notes are returned by mail to *DCV Registros S.A.*, they shall remain in its custody until requested or picked up by the shareholders.

When checking account deposit is chosen, Enel Chile S.A. and/or *DCV Registros S.A.* could request the bank to verify the account for security reasons. Should the account indicated by the shareholder be objected, either due to a verification process or any other reason, the dividend will be paid by method N° 4, described above.

The Company has adopted and will continue to adopt in the future all necessary security measures required by the dividend payment process to protect the interests of shareholders and of Enel Chile S.A.

- **Board of Directors' Agreements regarding acts or contracts governed by Title XVI of Law N° 18,046.**

This matter is only to inform Shareholders, and it is therefore not subject to vote by the Shareholders Meeting.

- **Information regarding costs of processing, printing, and delivery of the information required by Executive Order N° 1,816 of the Financial Market Commission.**

This matter is only to inform Shareholders, and it is therefore not subject to vote by the Shareholders Meeting.



- **Other matters within interest and competence of the Ordinary Shareholders' Meeting.**

Regarding any remaining matters to be voted by the Ordinary Shareholders' Meeting, to this date, no proposals have been received from shareholders or the Board of Directors.

- **Additional agreements adopted to correctly implement the resolutions approved.**

The Board will propose to the Ordinary Shareholders' Meeting to duly authorize Paolo Pallotti, Giuseppe Turchiarelli and Domingo Valdés Prieto, to indistinctly formalize and legalize the agreements and resolutions adopted by the Shareholders' Meeting; to disclose the significant events related to the Shareholders' Meeting agreements, or those required by pertinent public authorities; and to grant explanatory or complementary public deeds that contain the agreements subscribed by the Shareholders' Meeting.