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ARGUMENTS BEHIND THE VOTE OF THE DIRECTOR RAFAEL FERNANDEZ MORANDÉ

Director Rafael Fernandez M. explained the reasons for his vote regarding the resolutions adopted by the Board of Directors of Enersis S.A. ("Enersis" or the "Company"), according to the significant event and Board of Directors' response to Official Letter No. 25,412 issued by the Superintendence of Securities and Insurance ("SVS") on November 18, 2015, indicating that 3 company stage should be considered, in order to have greater clarity in the analysis of this operation. The first stage was about the current 3 holding companies: Enersis, Endesa Chile and Chilectra. The second stage was regarding the Spin-Off of the companies in which there are 6 holding companies: Enersis Chile, Enersis Américas, Endesa Chile, Endesa Américas, Chilectra Chile and Chilectra Américas. The director pointed out that this stage, the demerged companies, was the most volatile and risky. The third stage was the merged companies: Enersis Américas, Enersis Chile with a holding company included which is Endesa Chile and 4 companies listed in Chile; Enersis Américas, Enersis Chile, Endesa Chile and Chilectra Chile.

Another consideration mentioned by the director was that this operation was being implemented fundamentally with the consenting votes of the directors involved with the controller and carried out by Executive Officers who are also involved with the controller. He stated that this operation was driven by the controlling shareholder, and the fact that the Board of Directors of the three companies that make own the controller's proposal has much to do with the Board of Directors who are involved with the controller.

He pointed out that Enersis is a holding company with stable EBITDA and its net return after taxes is derived from its geographic diversification and business lines, where individually, the countries show a high volatility in their contributions, which is clearly shown in the IM Trust report in section 9, page 80.

With respect to the declared objectives by the controller to promote this corporate reorganization proposal, as supported by the majority of the Board of Directors, it considered that its geographic reorganization proposal. The Directors' Committee of Enersis, as was explained in its report, declared that the objectives could be much better achieved with the corporate reorganization proposal by business lines.

He continued by saying that the first of these objectives was the holding company discount. As mentioned by IM Trust, it could be reduced between 0 and 768 million dollars due to a possible revaluation of the Chilean operations of Endesa Chile and Chilectra to the extent that the market perceives a level of growth and performance equal to those of comparable companies, Gener and Colbún. IM Trust states that the "up to" implies, as it indicated in its preliminary report, could be zero since the business plans approved by the majority of the Board of Directors do not permit, in its opinion, to comply this condition, and thus dismisses that benefit.

IM Trust's analysis also shows that analysts who follow the Enersis' evolution and express their views on its performance and future value, provide very accurate estimations, and therefore the IM Trust's report concludes that to insists on obtaining greater clarity to understand the creation of value is an objective that is not sustainable.

He said that the third objective related to was the conflict in the decision-making process and duplicities. Never, over the previous five and a half years, had any of the different management areas brought this concern to the Board of Directors . The duplicities that could be considered are derived mainly from Resolution 667/2002, enacted by the Antitrust Commission, that exist for the maintenance of Enersis S.A. as the controlling shareholder of Endesa Chile and Chilectra. He indicated that this situation will not be resolved as the restrictions imposed today in Chile are going to be imposed on Enersis Chile and Enersis Américas.

He indicated that the basis of each of his votes was informed in Significant Event N° 124/2015, dated November 24, 2015.

A) Risks, consequences, implications and contingencies that might accompany the corporate reorganization process for Enersis shareholders, including at least those covered in the report of the Directors' Committee,

A.1) The risk of the merger not being materialized, which can arise from exceeding the withdrawal right and the solution proposed by the majority of the Board of Directors is that there would be new and successive Extraordinary Shareholder' Meetings. From his point of view, that left the companies in stage 2, with the companies demerged, which could result in an enormous loss of value, which he considered to be an intolerable risk.

A.2) With respect to the legal proceedings, he said that the Board of Directors forgot that there was a lawsuit in process whose cautionary measure was rejected by the Court of Appeals, but the recourse for reconsideration of illegality continues: it was not therefore a potential future event nor looking down on the management of this Company to say that this risk was a certain risk. This legal action which can detain and leave it in any state, if the court pronounces now or pronounces when the companies are demerged.

He indicated that there was a legal proceeding in process and there could be more, and he thought that the response given was bad. Therefore, the risk of non-merger was a quite real risk which he considered intolerable. It was a risk he would not take in approving the demerger and thus recommended shareholders not to approve the demerger.

A.3) He continued saying that the risk of losing the investment grade is projected in a "fall" in the rating of the merged Enersis Américas, but in a scenario of delay or non-merger, it is highly probable, in his opinion, that there would be a loss of investment grade due to the losses in value and high volatility of the 6 holding companies.

A.4) He said that the risk of reduced liquidity, in the case of the merged companies mentioned in the IM Trust report, was the negative margin as there was not a cost value but a negative outlook in terms of the liquidity of the shares of Enersis Américas. Additionally, in the case of non-merger, in the case of spun-off companies , there would be in his opinion an important loss of liquidity and share value.

A.5) He indicated that the tax risks, a matter that corresponds to the Directors' Committee of Endesa Chile, should be resolved by Enel as be explained below.

A.6) With respect to the concern on the equity history, Endesa Chile was going to lose positions progressively due to its poor investment plan compared to its peers, so it is foreseeable that it will be quoted with a larger discount than at present.

A.7) With respect to the risk of conflicts with Enel Green Power, he believed that the proposal sent by the controller was acceptable to work with.

A.8) The risk of a lower leverage than the optimum today was already a problem, and in his opinion derived from the financial restrictions due to the high indebtedness of Enel SpA, and that has undoubtedly affected the optimum leverage for Endesa Chile and Enersis.

A.9) He added that the risk of demerger and non-merger implies an intolerable loss of value for Endesa Chile, a risk that the Director would not assume and proposed that the operation be redesigned.

A.10) Regarding the risk of modifying the exchange ratio in the Spin-Off, he said that external events can occur, such as what is happening in Argentina or Brazil. The situation in Argentina can be positive for the generation and in Brazil may be negative. This could make it necessary to modify the exchange ratio as it could force this referential exchange ratio to be exceeded.

A.11) With respect to the right of withdrawal risk, this implies a discount by not approving the merger. The share prices could be substantially affected negatively.

A.12) There was also a risk that had not been mentioned, which comes from cost reductions in the investment plan and business assumptions that had been proposed for Endesa Chile and were approved by the majority of this Board of Directors, which in his opinion, implied the dismantling of engineering capacities in Endesa Chile's plants and could result in the loss of its own capacity to be an intelligent counterparty in the development of projects and many businesses. This risk could result in a reduction in the quality of Endesa Chile's business and an increase in its costs.

A.13) Another risk was that controller proposals would arise concerning multimillion dollar technical assistance contracts, as occurred on one occasion and which had been rejected by Endesa Chile Directors' Committee.

B) Regarding the **measures alluded to in the reported of the Directors' Committees of Enersis and Endesa Chile, as well as some required by certain shareholders requesting clarification as to whether they are feasible or not to be carried out, and the consequences for the Company's best interest if the conditions are not comply.**

B.1) He indicated that the proposal to compensate a possible fall in value once Endesa Chile is spun-off, was a public tender offer by Enersis which did not contemplate payment of a premium. The matter was delicate. But since he considers the Endesa Chile shareholders unprotected, he would agree with this solution to be the less worse way to resolve the matter.

B.2) With respect to the tax compensation, he said that the tax costs for Endesa Chile are at the time of the Spin-Off and the tax benefits that Enersis will receive are long term. According to IM Trust, more than five years are needed to equalize the costs with the benefits and in these five years, it is reasonable to expect tax reforms in any of the countries in question, in particular in Chile, Argentina and Brazil, which are highly probable . Therefore, these benefits are possible but are not internalized.

He indicated that there clearly exists a declaration by Enel that it is seeking this corporate reorganization as it more closely adheres to its way of seeing business. He sees no benefit for the best interest but sees a controller's interest to manage businesses in the way it likes. The tax benefits that Enersis will receive are at long term with an important risk. In his opinion, Enel should compensate this and not Enersis. Enel is the entity that brought this operation and wants to handle this in line with its interests, an therefore, he considers that Enel is the entity that should compensate Endesa Chile, and not Enersis. He also stated that this is a very peculiar situation with respect to the minority shareholders in Endesa Chile as 60% of them are on both sides, which implies that they themselves would be paying such compensation. It is for this reason that Mr. Fernandez M. indicated his disagreement with the form of compensation proposed and suggested that Enel should make the compensation.

B.3) With respect to Non-Conventional Renewable Energies ("NCRE") and the agreement with Enel, he considered this workable. He would complement it , and should there be exclusivities, they should be mutual. The development of Non-Conventional Renewable Energies by Endesa Chile autonomously should be encouraged and not, as happens now, impeded by the Board of Directors (who are mostly involved with the controller).

With respect to the agreement, he reported that, as stated by the Chairman of the Board of Directors, this was a related-party transaction. The sale of projects should be at market value since it was also a related–party transaction. Endesa Chile should be able to tender the trading of NCRE and not be obliged per se to buy from this consortium and when it does so, should also be treated as a related-party transaction.

B.4) He continued by indicating that the unique investment vehicle was a reasonable proposal and he thought that the final writing should be revised, as well as the agreement with Enel Green Power.

B.5) Regarding the guarantees in the by-laws, he indicated that he differs from the majority of the Board of Directors because he had seen how this Board of Directors has overstepped the policy of investment and financing approved by the Shareholders' Meeting, especially in the appointment of the directors of Endesa Chile and Chilectra. In the case of the Chilectra Board of Directors, he expressed that it never reached here, and in the case of Endesa Chile, it arrived here for its statement but was not going to be detailed.

He believes that there was a very relevant matter that could be incorporated in the by-laws and it was the disposition of water rights. His main concern was that since the investment plan, approved by the majority of the directors involved with the controller, meaning that this plan will end having small plants. He said that he had read the statements of Mr. Viale published the day before which said that plants with a capacity greater than 100 MW have no sense. This stage put in doubt all the water rights that Endesa Chile has throughout the country, which are for use in

generating in plants with capacities over 100 MW. These are essentially all the plants there are between Puerto Montt and Punta Arenas.

He added that he was also very concerned about whether the controller wishes at some time to sell these water rights, arguing that the payment of licenses for maintaining them was inefficient given that the investment plans do not consider having plants with the capacities required for these water rights. He recommended the Board of Directors consider this point concerning water rights as an important one and he thought that it was a protection that could be given.

C) **With respect to pronouncement on the share exchange ratio** requested by the Superintendent of Securities and Insurance , the Director mentioned that he was unable to pronounce on it because he was against the operation. Secondly, because there were three entities working on it, Bank of America Merrill Lynch, which reported to the Board of Directors, did not agree with its analyses and conclusions. IM Trust expressed its agreement in many aspects and disagreed with others, reminding the Board of Directors that IM Trust was appointed with its dissenting vote for various reasons. One of these reasons is that IM Trust had already issued a favorable opinion earlier in the year and in the press, it had reported that Enel had already appointed IM Trust as financial adviser to Enersis, 10 days before and was substantially more expensive than the financial adviser that the Director had proposed.

Finally, regarding the independent appraiser, he insisted that there was a defect of nullity for the independent appraiser, as declared by the Mr. Malla. The valuations realized by Deloitte Advisory and the exchange ratios were calculated by Mr. Malla. Mr. Malla indicated that he had no confidence regarding this independent appraisal and that there was no guarantee of independence, and therefore, he asked the Board of Directors to determine the exchange ratios with the same procedures followed for appointing the independent appraiser of the Directors' Committee in the case of the capital increase, subject to the provisions of Art.147 of the Chilean Companies Law.