



**EXPLANATIONS OF THE MATTERS SUBMITTED FOR VOTE AT THE ORDINARY
SHAREHOLDERS' MEETING OF ENERSIS S.A. TO BE HELD ON APRIL 23, 2014**

**Approval of Annual Report, Financial Statements, Report of the External Auditors and Account
Inspectors for the fiscal year ended on December 31, 2013.**

According to article 56 of the Securities Market law N° 18,046 and article 20 of the statutes of the company, the Ordinary Shareholders Meeting must approve the Annual Report, Balance Sheet, Financial Statements, and the Report of the External Auditors and Account Inspectors.

Since April 3, 2014, the 2013 annual report, which includes the Annual Report, Balance Sheet, Financial Statements, and Report of the External Auditors and Account Inspectors, has been published on Enersis' website, www.enersis.cl, and has been at the disposal of the shareholders.

Distribution of fiscal year's profits and dividends:

It was agreed to propose a distribution of a total final dividend equivalent to 50% (fifty percent) of the 2013 liquid net income, which is equal to Ch\$ 6.70683 per share, at the Ordinary Shareholders' Meeting of ENERSIS S.A. This amount will be reduced by Ch\$ 1.42964 per share, which was paid as an interim dividend in January 2014. Thus, the total amount to be distributed to Enersis' shareholders in May 2014 will be Ch\$ 5.27719 per share.

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

According to articles 52 and 56 of law N° 18,046 and article 20 of the social statutes of the company, the Ordinary Shareholders Meeting must designate the Independent External Auditors for 2014.

Circular N° 718 issued by the Superintendency of Securities and Insurance dated February 10, 2012, states among other matters, that with respect to the proposal of external auditors, "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 Ernst & Young, JM+A, PKF, KPMG and Deloitte, the latter excused itself from participating.

On March 25, 2014, after analyzing the proposals received in terms of their qualitative and quantitative features, the Company's Board of Directors agreed to propose to the Ordinary Shareholders' Meeting of Enersis S.A. to engage as external auditors of Enersis S.A for the year 2014 one of the following firms prioritized as stated below:

1° Ernst & Young

2° KPMG

3° JM+A

4° PKF

The reasons for proposing Ernst & Young first as the external auditor of Enersis 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, (iv) Ernst & Young is the auditing firm with the highest level of synergy with Enersis S.A., as Enersis' parent and controller companies have Ernst & Young as their main auditor.

Ernst & Young has been the external auditor of Enersis S.A. since 2011.

Appointment of Private Rating Agency:

On February 28, 2014, through the resolution No. 25/2014, the Company's Board of Directors unanimously agreed, by those in attendance, to propose for consideration the appointment of Feller Rate Clasificadora de Riesgo Limitada and Fitch Chile Clasificadora de Riesgo Limitada as the local private rating agencies, and

Fitch Ratings, Moody's Investors Service and Standard & Poor's International Ratings Services as the international private rating agencies of Enersis S.A. for 2014, at Enersis' Ordinary Shareholders' Meeting.

The aforementioned companies have been appointed as the Company's private rating agencies for several years.

Approval of Investment and Financing Policy:

On February 28, 2014, through the resolution No. 22/2014, the Company's Board of Directors agreed to propose to the Investment and Financing Policy described below, which is the same as the one in effect during 2013, at its Ordinary Shareholders' Meeting:

2014 INVESTMENT AND FINANCING POLICY

1. INVESTMENTS

A) Investment areas:

Enersis S.A. will invest, as authorized by its bylaws, in the following areas:

- i) 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.
- ii) Investments in other subsidiaries: such that the addition of the proportional fixed assets corresponding to Enersis's stake on these other subsidiaries does not exceed the proportional fixed assets corresponding to the Enersis's stake in the electricity sector subsidiaries and Enersis S.A.

C) Participation in controlling investment area:

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

- At the subsidiaries or related companies' Ordinary Shareholders' Meetings, it will be proposed the Directors to be appointed with the Enersis S.A.'s stake in that company, preferably are chosen from among directors or executives of the Company or its subsidiaries.
- 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.
- The management of the subsidiaries and related companies will be supervised.
- Permanent control of debt limits will be maintained, to the extent that the investments or contributions implemented or that are planned to be carried out do not represent an unusual variation from the parameters defined by the maximum investment limits.

2. FINANCING

A) Maximum leverage

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

B) Management attributions for agreeing 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

The Company's management may agree with lenders the granting of liens or warranties in accordance with the law and the corporate bylaws.

D) Essential assets for the normal Company operation

The shares representing Enersis S.A.'s stake in its subsidiary Chilectra S.A. are considered essential assets for the normal operations of Enersis.

Other Matters Subject to Vote

There have not been any additional matters submitted by shareholders for voting consideration at the Ordinary Shareholders' Meeting to date, nor has the Board of Directors agreed on any proposal.

VOTING SYSTEM AT THE MEETING

In accordance with articles 62 and 64 of the Corporations Law 18,046 and General Rule 273 of January 13, 2010 of the Superintendency of Securities and Insurance, it will be proposed to the shareholders attending the Ordinary Shareholders' Meeting of Enersis S.A. to proceed to vote by acclamation.