

PROPOSAL OF INVESTMENT AND FINANCING POLICY 2014

Matter to be proposed for approval:

INVESTMENT POLICY 2014

During 2014, the Company will make investments as established in its bylaws in the following investment areas, each limited by amount.

1. ELECTRICITY GENERATION

The maximum limit shall be considered as the necessary investment for the company to meet its main objectives (production, transmission, distribution and supply of electricity) with a limit equivalent to 15% of the shareholders' equity of Endesa Chile's consolidated statements of financial position as of December 31, 2013.

2. CAPITAL CONTRIBUTIONS TO SUBSIDIARY AND RELATED COMPANIES

Contributions will be made to subsidiaries and related companies in Chile and abroad, in order to make the necessary investments that will allow them to carry out their projects and take part in activities necessary to accomplish their respective corporate purpose.

The global maximum investment limit in all subsidiaries and related companies in Chile and abroad for 2014 shall be the equivalent of 15% of the shareholders' equity of Endesa Chile's consolidated statements of financial position as of December 31, 2013.

3. OTHER INVESTMENTS

3.1. Financial assets, titles, rights, securities, real estate, investments in companies, and constitution of subsidiaries and related companies as set out in the bylaws, in order to perform investments in the electricity sector. The maximum investment limit shall be that necessary for seizing business opportunities, with a maximum of 15% of the shareholders' equity of Endesa Chile's consolidated statements of financial position as of December 31, 2013.

3.2. Financial assets, titles, rights, securities, real estate, investments in companies and constitution of subsidiaries and related companies as set out in the bylaws, to develop projects and operations or activities related to industrial processes in order to obtain energy sources, and in those where electricity is an essential and determinant element and is intensively used in the process. The maximum investment limit shall not exceed 5% of the shareholders' equity of Endesa Chile's consolidated statements of financial position as of December 31, 2013.

4. INVESTMENTS IN FINANCIAL INSTRUMENTS

Endesa Chile will invest in financial instruments in accordance with the portfolio selection and diversification criteria set out by the company's management, in order to optimize the return on its cash surpluses.

Within the framework approved by the shareholders' meeting, the board should define the specific investments in works and studies to be carried out by the company, its amounts and financing methods, and will adopt the measures for controlling such investments.

FINANCING POLICY 2014

The company's financing policy considers that the level of debt, defined as the ratio of total liabilities to shareholders' equity in the consolidated statements of financial position, should not exceed 2.20 times. Funding will come from the following sources:

- Own resources.
- Supplier credits.
- Loans from banks and financial institutions.
- Placement of securities in domestic and international markets.
- Proceeds of assets sales and/or services provided by Endesa Chile.

Other matters

In order to carry out the investment and financing policy, the company's management shall have sufficient powers to sign and amend contracts for the purchase, sale or rental of goods and services necessary for the development of the company's own businesses, within the applicable legal framework, following the market conditions prevailing in each case with goods and services of a similar kind, quality and characteristics. Accordingly, the management shall also be authorized to cancel obligations arose from these contracts, according to the law, when convenient for the corporate interest.

Under the provisions of article 120 of Decree Law N° 3,500, the disposal of assets or rights that are declared in these policies as essentials for the company's functioning, and the granting of guarantees over them, should be resolved by an Extraordinary Shareholders' Meeting. In compliance with article 119 of that law, the following assets are declared as essentials for the normal operation of the company:

- The generating plants and emergency and reserve units with a capacity of over 50.000 kW, in operation or under construction, owned by the parent or its subsidiaries.
- The shares held by Endesa Chile in Empresa Eléctrica Pehuenche S.A., Endesa Argentina S.A., Celta S.A., and Generandes Perú S.A., meaning a minimum holding of 50.1 % of the subscribed and paid shares of those companies.

An Extraordinary Shareholders' Meeting should also approve the granting of guarantees to cover third-party obligations, except when such obligations are assumed by subsidiaries, in which case the approval of the Board shall be sufficient.