7.

Finance

The regulatory changes made in Chile in 2004 protect both revenue and margins for power companies such as Transelec. This is mainly due to the industry's current tariff structure, which provides a good level of certainty and low risk by generating revenue and margins stemming from a 100% take or pay structure, without any transported volume risk.

Considering the extended impact of the Covid-19 pandemic, the company has focused on reinforcing its liquidity position and maintaining operational continuity, without facing any significant contingencies. In terms of liquidity, Transelec has an approved committed credit line of US$250 million, which was refinanced in 2021 achieving very competitive market conditions, and from which no money was withdrawn in 2021.

An industry tariff review process is currently taking place for 2020-2023. This should be completed with the publication of the new tariff decree during the first half of 2022. The tariff review is expected to impact the company´s cash flows since the results will be applied retroactively. However, this should not have any significant impact on liquidity, considering the high availability of cash and cash equivalents. In addition, Transelec has reported provisions for reduced income since 2020 due to the retroactive effects of tariffs.

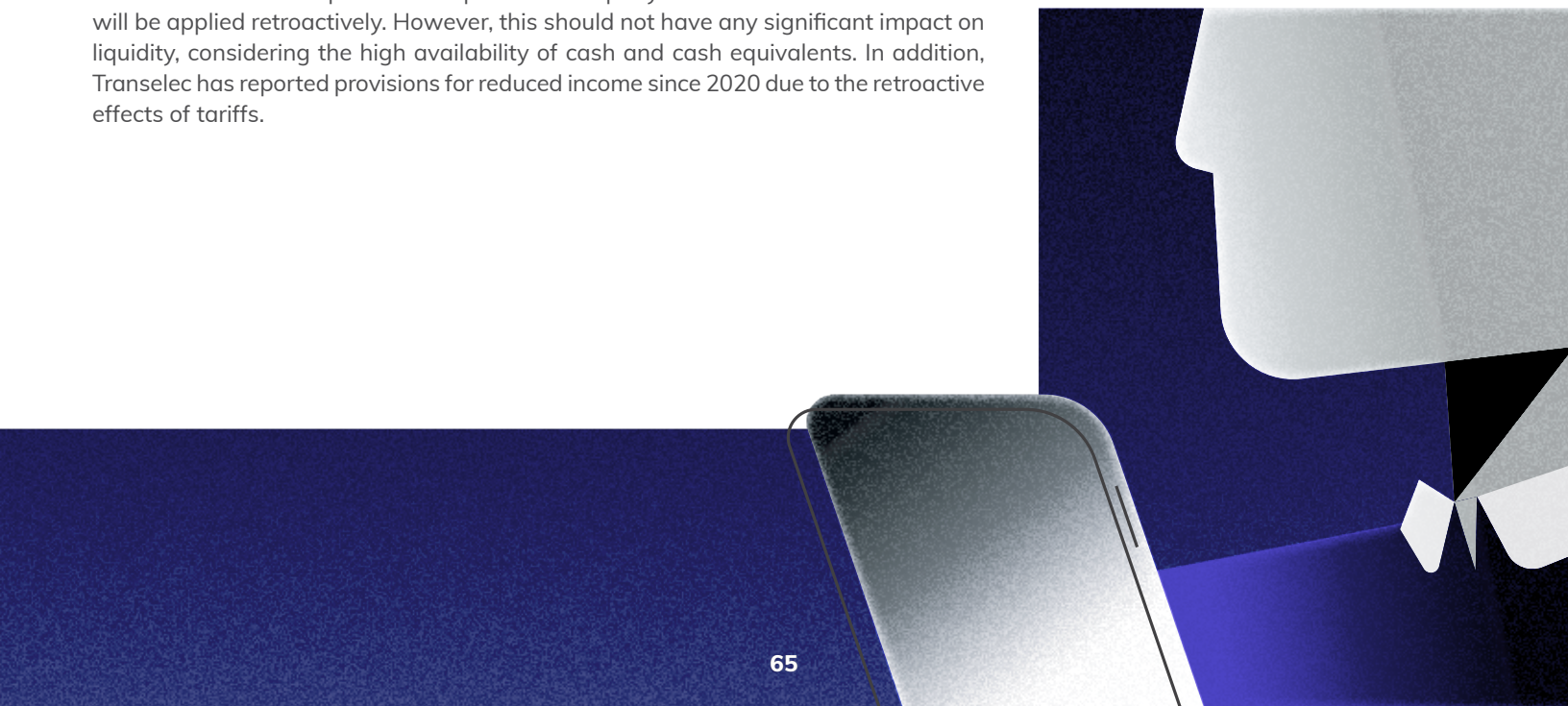
Ongoing communication with our investors

Maintaining the confidence of investors in the Company is key for the development of Transelec and the country.

The Company is firmly committed to provide access to high-quality information with the financial markets since it allows them to make an accurate analysis of Transelec's financial soundness.

It is very important for the Company to maintain permanent access to capital markets and banks to have the necessary funds to develop projects and make acquisitions.

Transelec is committed to maintaining permanent contact with local and international investors. Likewise, relations with different financial institutions and risk rating agencies, among other institutions, are close and trustworthy.



Risk rating

Transelec maintains credit ratings with local and international institutions. These ratings were ratified during 2021, in recognition of the good results obtained in recent years and Transelec's financial strength.

International Rating

Moody's Investors Service	FitchRatings	Standard & Poor's
Baa1	BBB	BBB

Local Rating

Humphreys	Feller Rate	FitchRatings
AA	AA-	AA-

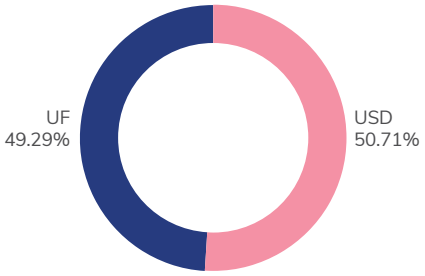
In the case of the local rating, it is worth noting that Feller-Rate improved the company's outlook from "stable" to "positive", which also reinforces the low risk that characterizes Transelec.

Debt	Date issued	Interest rate	Expiry date	Current amount	Currency
Bond D	14 DEC 06	4.25%	15 DEC 27	13,500,000	UF
Bond H	13 AUG 09	4.80%	01 AUG 31	3,000,000	UF
Bond K	04 DEC 09	4.60%	01 SEP 31	1,600,000	UF
Bond M	19 JAN 11	4.05%	15 JUN 32	3,400,000	UF
Bond N	19 JAN 11	3.95%	15 JUN 38	3,000,000	UF
Bond Q	03 MAY 13	3.95%	08 OCT 42	3,100,000	UF
Bond US$	26 JUL 13	4.63%	26 JUL 23	300,000,000	US$
Bond US$	09 JUL 14	4.25%	14 JAN 25	375,000,000	US$
Bond US$	12 JUL 16	3.88%	12 JAN 29	350,000,000	US$

UF: Unidad de Fomento (a price level restatement unit set by the Chilean Central Bank, Law 18,840).
All bonds are bullet bonds (principal payment upon expiry of the last coupon).

The company has outstanding public debt issued in both the local and international markets, with the following breakdown as of December 31st, 2021:

PUBLIC DEBT PERCENTAGE, BY CURRENCY



Total debt in US dollars is covered by the company's assets and principal only contracts (principal only swap), thus covering 100% of the balance.

Local bonds include in their contracts certain financial covenants that the company must maintain at all times:

- Total Debt/Total Capitalization not to exceed 0.7x
- Minimum consolidated equity of CLP350,000 million
- Minimum consolidated shareholder's equity of UF15 million

The Company has complied with all these covenants over time, and is in a comfortable position with all of them.

Debt service reserve

Transelec has a debt service reserve since 2006, which is required by local bond contracts in order to make restricted payments (according to the definition of these in the debt contracts). This debt service reserve considers the Company's public debt and benefits all bondholders, both local (D, H, K, M, N and Q bonds) and international (144A bonds issued in 2013, 2014 and 2016). This reserve goes as high as the amount of interest and main capital amortization – with the exception of the final payment– corresponding to a six-month period for the aforementioned bonds in which the Bank of New York acts as Trustee. As of December 31, 2021, the debt service reserve account reached US$ 50,000,000, which further strengthens the company's liquidity position.

Available revolving credit facility

The Company has an unsecured revolving credit facility to ensure the availability of funds to cover working capital needs, financing of capital expenditures projects (in development and potential), acquisition of transmission lines and possible debt refinancing. At the end of 2021, this facility is fully available, according to the conditions detailed below:

Banks	Maturity	Amount (up to)	Credit Type	Use
MUFG, Scotiabank, Bank of China, China Construction Bank, SMBC, JP Morgan, Banco Santander	May 28th, 2024	US$ 250,000,000	Unsecured revolving credit line	Working capital/ Capex/ Short-term refinancing

This credit facility was renegotiated in May 2021, resulting in a more attractive interest rate and an availability extension (until 2024). The facility´s bank composition also changed.

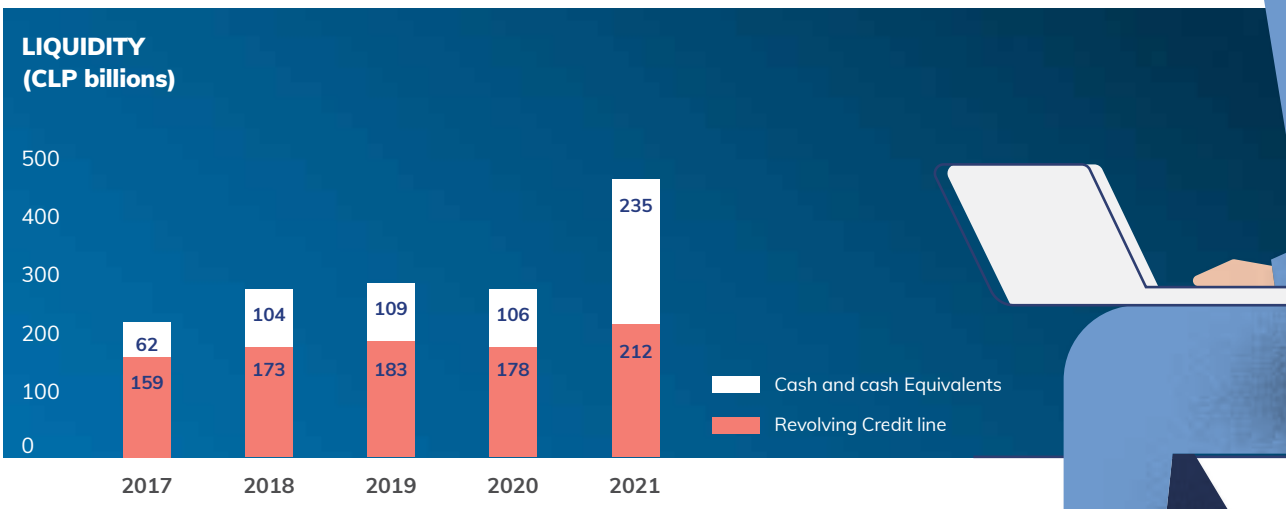
Considering the Company's financial soundness, good liquidity position and reduced short-term cash risks and requirements related to the pandemic, Transelec had no need to withdraw money from its committed credit facility in 2021.

Performance indicators

Liquidity

Considering positive results in 2021, Transelec has a solid liquidity level, mainly due to:

i. The availability of its Revolving Credit Facility.
ii. Partial reinvestment of its own cash generation, which will enable the company to finance its future investment plans, as well as the reassessment following the tariff revision process.
iii. The availability of its debt service reserve.
iv. The firm commitment of its shareholders to invest or reinvest in the Company when necessary.



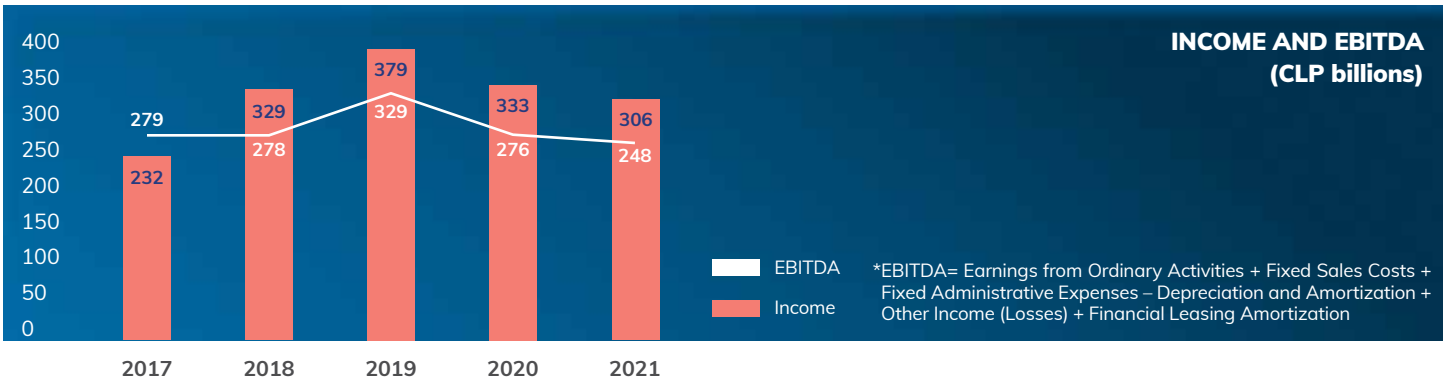
Operating income in 2021

Transelec's revenues can be divided into two main categories, according to their nature:

1. **Regulated revenues:** These are revenues from facilities in which the regulator determines the income that each owner must receive for each transmission asset. These are revenues from the national transmission system and zonal systems.

2. **Contractual revenues:** These are revenues from transmission services agreed in bilateral contracts with other companies, which include, among others, dedicated transmission assets.

Given that the company has practically all of its transmission revenues guaranteed and are of the "take or pay" type (where the installed transmission capacity is remunerated, regardless of how much electricity is consumed), Transelec has been able to maintain stable results over time, with 2021 being no exception. This, together with a low volatility in the transmission cost structure, has allowed the company to maintain a good Ebitda margin over time.



Given that the 2020-2023 tariff review process is not yet complete, the company began to provision its best estimate of the new tariff in 2020, incorporating the variables that had already been determined. In 2021 it made a new provision, incorporating the final tariff report and the Panel of Experts´ observations, even though the decree is yet to be published. 2021 includes part of the effects not provisioned in 2020.

Transelec has been receiving more revenues for 2 years than it would be entitled to, according to the new tariff to be published in 2022 (with retroactive effect to 2020), due to the delay in the process of determining the 2020-2023 tariffs. These additional revenues will have to be reimbursed once the tariffs are published. These revenues received in excess of the new tariff have been kept in cash, which explains, among other factors, the important leap in the company's available liquidity as of December 2021 (see graph above).

Dividends

Dividends policy

The Dividends Policy states that the Board of Directors will distribute 100% of the net profit reported by the Company, considering acquisitions and investment opportunities, the Company's financial situation, commitments made when issuing bonds and the issuing of any other debt instrument and regarding impacts related to the implementation of new IFRS standards. The Board of Directors will determine on a quarterly basis the amount to be distributed as temporary dividends, if required in accordance with the aforementioned conditions.

Dividends distributed

Transelec has distributed the following dividends to its shareholders over the last 10 years:

DIVIDENDS PAID EACH YEAR (*)
(Temporary, eventual and final)

Year	Historical Value (in CLP million)
2011	45,866
2012	106,806
2013	59,064
2014	63,038
2015	88,166
2016	80,894
2017	79,294
2018	58,599
2019	96,218
2020	43,852
2021	28,723

(*): Values as of December each year.

PROFIT SHARING
(Taken from each fiscal year)

Year	CLP million (*)	% of Profit from Fiscal Year
2011	46,839	100%
2012	61,749	100%
2013	63,292	98%
2014	66,773	100%
2015	82,989	99%
2016	80,983	100%
2017	78,249	99%
2018	39,887	38%
2019	140,070	100%
2020	28,723	30%
2021 (**)	0	0%

(*): Values as of December each year.
(**): Corresponds only to interim dividends paid during the year 2021, since as of December 31, 2021 the final dividends for the year 2021 are not yet known, which will be defined at the Ordinary Shareholders' Meeting to be held in the course of the year 2022.

Insurance

The insurance policies that cover the company's fixed assets (Property) include equipment and parts that are both in substations owned by Transelec and third parties. This coverage is provided by an industrial policy that covers physical damage caused by fire, machinery breakdown, earthquakes and natural hazards. As in previous years, it was not considered necessary to cover physical damage to transmission lines and towers, due to good international construction practices and the high requirements of Chilean standards, except for some facilities that have been insured because they are considered strategic or due to contractual requirements with clients.

During fiscal year 2021, our Terrorism policy, which covers events classified as terrorist acts, strikes, riots, civil commotion and acts of vandalism was maintained and renewed. Likewise, civil liability and professional liability insurance were maintained. In addition, vehicles and mobile equipment were insured, and coverage was taken out for cabotage operations and international transportation of equipment and materials. Regarding engineering projects, Transelec takes all-risk coverage for construction and assembly, civil liability and transportation, when applicable.

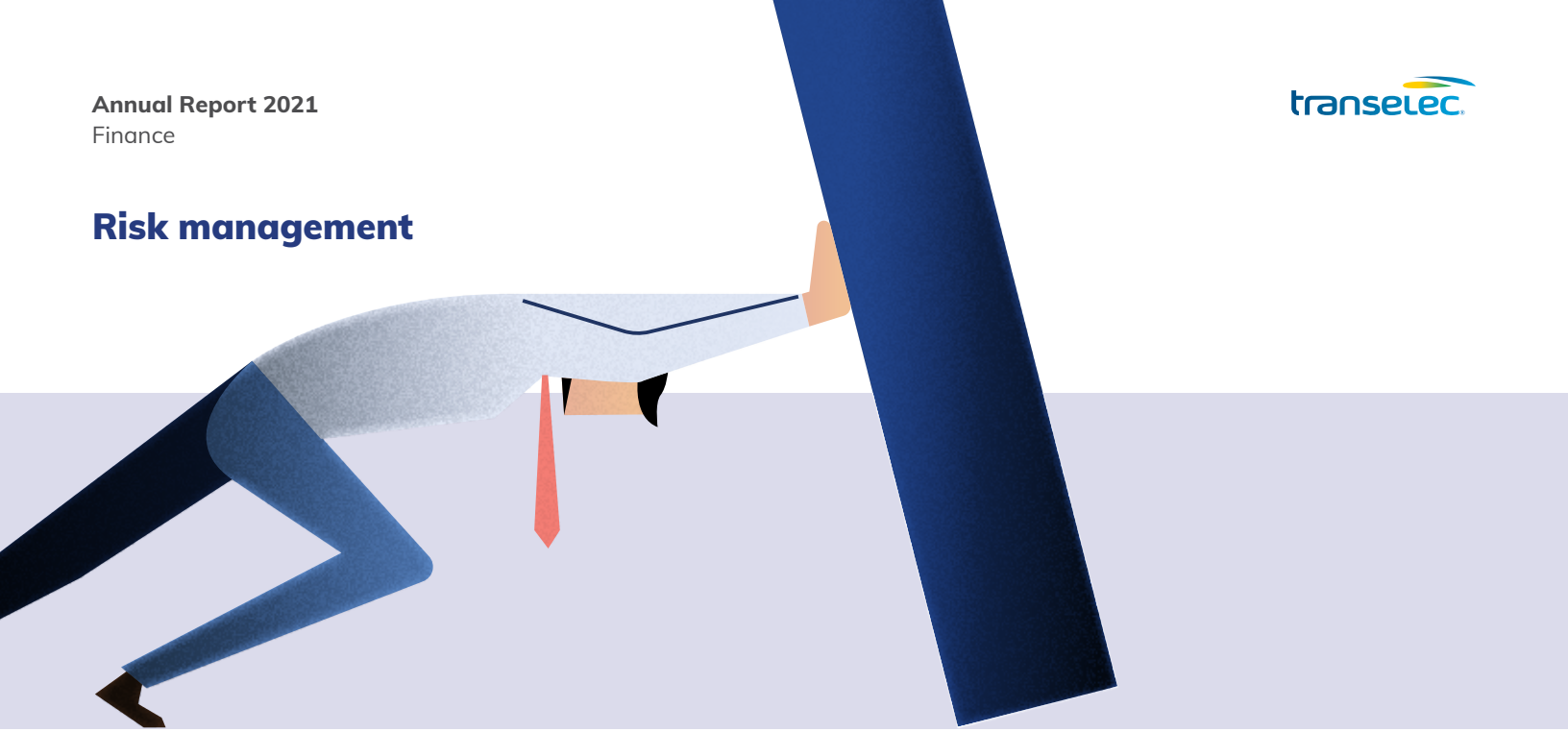
For personal accident risks, the company continues to maintain insurance contracts for its employees. These include complementary health insurance, travel assistance and secondment.

In 2021, all of the company's insurance policies, which had been renewed at the end of 2020, remained in place, while others were renewed in 2021.

Among these insurances, the main ones are Property, Terrorism and Liability, which encompasses several more specialized policies. All policies will be renewed during the first half of 2022 since we expect to find more competitive prices and conditions than what prevailed in recent years, when significant increases in the value of premiums were recorded.

It is also worth mentioning that Transelec tendered the insurance brokerage service, assigning a new broker, which provides the opportunity to renew the service and advice we receive to optimize this area of the company.

Risk management



Transelec manages its risks through a corporate program integrating all company areas. Part of the process includes the vision and information provided by the members of the Board of Directors and the employees in direct contact with the risks, through workshops in which past and potential risks are analyzed and aligned with the company's strategy. Concrete actions for preventing and/or mitigating these risks are executed, reducing probability of occurrence and impact. In addition, risk owners or parties responsible for risks are determined in order to manage said preventive and mitigation measures. The methodology used pools characteristics from several internationally used trends, such as COSO ERM and ISO 31000.

The company has a specialized risk management unit, whose duties include the following:

- Monitoring preventive and mitigatory measures (Action Plans) for risks, to prevent materialization or reduce impacts.
- The company's risk map is updated on an annual basis and the main risks are extracted for monitoring.
- Reporting medium- and long-term risks it considers the company will face to the Board of Directors for discussion and decision making.
- Reporting action plan status or preventive and mitigation actions to Vice-presidents of each area on a quarterly basis.

The risk detection methodology is based on workshops hosted for the areas once a year (at which risk inventory is reviewed and updated according to conditions observed), as well as quarterly monitoring of preventive and mitigatory measures determined at these workshops. Probability of occurrence and the level of impact of each risk are quantified to know which risks are more significant, thus determining risk levels. Conditions analyzed at workshops include the financial aspect, business, regulatory, operational, construction, compliance, communities, workers, and socio-political, among others.

The company executes a Stages and Decisions process at a project level, ensuring that projects are regulated by established protocols starting with gestation of a business idea, through presentation of an offer, contract award and subsequent construction or acquisition, up until entry into regular operation, to ensure that decision makers have necessary information and that risks are identified and mitigated in different project stages.

Main risks are presented to and discussed with Board of Directors on a quarterly basis. A consolidated matrix is published internally on an annual basis, indicating all risks faced by the company at a corporate level, with regular monitoring of control measures proposed. Risks the company is exposed to by internal or external events are fully identified and described by Transelec risk analysis and management.

Risks

Regulatory framework

Power transmission tariffs are established by law and include readjustments to guarantee actual annual profitability for operators. The nature of this industry means that power transmission company revenue is stable over the long term. This revenue is complemented by revenue from private contracts with large customers. These are complemented by income obtained from the existence of private contracts with large customers.

However, the fact that these tariffs are revised once every four years in the National and Zonal Power Transmission Studies could mean new tariffs that could be detrimental or less attractive for the Company in terms of investment made in the case of those assets that are not regulated by a 20-year tariff award decree.

Reassessment of national and zonal revenue

According to the provisions of temporary Article twenty-five of the General Electricity Services Law "LGSE", the collection, payment and remuneration regime specified in the standards that the new Law N° 20,936/2016 abolished are to be applied between the period starting July 20th, 2016, which corresponds to the entry into force of the new Law N° 20,936, and ending December 31st, 2018. This is to say that the former regime established in Law N° 19,940/2004 (Short Law I) will continue to be applied. By virtue of the above, Transelec is entitled to the collection procedure set out in Ministry of Energy Supreme Decree N° 23 T/2016. Transelec annually collects Annual Transmission Value by Section for its existing national facilities, for which it receives monthly tolls from each section and temporarily receives actual tariff revenue that is subsequently reassessed compared to estimated tariff revenue.

The Company could face the risk of failing to collect tolls in a timely manner from any of the companies owning power generation assets established in the CEN payment charts, which could temporarily affect the Company's liquidity status. In relation to tariff revenue and in the Company´s opinion, work executed by Transelec in terms of the aforementioned collection does not consist of collection management of its own, but is rather the mere collection and transfer of external appraised surplus and deficit revenue, with the exception of estimated tariff revenue.

Customers concentration

A 35% of Transelec's revenue comes from a single customer, Enel Generación Chile S.A., and its power generation subsidiaries. Transmission tolls to be paid by Enel and its subsidiaries will generate a substantial percentage of Transelec's future cash flow and any substantial change made to its business model, financial status or operating income could be detrimental for Transelec.

Renegotiation of bilateral contracts for dedicated (additional) facilities

Revenue generated by certain dedicated (additional) facilities stems from long-term contracts. Once these contracts have expired, a condition renegotiation process must be executed. This includes new payment and tariff terms, as well as the determination of which transmission services will continue to be provided. Therefore, we cannot guarantee that the economic terms will remain in force once the renegotiation process has concluded.

Increasing competition in the power transmission market

Chile's power transmission industry is becoming increasingly competitive. We believe that this trend will continue over the short term and that we will face increased competition during tendering processes. This could mean fewer transmission network upgrades and new projects awarded, which would reduce our market share and could also hamper our estimated operating results in the future.

Operating risks

Although Transelec administration believes the company will continue to hedge its risks appropriately in keeping with industry practices, including the annual full exercise of Enterprise Risk Management, there is no guarantee that preventive actions and mitigations implemented (asset management, safety strip management, insurance policies, etc.) will be enough to cover certain operating risks, including forces of nature, damage to transmission facilities, cybersecurity incidents, work-related accidents and equipment failure..

Occupational health and safety for our people

Our personnel and our subcontracting companies' personnel could be affected by work-related accidents. Our employees' health conditions may not be compatible with certain tasks they are required to do as part of their duties. The company is aware of these risks faced by people and consequently ensures full compliance with labor legislation and transmits this to its collaborators and subcontractors, which also constantly review safety conditions at facilities, access roads and offices, while continuously evaluating issues related to workload and stress to safeguard the psycho-occupational health of its personnel, among other measures. Transelec has had an OHSAS 18001 certified OHS Management System since 2010 that was migrated to ISO 45001-2018 in 2020. This system provides a framework for managing and continuously improving occupational health and safety (OHS) at the organization.

Labor conflict

Delays, suspensions, or other labor conflicts affecting Transelec could have an adverse material effect on the corporation's business, financial conditions, operating income and expectations. Approximately 74% of the Transelec workforce belongs to one of its two unions and is covered by collective agreements, which expire in 2023. Although Transelec administration believes that current labor relations evidence mutual collaboration between the company and its workers, there is no guarantee that strikes, delays or suspensions will not occur prior to or at the time the current group contracts expire, which may lead to subsequent arbitration. The administration cannot estimate the possible effect of these events on Transelec operations. Finally, Transelec S.A. is presently included among "Strategic Companies" that cannot go on strike as long as conditions indicated in the labor code are being met.

Fines stemming from power transmission service suspension

As of December 31st 2021, Transelec had nine sanction procedures pending with the Superintendence of Electricity and Fuel (SEC) due to charges pressed by the authority stemming from forced electricity transmission service disconnections. In three of these cases, the SEC applied fines amounting to a total one hundred and nine thousand Monthly Taxation Units (UTM). Transelec subsequently filed claims of illegality before the Santiago Court of Appeals, which are currently being processed. No resolutions indicating the amount of fines have been passed for the remaining two sanction procedures.

Environmental institutionalism and the application of environmental standards and/or policies

Transelec projects are subject to Law N° 19,300/1994 on General Environmental Guidelines ("Environmental Law") and its subsequent amendments. Transelec may run the risk of project and environmental permit lobbying taking longer than expected, which would delay project construction and increase the possibility of fines being applied. These have been identified and preventive and migratory measures have been determined for all risks related to the environment and communities in the vicinity of company facilities.

Construction delays for new power transmission facilities

Success of the upgrades and expansion program for the power transmission network will depend on several factors, including the cost and availability of financing. Although Transelec has experience with large-scale construction projects, the construction of new facilities could be hampered by factors commonly associated with projects, including delays for the approval of regulatory authorizations such as power concessions, lack of equipment, materials or labor, or price variation, adverse weather conditions, natural disasters or unforeseen circumstances or difficulties when it comes to taking out loans under favorable conditions and at reasonable rates. Any of the aforementioned factors could lead to delays in the partial or total completion of the capital investment program, while increasing the cost of the projects considered in this program.

Exchange rate risk

Depending on market fundamentals, specific financial characteristics of the business and other considerations, when necessary Transelec has conducted hedging operations such as cross-currency swaps, options or currency forwards in order to correlate assets and liabilities in currency other than the functional currency (Chilean pesos), to minimize any potential mismatch in the company's earnings.

However, there is no guarantee that Transelec will be totally protected by the fact that it holds exchange rate hedging contracts. In addition, cross-currency swaps and forwards bear credit risk for the counterpart, cash requirements at maturity dates or recouponing clauses (if this is the case) and other associated risks.

Credit risk

Credit risk corresponding to accounts receivable stemming from power transmission activities has historically been very low due to the limited number of customers, their risk ratings and short collection time.

However, revenue is highly concentrated in a few customers that will produce most of Transelec's future cash flow. Any substantial change to these companies goods, financial standing and/or operating income could be detrimental for the Company.

Commodity price risk

This risk refers to potential commodity price volatility. Transelec is mainly exposed to this risk during the development of new projects.

More specifically, Transelec could be exposed to this risk during projects in which there are long periods between the negotiation and purchasing of supplies. In some cases, this risk is transferred from suppliers to Transelec by the quotation of supplies indexed to metal prices. Transelec evaluates this type of hedging for the cost of projects of a certain scale.

Liquidity risk

Liquidity risk is the possibility of the company not being able to meet a monetary requirement in cash or make debt payment upon maturity. Liquidity risk also includes the risk of not being able to liquidate assets at a reasonable price and in a timely manner.

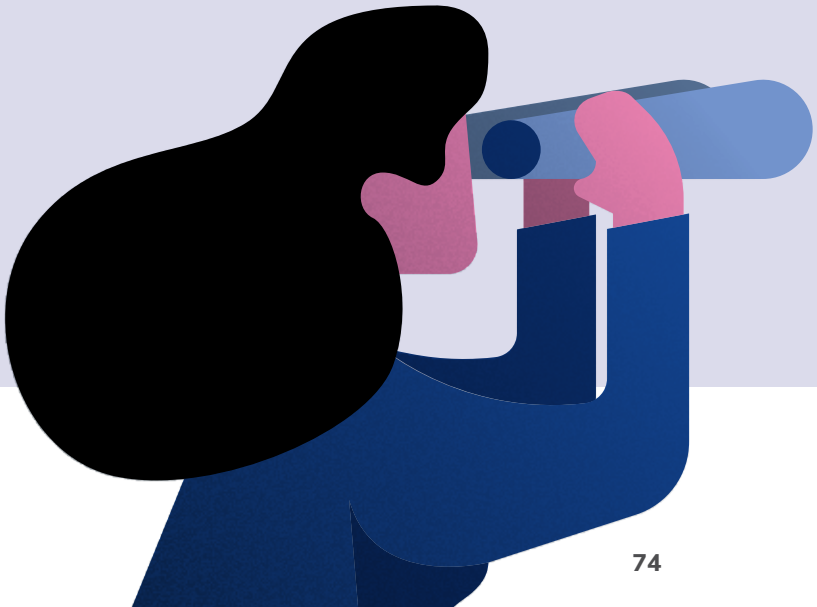
The company is exposed to risks associated to its debt, including the risk of refinancing debt upon maturity. These risks are mitigated by the use of long-term debt and the structure of debt maturity over time.

In order to ensure that the company is able to react quickly to investment opportunities and to pay its obligations upon maturity, Transelec had a fully available revolving credit facility amounting to US$ 250 million as of December 31st, 2021, in addition to the company's cash surpluses and short-term accounts receivable. Moreover, Transelec has unused credit lines that have been approved by local banks that could be used to meet all of its short-term requirements.

Interest rate risk

Company assets are mainly long-lasting fixed assets and intangibles. Financial liabilities used to finance these assets thus mainly consist of long-term liabilities at fixed rates.

In addition, current loans held by the Company with related companies are denominated in Chilean pesos, UF and US dollars and feature a fixed interest rate for long-term contracts, which also helps to mitigate this risk.



Inflation risk

Although higher inflation in Chile could affect debt costs expressed in UF and consequently affect the company's income from readjustable units, these impacts are partly mitigated by the company's revenue, which is also partially adjusted according to local inflation variation by means of contract indexing formulas.

Technological changes

As previously indicated, compensation for Transelec investment in power transmission facilities is obtained by means of an annual existing facility assessment (EFA) fee at market rates, which is regularly recalculated according to the process established in current regulations. If important technological advances are made for equipment at Transelec facilities, this valuation could be lower and thus hamper overall recovery of investments made.

Other risks

In addition to the foregoing, the company faces other risks such as cybersecurity, legal, market, counterpart and reputational risk.

Risks related to the effects of the Covid-19 pandemic appeared in 2021. These were mitigated by means of several actions, which will continue in 2022.

Suppliers Management

Transelec's relations with its suppliers are of paramount importance for the development and maintenance of a sustainable business model aligned with its strategy. We also know that the challenges of today's world are increasingly complex. We constantly propose a complete revision of the company's supplier management in order to meet all standards required from commercial, technological and compliance perspectives.

Supplier Evaluation

In order to comply with Transelec's efficiency, quality, safety and environmental standards, the company has a Comprehensive Supplier Evaluation Policy, which qualifies each supplier (services, construction or supplies) on a scale of 1 to 5, according to their performance in the following categories:

Technical Aspects (Services)
- Compliance with agreed service deadlines
- Timely provision of quality documentation associated with the service
- Quality in the execution of services and work
- Technical competencies of its personnel
- Equipment / technological support / optimum software programs for service execution / tools

Technical Aspects (Works)
- Engineering Quality
- Construction Strategy
- Commissioning of Works
- Technical competencies of its personnel

Environmental and Safety Aspects
- Compliance with ETG / Applicable OHS regulations / Accreditation
- Compliance with applicable regulations for the sale and disposal of surplus and waste
- Environmental Regulation Compliance
- Relations with communities/landowners

Contractual Aspects
- Proactive and timely compliance with Labor Legislation
- Compliance with conditions for contracts awarded
- Performance bond compliance
- Presentation of additional requirements according to prices awarded, with details facilitating review/approval
- Financial soundness review, compliance with payment terms, among others.

Supply Delivery Time
- Compliance with Rev. 0 0
- Compliance with agreed delivery times for supplies.

Quality Aspects for Supplies
- Quality of manufacturing blueprints/technical documents
- Quality of supply, goods or equipment
- Transportation Conditions (safety, quality)
- Technical service quality (FAT tests, commissioning, post sales tests)
- Transelec personnel training

Suppliers Payment

Transelec's payment policy to suppliers considers 30 days as the standard term. Nonetheless, after the social protests of 2019, and with the objective of aiding small and medium businesses, the company established an approximate 7 days term of payment to all our suppliers. This payment term is still the one used in the Company.

Relevant facts

1) In conformity with Article 9 and paragraph 2 of Stock Market Law N° 18,045 Article 10 and General Standard N° 30 issued by the Securities and Insurance Commission, presently the Commission for the Financial Market, the following relevant fact was reported February 24th, 2021: the Transelec S.A. Board of Directors acknowledged and accepted the resignation presented by Mr. Rui Han from his position as Director, as well as the resignation presented by his deputy director, Mrs. Sihong Zhong.

2) In addition, at the same date, the Transelec S.A. Board of Directors appointed Mr. Ganxiang Tang to replace Mr. Rui Han as Director.

3) In compliance with the provisions of Article 9 and the second paragraph of Stock Market Law N° 18,045 Article 10, the following relevant fact was reported on March 24th, 2021:

At a meeting held on March 24th, 2019, the Transelec S.A. Board of Directors agreed to announce the notice of a shareholders meeting on April 30th, 2021: in order to announce the following issues to the shareholders and request their approval:

1.. The Annual Report, Balance Sheet, Financial Statements and External Auditors Report corresponding to the period ending December 31, 2021.

2. Final dividend distribution. In this regard, the Transelec S.A. Board of Directors at a normal shareholders meeting agreed to propose the amount of CLP 28,723 million as final 2020 dividends to be paid in conditions and within deadlines agreed to at the meeting.

3. Board of Directors election.

4. Board of Directors and Audit Committee salaries.

5. Appointment of External Auditors.

6. Newspaper to be used to announce shareholders meetings.

7. Agreements reached by the Board of Directors regarding issues contained in Corporations Law Article 146 and following articles.

8. Other issues of interest for the corporation and for consideration at the shareholders meeting.

4) In compliance with the provisions of Article 9 and the second paragraph of Stock Market Law N° 18,045 Article 10, the following relevant fact was reported on March 24, 2021: At a meeting held on March 24th, 2019, the Transelec S.A. Board of Directors agreed to announce the notice of a shareholders meeting on April 30th, 2021: in order to announce the following issues to the shareholders and request their approval:

- Modify article 15 of the Articles of Incorporation, regarding the requirement of physical presence at the respective Board of Directors meeting in order to reach agreements.

5) In compliance with the provisions of Article 9 and the second paragraph of Stock Market Law N° 18,045 Article 10, the following relevant fact was reported on April 30th, 2021: Transelec

S.A. held a special shareholders meeting at which article 15 of the Articles of Incorporation was modified regarding the requirement of physical presence at respective Board of Directors meetings to reach agreements, in the sense that the quorum necessary to approve and adopt any resolution at a Board of Directors meeting would be the favorable vote of more than 50% of directors in attendance, regardless of the physical location where they may be located.

6) In compliance with the provisions of Article 9 and the second paragraph of Stock Market Law N° 18,045 Article 10, it was reported on April 30th, 2021 that Transelec S.A. held a special shareholders meeting and the following agreements were made:

- To approve the Annual Report, Balance Sheet, Financial Statements and External Auditors Report corresponding to the period ending December 31st, 2020.

- To approve final dividend distribution for 2020 corresponding to CLP 28.72 billion, equivalent to 30% of net income for the 2020 fiscal year.

- It was agreed that the members of the Board of Directors were to be renewed and therefore the Board is now comprised as follows: Mr. Scott Lawrence as director and Mr. Alfredo Ergas Segal as his respective deputy director; Mr. Ganxiang Tang as director and Mr. Tao He as his respective deputy director; Mr. Richard Cacchione as director and Mr. Michael Rosenfeld as his respective deputy director; Mr. Jordan Anderson as director and Mr. Jon Perry as his respective deputy director; Mr. Mario Valcarce Durán as director and Mr. José Miguel Bambach Salvatore as his respective deputy director; Mr. Blas Tomic Errázuriz as director and Mr. Patricio Reyes Infante as his respective deputy director; Mr. Juan Benabarre Benaiges as director and Mr. Roberto Munita Valdés as his respective deputy director; Ms. Patricia Núñez Figueroa as director and Mr. Claudio Campos Bierwirth as her respective deputy director and Ms. Andrea Butelmann Peisajoff as director and Mr. Juan Agustín Laso Bambach as her respective deputy director.

- Board of Directors and Audit Committee salaries were determined.

- To approve appointment of the firm Deloitte as the corporation's external auditors for the 2021 fiscal year. To approve Diario Financiero as the newspaper to be used for publishing notices of shareholders meetings.

- Agreements reached by the Board of Directors regarding matters contained in Corporations Law Article 146 and following articles were reported.

7) In conformity with Article 9 and paragraph 2 of Stock Market Law N° 18,045 Article 10 and General Standard N° 30, it was reported as a relevant fact that the Transelec S.A. Board of Directors acknowledged and accepted the resignation presented by Mrs. Patricia Núñez Figueroa from her position as corporation director on May 17th, 2021, which comes into effect immediately.

8) In conformity with Article 9 and paragraph 2 of Stock Market Law N° 18,045 Article 10, it was reported as a relevant fact that Mr. Scott Lawrence was elected president at ordinary session number 214 dated May 26th, 2021.

9) In conformity with Article 9 and paragraph 2 of Stock Market Law N° 18,045 Article 10, it was reported as a relevant fact that at a meeting dated 16 December 2021, the Transelec S.A. Board of Directors unanimously decided to start a succession process for the position of the Company's General Manager, which should be completed during the first half of 2022 in response to the General Manager stating interest about generating a replacement process after 15 years in the position.