



International Swaps and Derivatives Association, Inc.

2002 MASTER AGREEMENT

dated as of 10 JANUARY 2008

J.P. MORGAN SECURITIES LTD. and SOCIETE NATIONALE D'ELECTRICITE
ET DE THERMIQUE S.A. ("ENDESA FRANCE")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this 2002 Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties or otherwise effective for the purpose of confirming or evidencing those Transactions. This 2002 Master Agreement and the Schedule are together referred to as this "Master Agreement".

Accordingly, the parties agree as follows:—

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and elsewhere in this Master Agreement will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement, such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

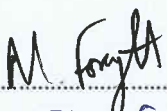
2. Obligations

(a) General Conditions.

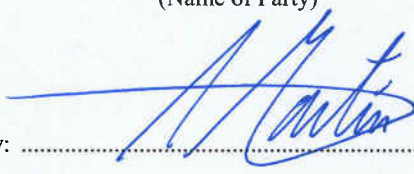
- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

Part 5. Other Provisions.

J.P. MORGAN SECURITIES LTD.
(Name of Party)

By: 
Name: MATTHEW FORSYTH
Title: VICE PRESIDENT
Date:

SOCIETE NATIONALE D'ELECTRICITE ET
DE THERMIQUE ("ENDESA FRANCE")
(Name of Party)

By: 
Name:
Title:
Date:

**SCHEDULE
to the
2002 MASTER AGREEMENT**

dated as of 10 January, 2008

between

**J.P. MORGAN SECURITIES LTD.
("Party A")**

and

**SOCIÉTÉ NATIONALE D'ÉLECTRICITÉ
ET DE THERMIQUE SA ("Endesa
France")**

("Party B")

PART 1

Termination Provisions

- (1) **"Specified Entity"** means, in relation to Party A, for the purpose of:
- Section 5(a)(v), none;
- Section 5(a)(vi), none;
- Section 5(a)(vii), none; and
- Section 5(b)(v), none;
- and, in relation to Party B, for the purpose of:
- Section 5(a)(v), none;
- Section 5(a)(vi), none;
- Section 5(a)(vii), none; and
- Section 5(b)(v), none.
- (2) **"Specified Transaction"** will have the meaning specified in Section 14 of this Agreement.
- (3) The **"Cross-Default"** provisions of Section 5(a)(vi) will apply to Party A and Party B, and for such purpose:
- (a) **"Specified Indebtedness"** will have the meaning specified in Section 14 of this Agreement, except that such term shall not include obligations in respect of deposits received in the ordinary course of a party's banking business.
- (b) **"Threshold Amount"** means, with respect to Party A, an amount equal to three (3) percent of the shareholders' equity of Party A's Credit Support Provider; and with respect to Party B, 10,000,000 € (ten million Euros), or the equivalent thereof in any other currency or currencies. For purposes of this definition, any Specified Indebtedness denominated in a currency other than the currency in which the Threshold Amount is expressed shall be

converted into the currency in which the Threshold Amount is expressed at the exchange rate therefor reasonably chosen by the other party.

- (4) The **"Credit Event Upon Merger"** provisions of Section 5(b)(v) will apply to Party A and Party B; provided, however, that if the applicable party has long term, unsecured and unsubordinated indebtedness or deposits which is or are publicly rated (such rating, a "Credit Rating") by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") or any other internationally recognized rating agency (a "Rating Agency"), then the words "materially weaker" in line 6 of Section 5(b)(v) shall mean that the Credit Rating of such party (or, if applicable, the Credit Support Provider of such party) shall be rated lower than Baa3 by Moody's, or lower than BBB- by S&P or, in the event that there is no Credit Rating by either Moody's or S&P applicable to such party (or, if applicable, the Credit Support Provider of such party) but such party's long-term indebtedness or deposits is or are rated by a Rating Agency, lower than a rating equivalent to the foregoing by such Rating Agency.
- (5) The **"Automatic Early Termination"** provision of Section 6(a) will not apply to Party A or Party B. However, if a Party is governed by a system of law which does not permit termination to take place on or after the occurrence of the relevant Material Reason in accordance with the terms of this Agreement, then the Automatic Early Termination provisions of Section 6(a) will apply to such Party with termination effective immediately before the occurrence of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or to the extent analogous thereto, (8) and as of the time immediately preceding the institution of the relevant proceeding specified in Section 5(a)(4), or to the extent analogous thereto, (8).
- (6) **"Termination Currency"** means EURO.
- (7) **Additional Termination Event** will apply in respect of Party B only:

Decline in Tangible Net Worth. If the Tangible Net Worth of Party B falls below €395,000,000 (three hundred and ninety five million Euros). "Tangible Net Worth" means the sum of all paid up shareholder cash contributions to the share capital account or any other capital account of Party B ascribed by such purposes of Party B and any accumulated earnings less any accumulated retained losses and intangible assets including, but not limited to, goodwill. Tangible Net Worth shall be determined according to Party B's most recent annual report or quarterly report.

PART 2

Tax Representations

- (A) **Payer Tax Representations.** For the purpose of Section 3(e) of this Agreement, Party A and Party B each hererby make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 9(h) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, except that it will not be a breach of

this representation where reliance is placed on clause (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(B) Payee Tax Representations. For the purpose of Section 3(f) of this Agreement:

Party B represents that it is not a United States Person for United States federal income tax purposes and no payments received or to be received by Party B hereunder will be effectively connected or otherwise attributable to the conduct of a trade or business in the United States by Party B.

PART 3

Agreement to Deliver Documents

For the purpose of Sections 4(a)(i) and 4(a)(ii) of this Agreement, each party agrees to deliver the following documents:

(a) Tax forms, documents or certificates to be delivered are:

None.

(b) Other documents to be delivered are:

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Section 3(d) Representation</u>
Party A and B	Annual Report of such Party's, or if for such period the Party's obligation are supported by a Credit Support Provider, its Credit Support Provider's annual report containing consolidated financial statements certified by independent certified public accountants and prepared in accordance with generally accepted accounting principles in the country in which such party is organized.	Upon request	Yes
Party A and B	Unaudited consolidated financial statements such Party's, or if for such period the Party's obligation are supported by a Credit Support Provider, its Credit Support Provider's annual report for a fiscal quarter prepared in accordance with generally accepted accounting principles in the country in which such party is organized.	Upon request	Yes

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Section 3(d) Representation</u>
Party A and B	Certified copies of all corporate authorizations and any other documents with respect to the execution, delivery and performance of this Agreement	Upon execution and delivery of this Agreement	Yes
Party A and Party B	Certificate of authority and specimen signatures of individuals executing this Agreement, Confirmations and each Credit Support Document (as applicable)	Upon execution and delivery of this Agreement and thereafter upon request of the other party	Yes

PART 4

Miscellaneous

- (1) **Addresses for Notices.** For the purpose of Section 12(a) of this Agreement:

Address for notice or communications to Party A:

Any notice relating to a particular Transaction shall be delivered to the address or facsimile number specified in the Confirmation of such Transaction. Any notice delivered for purposes of Sections 5 and 6 of this Agreement shall be delivered to the following address:

J.P. Morgan Securities Ltd.
Attention: Chief Derivatives Counsel (Marked "URGENT")
125 London Wall, 13th Floor
London EC2Y 5AJ, England
Facsimile: +44 (0)20 7325 8150

Address for notice or communications to Party B:

Société Nationale d'Electricité et de Thermique, S.A. ("ENDESA France")
2 Rue Jacques Daguerre
92565 Rueil Malmaison
France
Facsimile: No.: +33 147 523950
Telephone No.: +33 147 523933

- (2) **Process Agent.** For the purpose of Section 13(c) of this Agreement:

Party A appoints as its Process Agent: Not applicable.
Party B appoints as its Process Agent: Not applicable.

- (3) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

- (4) **Multibranch Party.** For the purpose of Section 10 of this Agreement:

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

(5) **Credit Support Document.**

In relation to Party A: The Guarantee issued by JPMorgan Chase Bank, N.A. dated March 23rd, 2007.

In relation to Party B: not applicable.

(6) **Credit Support Provider.**

Credit Support Provider means, in relation to Party A, JPMorgan Chase Bank, N.A..

Credit Support Provider means, in relation to Party B, not applicable.

(7) **Governing Law.** This Agreement and each Confirmation will be governed by and construed in accordance with the laws of England, without reference to its choice of law doctrine. Section 13(b) is amended by: (1) deleting (A) of clause (i) (1); (2) replacing the words "the English courts" by the words " the High Court of Justice in London, England"; and (3) deleting (2) of clause (i).

(8) **Netting of Payments.** "Multiple Transaction Payment Netting" will apply for the purpose of Section 2(c) of this Agreement to all Transactions starting from the date of this Agreement. For the avoidance of doubt, Section 2(c)(ii) will not apply.

(9) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.

(10) **Absence of Litigation.** For the purpose of Section 3(c) of this Agreement:

"Specified Entity" means, in relation to Party A, any Affiliate of Party A.

"Specified Entity" means, in relation to Party B, any Affiliate of Party B.

(11) **No Agency.** The provisions of Section 3(g) of this Agreement will apply to this Agreement.

(12) **Additional Representation** will apply. For the purpose of Section 3 of this Agreement, the following will each constitute an Additional Representation:

(a) **Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction, it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and

understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

- (iii) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.
 - (i) **Hedging.** It understands and acknowledges that the other party may, either in connection with entering into a Transaction or from time to time thereafter, engage in open market transactions that are designed to hedge or reduce the risks incurred by it in connection with such Transaction and that the effect of such open market transactions may be to affect or reduce the value of such Transaction.
 - (ii) **Line of Business.** It has entered into this Agreement (including each Transaction evidenced hereby) in conjunction with its principal line of business.
- (13) **Recording of Conversations.** Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

PART 5

Other Provisions

- (1) **ISDA Definitions.** Reference is hereby made to the 2000 ISDA Definitions (the “2000 Definitions”) and the 1998 FX and Currency Option Definitions (the “FX Definitions”) (collectively the “ISDA Definitions”) each as published by the International Swaps and Derivatives Association, Inc., which are hereby incorporated by reference herein. Any terms used and not otherwise defined herein which are contained in the ISDA Definitions shall have the meaning set forth therein.
- (2) **Scope of Agreement.** Notwithstanding anything contained in this Agreement to the contrary, any transaction (other than a repurchase transaction, reverse repurchase transaction, buy/sell-back transaction or securities lending transaction) which may otherwise constitute a “Specified Transaction” for purposes of this Agreement which has been or will be entered into between the parties shall constitute a “Transaction” which is subject to, governed by, and construed in accordance with the terms of this Agreement, unless any Confirmation with respect to a Transaction entered into after the execution of this Agreement expressly provides otherwise.
- (3) **Inconsistency.** In the event of any inconsistency between any of the following documents, the relevant document first listed below shall govern: (i) a Confirmation; (ii) the Schedule and any Elections and Variables to an ISDA Credit Support Annex (as applicable); (iii) the ISDA Definitions; and (iv) the printed form of ISDA Master Agreement and ISDA Credit Support Annex (as applicable). In the event of any inconsistency between provisions contained in the 2000 Definitions and the FX Definitions, the FX Definitions shall prevail.
- (4) **Third Party Rights.** A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy that exists or is available apart from that Act.

- (5) **Notice by Facsimile Transmission.** Section 12(a) is hereby amended by inserting the words “or 13(c)” between the number “6” and the word “may” in the second line thereof.
- (6) **Confidentiality.** Neither party shall, without the prior written consent of the other party, disclose the terms of this Agreement or of any Transaction (“Confidential Information”) to any third party. This obligation of the parties under this confidentiality provision shall survive the termination of this Agreement or a Transaction for a period of two years.

Confidential Information shall not include information which:

(A) is disclosed by a party to its Affiliates, employees, directors, officers, agents, adviser and banks or other financing institutions, rating agencies or intended assignee who agree to comply with the provisions of this clause;

(B) is disclosed to comply with any applicable law, regulation, or rule of any exchange, system operator or regulatory body, or in connection with any court or regulatory proceedings; provided that each party shall, to the extent practicable and permissible by law, regulation, or rule, use reasonable endeavours to prevent or limit the disclosure and to give the other party prompt notice of it;

(C) is in or lawfully comes into the public domain other than by breach of this clause; or

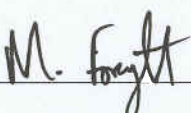
(D) is disclosed to price reporting agencies or for the calculation of an index provided that such disclosure shall not include the identity of the other Party, except if such disclosure is required for purposes of participating in the calculation of an index of an organized exchange.

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

J.P. MORGAN SECURITIES LTD.

SOCIÉTÉ NATIONALE D'ÉLECTRICITÉ
ET DE THERMIQUE SA (“Endesa France”)

By:



Name: MATTHEW FORSYTH
Title: VICE PRESIDENT

By:

Name: Alberto MARTIN RIVALS

Title: Managing Director

