



**PROPOSED RESOLUTIONS FOR THE 2020 ORDINARY GENERAL  
SHAREHOLDERS'  
MEETING**

**First call: June 29, 2020  
Second call: June 30, 2020**

## MEETING AGENDA

1. Examine and, if appropriate, approve the 2019 Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the annual accounts) and Management Report of Enagás S.A. and its Consolidated Group.
2. Approve the consolidated non-financial information included in the Enagás Group's Management Report for 2019.
3. Approve, if applicable, the proposed distribution of Enagás, S.A.'s profit for 2019.
4. Approve, if applicable, an extraordinary dividend to be charged to unrestricted reserves.
5. Approve, if applicable, the performance of the Board of Directors of Enagás, S.A. in 2019.
6. Amendment of Articles 22, 27, 35, 37, 39, 44, and 45 of the Articles of Association and introduction of a new Article 53.bis. The following proposals shall be put to vote separately:
  - 6.1. Amendment of article 27 ("Attendance at Meetings, Proxies and Voting") to provide for attendance at the Meeting by telematic means.
  - 6.2. Amendment of Article 35 ("Composition of the Board") to increase the maximum number of members of the Board of Directors to 16.
  - 6.3 Amendment of Article 39 ("Board Meetings") to provide for attendance at Board meetings by telematic means.
  - 6.4. Amendment of Article 44 ("Audit and Compliance Committee") to increase the maximum number of members of the Audit and Compliance Committee to seven.
  - 6.5. Amendment of Article 45 ("Appointments, Remuneration and Corporate Social Responsibility Committee"), which will now be called "Sustainability, Appointments and Remuneration Committee" in order to increase the maximum number of members to seven, in addition to changing its name. And, accordingly, amendment of Articles 22 ("Call to Meeting") and 37 ("Posts") to adapt the references to this Committee to its new name.
  - 6.6. Introduction of a new article 53.Bis ("Dividend in Kind") to expressly provide for the possibility of distributing this type of dividend.
7. Amendment of Articles 9 ("Right to Attend") and 11 ("Right to Vote") of the Regulations of the General Shareholders' Meeting to provide for attendance at the Meeting by telematic means.
8. Appointment and re-election of members of the Board of Directors. The following proposals shall be put to vote separately:
  - 8.1. Re-elect Sociedad Estatal de Participaciones Industriales (SEPI) as Director for the four-year period. Sociedad Estatal de Participaciones Industriales (SEPI) shall serve as Proprietary Director.

8.2. Appoint Mr. José Blanco López as Director for the four-year period. Mr. José Blanco López shall serve as Independent Director.

8.3. Appoint Mr. José Montilla Aguilera as Director for the four-year period. Mr. José Montilla Aguilera shall serve as Independent Director.

8.4. Appoint Mr. Cristóbal José Gallego Castillo as Director for the four-year period. Mr. Cristóbal José Gallego Castillo shall serve as Independent Director.

9. To grant authorisation for purposes of Article 146 of the Corporate Enterprise Act concerning the possibility of enterprises acquiring their own shares.

10. Modification, for the purposes of article 529 novodecies of the Corporate Enterprises Act, of the policy on remuneration of directors for the 2019, 2020 and 2021 financial years, for the sole purpose of modifying the maximum annual limit on the remuneration of directors in their capacity as such to adapt it to the new number of directors and the new number of members of the committees”.

11. To submit the Annual Report on Directors' Remuneration referred to in Article 541 of the Corporate Enterprises Act to an advisory vote.

12. Report not subject to vote on the amendments made to the “Rules and Regulations on the Organisation and Functioning of the Board of Directors of Enagás, S.A.” since the last General Meeting, in order to adapt it to the criteria and basic principles of Technical Guidelines 3/2017 and 1/2019 of the CNMV and the amendments to the Law on Non-Financial Information and Diversity introduced by Law 11/2018.

13. To delegate authorisation to supplement, develop, implement, rectify and formalise the resolutions adopted at the General Shareholders' Meeting.

#### **RESOLUTION 1**

To examine and, if appropriate, approve the 2019 Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the annual accounts) and Management Report of Enagás S.A. and its Consolidated Group.

**Adoption of the following resolution is proposed to the Ordinary General Shareholders' Meeting:**

“To examine, and, if appropriate, approve the Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements) and Management Report of Enagás S.A. and its Consolidated Group for the financial year starting on January 1 and closing on December 31, 2019.”

#### **RESOLUTION 2**

Approval of the consolidated non-financial information included in the Enagás Group's Management Report for 2019.

**Adoption of the following resolution is proposed to the Ordinary General Shareholders' Meeting:**

“To approve the consolidated statement of non-financial reporting included in the Management Report of the Enagás Group for the 2019 financial year”.

### RESOLUTION 3

To approve, if applicable, the proposed distribution of Enagás, S.A.'s profit for 2019.

**The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:**

“To approve the appropriation of Enagás, S.A.'s net income for the 2019 financial year, which amounted to net profit of **403,199,330.35 euros**, in line with the following distribution proposal prepared by the Board of Directors:

- Allocating an amount of 6,976,744.20 euros to the legal reserve.
- Payment of a dividend which was already wholly paid as an interim dividend by virtue of the Board of Directors' resolution of December 16, 2019, which is ratified for all that may be necessary, paid to shareholders on December 23, 2019, and which amounted to 0.64 euros gross per entitled share, making a total of 152,468,680.96 euros;
- Payment of a final dividend of 0.9304 euros gross per entitled share; the applicable taxes will be deducted from this amount. The total amount to be distributed for the whole of the 261,990,074 shares issued at this date would amount to 243,753,905.19 euros.

The final dividend will be paid on **July 9, 2020**.

The following table summarises the distribution of profit.

Distribution	Euros
Legal reserve	<b>6,976,744.20</b>
To dividends:	
Interim dividend	<b>152,468,680.96</b>
Supplementary dividend	<b>243,753,905.19</b>
<b>Total results</b>	<b>403,199,330.35</b>

### RESOLUTION 4

To approve, if applicable, an extraordinary dividend to be charged to unrestricted reserves.

**Adoption of the following resolution is proposed to the Ordinary General Shareholders' Meeting:**

"To distribute an extraordinary dividend, charged to unrestricted reserves, for a maximum amount of 7,756,565.85 euros among all the 261,990,074 shares issued at this date, equivalent to 0.0296 euros gross per share entitled to receive it, from which the legally applicable taxes will be deducted.

The final dividend will be paid on **July 9, 2020**.

Therefore, the payment to be made on July 9, 2020 amounts to a gross amount of 0.96 euros per share entitled to receive them, corresponding to the sum of the supplementary dividend and the extraordinary dividend.

Likewise, together the interim dividend, the additional dividend and the final gross dividend add up to a total of **1.60** euros per entitled share.

<b>RESOLUTION 5</b>
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To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2019.

**Adoption of the following resolution is proposed to the Ordinary General Shareholders' Meeting:**

"To approve the performance of the Board of Directors of Enagás, S.A. in the 2019 financial year."

<b>RESOLUTION 6</b>
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Amendment of Articles 22, 27, 35, 37, 39, 44 and 45 of the Articles of Association, and introduction of a new Article 53.Bis. The following proposals shall be put to vote separately:

- 6.1 Amendment of Article 27 ("Attendance at Meetings, Proxies and Voting") to provide for attendance at the Meeting by telematic means.
- 6.2. Amendment of Article 35 ("Composition of the Board") to increase the maximum number of members of the Board of Directors to 16.
- 6.3 Amendment of Article 39 ("Board Meetings") to provide for attendance at Board meetings by telematic means.
- 6.4. Amendment of Article 44 ("Audit and Compliance Committee") to increase the maximum number of members of the Audit and Compliance Committee to 7.
- 6.5. Amendment of Article 45 ("Appointments, Remuneration and Corporate Social Responsibility Committee"), which will now be called "Sustainability, Appointments and Remuneration Committee" in order to increase the maximum number of members to seven, in addition to changing its name. And, accordingly, amendment of Articles 22 ("Call to Meeting") and 37 ("Posts") to adapt the references to this Committee to its new name.

6.6. Introduction of a new article 53.Bis (“Dividend in Kind”) to expressly provide for the possibility of distributing this type of dividend.

In accordance with the provisions of Article 286 of the amended Corporate Enterprise Act and in conformity with the Regulations of the Mercantile Registry, a report by the Company's Directors is attached to these proposed resolutions, which constitutes an integral part of same and serves by way of justification for the proposal to amend the Articles referred to.

The proposed amendment to articles 27, 35, 39, 44 and the introduction of the new Article 53.bis shall be subject to a separate vote. The proposed amendments to Articles 22, 37 and 45 will be voted on jointly since the reason for the amendment is the same.

Accordingly,

**the following resolutions are proposed for adoption before the General Meeting, which will be subject to separate votes:**

**6.1.** Amendment of Article 27 (“Attendance at Meetings, Proxies and Voting”) to provide for attendance at the Meeting by telematic means.

The current version of Enagás’ Articles of Association already provides for the possible attendance at the General Meeting by telematic means. However, the experience resulting from the generalisation of this means of attendance as a consequence of the Covid-19 crisis makes it advisable to introduce some technical adaptations to the Company’s Articles of Association.

It is therefore proposed that Article 27 (“Attendance at Meetings, Proxies and Voting”) be amended to provide for attendance at the Meeting by telematic means, the full text of which would read as follows:

**“ARTICLE 27. – ATTENDANCE, PROXIES AND VOTING AT GENERAL MEETINGS.**

Shareholders owning shares, registered at least five days prior to the date scheduled for the General Meeting with the corresponding registers of any of the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores [securities clearing and settlement entity], or the entity replacing it in the future, may attend and vote at General Meetings.

Without prejudice to the foregoing, shareholders may not exercise the voting rights corresponding to their shares concerning the adoption of a resolution where one of the grounds for a conflict of interest exists according to Article 190.1 of the Consolidated Text of the Corporate Enterprise Act.

Any shareholder having attendance and voting rights under this Article may exercise such rights to vote on motions on the business on the Agenda at any class of General Meeting by attending such a Meeting and voting in person or by post, by recognised electronic signature or other electronic means, or by any other medium of remote communication satisfying the requirements prescribed by laws and regulations, provided that the identity of the person exercising voting rights and the security of electronic communications are properly assured.

The General Shareholders' Meeting Rules and Regulations may govern remote exercising of said rights, including in particular any or all of the following forms:

- a) Real-time streaming of the General Shareholders' Meeting.

b) The remote attendance at the Meeting by telematic and simultaneous means and remote voting by telematic means during the meeting, subject to the requirements provided for.

In this case, the Regulations of the Meeting may empower the Board of Directors to determine when, in view of the state of the art, the circumstances and the safety conditions, such attendance and telematic voting is permitted. The Regulations of the Meeting may also empower the Board of Directors to regulate all necessary procedural aspects.

c) Real-time bi-directional communication to allow shareholders to address the General Shareholders' Meeting from other locations.

d) A mechanism to exercise votes prior to or during the General Shareholders' Meeting, without having to appoint a representative physically present at the meeting.

A shareholder assisting or casting his/her votes remotely shall for the purposes of constitution of any General Meeting count as being present.

A shareholder having attendance rights may have himself/herself represented by proxy at a General Meeting by another person, who need not be a shareholder. Proxies must be conferred in writing, by post, a recognised electronic signature, or any of the other legally permitted electronic or remote communication methods. The identity of the representative must be duly guaranteed, and shall be valid only for the particular Meeting in question.

The provisions of the foregoing paragraph will likewise be applicable to notification of the proxy to the Company, and revocation of the appointment. The Company will establish the system for electronic notification of the appointment with the formal requisites provided to ensure the identification of the shareholder and the designated proxy or proxies.

If the represented shareholder has issued voting instructions, their proxy holder shall cast the shareholder's vote in accordance with said instructions and shall be bound to safeguard the instructions for one year starting from the date of the Meeting that is being called.

The proxy may represent more than one shareholder, and there are no restrictions on the number of shareholders that can be represented. When a proxy represents various shareholders, the proxy may vote in more than one direction based on the instructions of each shareholder. In all cases, the number of shares represented shall be counted towards the valid constitution of the Meeting.

Before their appointment, the proxy holder must inform the shareholder in detail if there is any conflict of interest, in accordance with the provisions of Article 523 of the Corporate Enterprises Act. If the conflict arises after the appointment and the proxy holder had not advised the represented shareholder of the possible existence thereof, the proxy holder must inform the shareholder immediately. In both cases, if the proxy holder does not receive new precise voting instructions for each of the matters upon which the proxy holder must vote on behalf of the shareholder, the proxy holder must abstain from casting a vote.

Entities appearing as legitimated shareholders according to the accounting records but acting on behalf of different persons, may in all cases split the voting rights and exercise them in opposing ways in adherence to divergent voting instructions, should they have received such.

These intermediary entities may grant proxy to each of the indirect shareholders or to third-parties designated by same, with no restrictions placed on the number of proxies granted.

In the event of a public call for proxies, Articles 186 and 526 of the Corporate Enterprises Act shall apply.

Proxy representation conferred shall be revocable at any time, and the principal's attendance at the Meeting in person shall be equivalent to revocation.

The Rules and Regulations of the General Meeting shall elaborate on the methods and requirements for the due exercise of attendance, voting and representation rights, as well as on the procedures set up for those purposes.

Subject to the relevant provisions of the Rules and Regulations of the General Meeting, and at all events in fulfilment of statutory requirements, the Board of Directors shall be competent to determine the time as from which shareholders may cast their votes or grant proxies by electronic or other remote communication means, having regard to the state of the art of the technical means required."

**6.2.** Amendment of Article 35 ("Composition of the Board") to increase the maximum number of members of the Board of Directors to 16, the full text of which is as follows:

Enagás is the Technical Manager and Transmission System Operator (independent operator) of the Spanish Gas System. As such, it is expressly certified by the European Union and Spanish authorities. For its part, it is responsible for the normal operation of the essential service of supplying gas to Spanish domestic, commercial and industrial consumers, which in turn includes electricity generators, the supply of which is considered an essential service.

Furthermore, insofar as its activities related to the essential gas supply service are regulated, their remuneration is determined by the regulations in force at any given time by the sector regulators.

Enagás has always taken into account that this activity is an essential one within its corporate purpose and has provided it on a regular and efficient basis. For this purpose, it has always had the appropriate profiles on its Board of Directors.

However, the emergency situation caused by the worldwide Covid-19 crisis, which was unpredictable, of unprecedented dimensions and still uncertain as to its outcome, has highlighted new threats to the guarantee of the essential gas supply service for which Enagás is responsible and to which the Company must above all react on a preventive basis. In this context, the Company must also be prepared for the economic effects of Covid-19 on its regulated activities and its remuneration.

This leads to a proposal to the Board to strengthen its Board of Directors by adding to the current profiles of Directors, who are still necessary and carry out their mandate with full efficiency, new ones that provide value-added in handling an emergency situation such as the one we are experiencing.

This need to strengthen the Board, in the face of an emergency situation, with new contributions and without dispensing with those that remain necessary, leads to the proposal to increase the maximum number of Directors to 16.

It is therefore proposed that Article 35 ("Composition of the Board") be amended to increase the maximum number of members of the Board of Directors to 16, the full text of which would read as follows:



## **“ARTICLE 35. – COMPOSITION OF THE BOARD.**

The Company shall be governed and managed by the Board of Directors, which shall represent the Company collegiately, both in and out of court. Its representation shall extend, without any limitation of power, to all acts embodied in the corporate purpose.

The Board of Directors shall be composed of a minimum of 6 members and a maximum of 16, appointed by the General Meeting.

Directors shall be elected by vote. For this purpose, shares that are voluntarily pooled to constitute an amount of share capital that is equal to or greater than the result of dividing the latter by the number of Directors, shall be entitled to appoint a number of Directors equal to the integer number resulting from that proportion. If this power is exercised, the shares pooled in this fashion shall not take part in the voting for the appointment of the remaining Directors.

A Director need not be a shareholder, may step down from office, may have his appointment revoked, and may be re-elected on one or more occasions.

Appointment as Director shall take effect upon acceptance of the post.

The following cannot be Directors or, if applicable, natural person representatives of a legal person Director:

- a) Natural or legal persons who hold the post of Director in more than 5 (five) companies whose shares are admitted to trading on national or foreign markets.
- b) Natural or legal persons whose circumstances render them incompatible or prohibited from serving on the Board under any of the general provisions in law, including those persons who in any manner have interests that run contrary to those of the Company or its Group.

### **6.3. Amendment of Article 39 (“Board Meetings”) to provide for attendance at Board meetings by telematic means.**

The current wording of Enagás’ Articles of Association already provide for the possible attendance at Board sessions by telematic means. Once again, the experience resulting from the generalisation of this means of attendance as a consequence of the Covid-19 crisis makes it advisable to make some technical adaptations to the Company’s Articles of Association.

It is therefore proposed that Article 39 (“Board Meetings”) be amended to provide for attendance at Board sessions by telematic means, the full text of which would read as follows:

## **“ARTICLE 39. – MEETINGS OF THE BOARD OF DIRECTORS.**

The Board of Directors shall meet at least once every two months, and, in addition, whenever convened by the Chairperson or upon requisition by a majority of Directors.

Meetings shall ordinarily be held at the registered office, but may also be held elsewhere and by any means that the Chairperson may determine. Such a venue or manner of holding of the meeting must be specified in the notice of meeting.

A meeting shall be convened, by any channel, by the Chairperson, stating the venue of the meeting and the business to be transacted. Directors who represent at least one third of the members of the Board of Directors may call the meeting, stating its Agenda, to be held in the locality where the registered office is located, if they have requested the Chairperson to convene the meeting, and the meeting has not been called within one month without reasonable cause.

However, a meeting of the Board of Directors shall be valid without need of prior notice if, all Directors being present, the Directors unanimously decide to hold a session.

Except in cases of where the meeting of the Board is constituted or convened exceptionally on account of urgent circumstances, the Directors must have the requisite information at their disposal sufficiently in advance to be able to deliberate and adopt resolutions on the business to be transacted at the meeting. The Chairperson of the Board in collaboration with the Secretary shall ensure that this obligation to provide information is fulfilled.

The Board of Directors' meeting shall be validly constituted when one half of the membership plus one member are in attendance or represented at it. The Directors must attend the meetings of the Board in person. Without prejudice to the foregoing, Directors may grant a proxy to another Director. Non-Executive Directors may only grant a proxy to other Non-Executive Director.

Board of Directors meetings held by videoconference or multiple teleconference shall be valid provided that the directors have the necessary means to enable them to be recognised and identified, to communicate permanently with each other and to intervene and cast their votes in real time. The minutes of the Board of Directors and the certification of these resolutions shall include a record of the directors who have used this system and who shall be considered present. In this case, the meeting of the Board of Directors shall be deemed a single meeting held at the registered office

Resolutions shall be passed by an absolute majority of the Directors present at the session.

Votes may be cast in writing and in the absence of a meeting if no Director objects to such procedure".

**6.4.** Amendment of Article 44 ("Audit and Compliance Committee") to increase the maximum number of members of the Audit and Compliance Committee to seven.

By increasing the number of Directors, in order to strengthen the Board, we also propose to reinforce the Audit and Compliance Committee, increasing the maximum number of its members to seven

To this end, we propose that Article 44 ("Audit and Compliance Committee") be amended to increase to seven the maximum number of members that can make up the Audit and Compliance Committee, the full text of which is as follows:

**"ARTICLE 44.- AUDIT AND COMPLIANCE COMMITTEE.**

There shall be an Audit and Compliance Committee within the Board of Directors and it shall comprise at least three and no more than seven Directors, to be appointed by the Board having particular regard to their expertise and experience in accounting, auditing or risk management. No Executive Director may sit on this Committee.

Overall, the members of the Audit and Compliance Committee shall have the pertinent technical knowledge of the gas industry.

The majority of the Committee must be independent and will be appointed in light of their knowledge and track record in matters of accountancy, auditing, or both. The Committee Chair shall be selected from among the Independent Directors by the Board of Directors and shall not have the casting vote. The Chairperson must be replaced every four years, and may be re-elected after the lapse of one year from their departure from office.

The Audit and Compliance Committee shall possess functions and competences in the following areas, in addition to those that may be attributed to it in the Articles of Association or the Regulations of the Board of Directors:

- To inform the General Shareholders' Meeting on issues raised in the areas that lie within the Committee's competence and, in particular, about the audit result, explaining how it has contributed to the integrity of the financial reporting and the Committee's function during the process.
- To oversee the effectiveness of the internal control of the Company and its Group, internal auditing and risk management, as well as discussing with the auditors any significant weaknesses in the internal control system identified during the course of the audit without impinging on its independence. For such purposes and, where applicable, they can submit recommendations or proposals to the Board of Directors and the corresponding deadline for dealing with them.
- To oversee the process of preparation and presentation of statutory financial reporting and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
- To submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the auditor, being responsible for the selection process, in accordance with the provisions of the applicable regulations, as well as the conditions of their recruitment and regularly collecting information on them the audit plan and its execution, in addition to preserving its independence in the exercise of its functions.
- To liaise with the External Auditor to obtain information on any issues that could compromise the latter's independence for review by the Committee or any other subjects related to the audit process and, where applicable, the authorisation of the services other than those forbidden, under the terms envisaged in the applicable regulations, and any other disclosures envisaged in the audit regulations and audit standards. In all cases, on an annual basis, the Audit Committee shall receive from the auditors written confirmation of their independence vis-à-vis the company or entities related to it directly or indirectly, in addition to detailed and individual information on additional services of any kind rendered to these entities by the aforementioned auditors or persons or entities related to them in conformity with the provisions of auditing legislation.
- To issue annually, prior to the issuance of the Audit Report, a report expressing an opinion on whether the independence of the auditors or audit companies is compromised. This report shall in all cases include an assessment of the additional services provided, as referred to in the previous section, considered separately and in their totality, that consists of services

other than statutory audits and how they relate to the requirement of independence or to the audit regulations.

- To keep the Board of Directors informed, in advance, on all items provided for in the law, the Articles of Association and the Regulations of the Board of Directors, in particular, in relation to:
  - 1 the financial information that the Company must periodically publish,
  - 2 the creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens and
  - 3 related party transactions.

The meetings of this Committee shall be called by its Chairperson and shall be held at least four times a year. The Company's External Auditor may attend Committee meetings and the Finance Director, head of the Enagás Internal Audit Unit, or any other senior manager of the Company or Group that the Committee deems appropriate, may also be asked to give account at meetings. The Committee may obtain support and assistance from the aforesaid Executives in the performance of its duties."

"6.5. Amendment of Article 45 ("Appointments, Remuneration and Corporate Social Responsibility Committee"), which shall be renamed "Sustainability, Appointments and Remuneration Committee" in order to increase the maximum number of members to seven, in addition to changing its name. And, accordingly, amendment of Articles 22 ("Call to Meeting") and 37 ("Posts") to adapt the references to this Committee to its new name.

The Appointments, Remuneration and Corporate Social Responsibility Committee has discussed in depth and with the appropriate external advisors, the opportunity to create a third Board Committee to assume part of its functions, especially those related to Sustainability. The conclusion reached is that, for the time being and in view of the current extraordinary situation which makes it inadvisable to disperse the Board's efforts, it is not appropriate to create this third Committee.

However, it did consider it appropriate to propose a change in its name to place special emphasis on the growing importance of its functions in the area of sustainability, replacing its current name with that of the "Sustainability, Appointments and Remuneration Committee"

Furthermore, to strengthen the Committee, it is proposed to increase the maximum number of members to seven.

To this end, it is proposed to amend Article 45 ("Appointments, Remuneration and Corporate Social Responsibility Committee"), which shall henceforth be called the "Sustainability, Appointments and Remuneration Committee", in order to increase the maximum number of members to seven, in addition to changing its name. And, accordingly, amendment of Articles 22 ("Call to Meeting") and 37 ("Posts") to adapt the mentions to this Committee to its new name, the full text of which is now as follows:

**"ARTICLE 22. - CONVENING THE GENERAL SHAREHOLDERS' MEETING.**

The General Shareholder Meeting must be convened by public announcement in the following media at least: (a) by the placing of a notice in the Boletín Oficial del Registro Mercantil [Spanish Official Gazette of the Registrar of Companies] or in a

daily newspaper with one of the broadest circulations in Spain; (b) the website of the CNMV, the Spanish securities market regulator; and (c) on the Company's website. An announcement published on the Company's website shall remain accessible via the same at least until the General Shareholders' Meeting is held. The Board of Directors may decide to publicise the convening of the Meeting in any other media that it might see fit, to provide greater publicity for the meeting.

Notices convening General Meetings shall be issued at least one month prior to the date of the event. Notwithstanding the foregoing, when the Company offers shareholders the real possibility of voting by electronic means accessible to all shareholders, Extraordinary Shareholders' Meetings may be convened with minimum notice of fifteen days. The reduction of the required convening notice period shall require an express resolution adopted at a General Shareholders' Meeting by at least two thirds of subscribed capital with voting rights. This resolution shall not be valid beyond the date on which the subsequent meeting is held.

The Notice of Meeting shall state the name of the Company, the original date and time scheduled for the meeting on first call, as well as its Agenda, listing all business to be transacted at the meeting, the position of the person or persons executing the call and, the date the shareholder must have their name registered to participate and vote at the General Shareholders' Meeting, the place where and format in which the complete text of the documents and proposed resolutions can be obtained, and the address of the Company website where the information will be made available. It shall also state the date on which, if applicable, the Meeting shall be held upon second call.

There must be a difference of at least 24 hours between the first and second Meeting times.

Furthermore, the notice shall contain clear and exact information on the formalities that the shareholder must complete in order to take part and register their vote at the General Shareholders' Meeting, in particular the following information:

- a) The right to request information, to include points in the Agenda and to submit resolution proposals, as well as the deadline to exercise their rights. Whenever it is stated that further information on said rights can be found on the website, the notice may be limited to stating the deadline for exercising rights.
- b) The system for issuing votes by proxy, with particular mention of the forms that must be used to delegate votes and the media that must be used for the Company to accept notification of delegated representation by electronic means.
- c) The procedures established for remote voting, whether by post or electronic means.

The convening notice must state the right of shareholders to freely and immediately access at the registered office those documents that must be subjected to the approval of the same and the Auditor's Report.

From the moment the convening is announced and up until the General Meeting is held, the following information must be continuously posted on the Company's website:

- a) The convening notice.
- b) The total number of shares and voting rights on the date of the convening,

broken down by share categories if any.

- c) The documents that will be presented at the General Meeting, in particular the management, auditor and independent expert reports.
- d) The full texts of the proposed resolutions detailing each and every item on the Agenda, or where items merely for informative purposes are concerned, a report from the competent bodies detailing each such item. As they are received, resolutions proposed by shareholders will also be included.
- e) In the case of appointment, ratification or re-election of the members of the Board of Directors, the identity, curriculum vitae and category to which each belongs, along with the proposal, the Board's report in justification of the proposal containing an appraisal of the competence, experience and merits of the proposed candidate and the report of the Sustainability, Appointments and Remuneration Committee in the case of the appointment or re- election of a Non-independent Director. In the case of a legal person, the information must include that pertaining to the natural person to be appointed to exercise the functions of the post on a permanent basis.
- f) The forms that must be used for vote by proxy and remote voting, except when sent directly by the Company to each shareholder. If for technical reasons these cannot be posted on the website, the Company must indicate on the website information on how to obtain hard copies of these forms and must send them to any shareholder that requests them.

Shareholders that represent at least three percent of share capital may request that a supplement to the convening notice for the General Shareholders' Meeting be published, on which one or more items are added to the Agenda, provided that the new points are accompanied with their justification or, if applicable, a justified resolution proposal. In no case may said right be exercised for the convening of Extraordinary Shareholder's Meetings. In order to exercise this right, shareholders must submit their request by means of a certified notification which must be received at the registered office of the Company within the five days following the publication of the notice of the Meeting. Any such supplement to the notice of Meeting shall be published at least fifteen days in advance of the scheduled date of the General Meeting. Failure to publish the supplement to the notice of meeting by the legally established deadline shall render the Meeting void.

Shareholders representing at least three percent of the share capital may, within the time limit and in the manner indicated in the foregoing paragraph, present well-founded proposals for resolutions on matters already included or that should be included on the Meeting's Agenda. The Company will ensure that these proposed resolutions and any attached documentation reach the rest of the shareholders, in accordance with the provisions of section d) of the seventh paragraph of this Article".

#### **"ARTICLE 37.- POSTS.**

The Board of Directors shall appoint its Chairperson pursuant to the report of the Sustainability, Appointments and Remuneration Committee. The appointment as Chairperson of an Executive Director shall require the favourable vote of two-thirds of the members of the Board.

The Board of Directors may appoint an Independent Director, on the proposal of the Sustainability, Appointments and Remuneration Committee, to perform the following duties, under the title of Lead Independent Director:

- a) To request the Chairperson of the Board of Directors to convene that body

when said Lead Independent Director deems it appropriate.

- b) To request that items be included on the Agenda of the meetings of the Board of Directors.
- c) To coordinate and convene the Non-Executive Directors.
- d) To oversee the Board's evaluation of its Chairperson and, where appropriate, the Chief Executive Officer.
- e) To perform as a Vice-chairperson the functions of the Chairperson as regards the Board of Directors, if the Chairperson is absent, ill or unable to act as Chairperson for whatever reason. In the absence of a Lead Independent Director, for the purposes of this section the most senior Director in age shall act as Chairperson.

The appointment of a Lead Independent Director shall be obligatory if the Chairperson of the Board is an Executive Director. In such cases the Lead Independent Director shall be appointed by the Board with the Executive Directors abstaining from the vote.

The Chairperson and the Secretary to the Board of Directors and the Deputy Secretary, if applicable, if re-elected to the Board by a resolution of the General Meeting, shall continue to perform the offices hitherto held on the Board without need of being freshly elected, subject to the power of revocation of such offices that rests with the Board of Directors."

#### **"ARTICLE 45. SUSTAINABILITY, APPOINTMENTS AND REMUNERATION COMMITTEE.**

The Board of Directors shall appoint from among its members a Sustainability, Appointments and Remuneration Committee that shall be comprised of a minimum of three and a maximum of seven Directors. A majority of Committee members must be Independent Directors and no Executive Directors may be included among its members. The Committee Chairperson shall be selected from among the Independent Directors by the Board of Directors, and shall not have the casting vote.

The Committee shall possess functions and competences in the following areas, in addition to those that may be attributed to it in the Articles of Association or the Rules and Regulations of the Board of Directors:

- a) To evaluate the competences, knowledge and experience needed on the Board of Directors. To this end, it shall determine the functions and skills required of the candidates to fill each vacancy, and evaluate the precise amount of time and degree of dedication necessary for them to effectively perform their duties.
- b) To establish a goal concerning the representation of the less-represented gender on the Board of Directors and to prepare guidelines on how this goal can be attained.
- c) To forward to the Board of Directors proposed appointments of Independent Directors for them to be designated by co-option or subject to the decision of the General Shareholders' Meeting, as well as on proposals for their re-election or removal by the General Shareholders' Meeting.
- d) To report proposed appointments of the remaining Directors for them to be

designated by co-option or subject to the decision of the General Shareholders' Meeting, as well as on proposals for their re-election or removal by the General Shareholders' Meeting.

- e) To report on proposed appointments and removals of senior management and the basic terms of their contracts.
- f) To examine and organise the succession of the Company's Chairperson of the Board of Directors and CEO and, if appropriate, to make proposals to the Board to ensure the succession is smooth and well-planned.
- g) To propose to the Board of Directors a policy of remuneration of Directors and general managers or those who perform senior management functions and report directly to the Board of Directors, to executive committees or Executive Directors, along with individual remuneration and other terms of Executive Directors' contracts, ensure that said policy is abided by.
- h) To report to the Board on general policy concerning Sustainability and Good Governance, ensuring the adoption and effective application of best practices – both those which are compulsory and those that are in line with generally-accepted recommendations. To do this, the Committee may submit to the Board the initiatives and proposals it deems appropriate and shall report on the proposals submitted to the Board and on the information the Company releases to shareholders annually regarding these issues.

The Committee shall meet at least four times a year, with meetings being called by the Chairperson. The Committee may seek advice both internally and externally and request the attendance of senior management personnel of the Company and its Group, as deemed necessary in the execution of its duties.

The Board of Directors can resolve to separate the Sustainability, Appointments and Remuneration Committee into a Remuneration Committee and a Sustainability and Appointments Committee, sharing out their functions and powers envisaged in this Article 45 depending on the subjects and governed by the rules of composition, organisation and functioning established in the Board of Directors Regulation in accordance with these Articles of Association and the applicable regulations."

**6.6.** Introduction of a new article 53.Bis ("Dividend in Kind") to expressly provide for the possibility of distributing this type of dividend.

As a technical improvement, it is proposed to add to the Articles of Association the express provision that dividends may be paid in full or in part in kind.

To this end, it is proposed that a new Article 53.bis ("Dividend in Kind") be introduced to expressly provide for the possibility of distributing this type of dividend, the full text of which would read as follows:

#### **"ARTICLE 53 BIS. DIVIDEND IN KIND**

Dividends and interim dividend amounts may be paid in full or in part in kind, provided that: (i) the goods or securities to be distributed are homogeneous; (ii) they are admitted to trading on an official market -at the time the agreement takes effect- or the Company duly guarantees that liquidity will be obtained within a deadline of one year; and (iii) they are not distributed at a value lower than that shown on the Company's balance sheet.



The regulation contained in the previous paragraph shall also apply to the return of contributions in cases of reduction of share capital."

## RESOLUTION 7

Amendment of Articles 9 ("Right to Attend") and 11 ("Right to Vote") of the Regulations of the General Shareholders' Meeting to provide for attendance at the Meeting by telematic means.

A Directors' Report is attached to the present resolution proposals, and constitutes an integral part of the same, and serves by way of justification for the proposal to amend the aforementioned Articles of the Rules and Regulations of General Shareholders' Meetings.

The proposal to amend Articles 9 and 11 of the Regulations of the General Shareholders' Meeting shall be subject to a joint vote as this is the reason for the common amendment.

Accordingly,

**Adoption of the following resolution is proposed to the Ordinary General Shareholders' Meeting:**

Amendment of Articles 9 ("Right to Attend") and 11 ("Right to Vote") of the Regulations of the General Shareholders' Meeting to provide for attendance at the Meeting by telematic means.

It is proposed that the Regulations governing the Meeting be amended to incorporate technical adaptations regarding attendance and voting by telematic means.

To this end, it is proposed that Articles 9 ("Right to Attend") and 11 ("Right to Vote") of the Regulations of the General Shareholders' Meeting be amended to provide for attendance at the Meeting by telematic means, the full text of which is as follows:

### **"9. - ATTENDANCE RIGHTS.**

In accordance with Article 27 of the Articles of Association, in order to be able to attend and vote at the General Shareholders' Meeting, it will be necessary to be the owner of shares that are registered in the corresponding accounting register five days prior to the meeting.

Shareholders entitled to attend must prove their entitlement by any of the following forms of evidence:

A) The corresponding attendance and voting card, which shall be issued by the Member Entities of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores or the body replacing it, duly completed for this purpose.

B) The electronic certificate of attendance and voting issued by the Entity in charge of the Register of Book Entries or by the Authorised Entity and Custodian of the shares, duly completed for this purpose.

Shareholders who are entitled to attend under the terms of Article 27 of the Articles of Association may attend the General Shareholders' Meeting held at the place indicated in the call to meeting, either by themselves or through a proxy.

The Board of Directors may agree, in view of the state of the art, the circumstances, and the conditions of safety, the right of shareholders to attend the Meeting using telematic means, provided that the required security conditions are guaranteed in terms of the identity of the shareholders, the effectiveness of their rights, the proper conduct of the meeting and the security of electronic communications. The procedure for exercising this right of remote attendance shall comply with the requirements and procedures indicated by the Board of Directors in the call to meeting and on the Company's website."

## **"11. - VOTING RIGHTS.**

### **11.1.- VOTING RIGHTS AND EXCEPTIONS FOR CONFLICTS OF INTEREST**

A shareholder entitled to attend under Article 27 of the Articles of Association and under the implementing provisions of Article 9 of these Rules and Regulations shall be entitled to vote except on resolutions in which the shareholder is in a situation of conflict of interest, as set out in the following paragraph.

No shareholder may exercise the voting rights attached to his/her shares on the adoption of resolutions that:

- a) releasing them from an obligation or granting them a right;
- b) providing them with any type of financial assistance, including the provision of guarantees in their favour; or
- c) exempting them from their obligations deriving from the duty to loyalty in conformity with Article 230 of the Corporate Enterprise Act.

The shares held by the shareholder in a situation of conflict of interest described in the preceding section shall be deducted from the share capital for the purposes of calculating the voting quorum in each case.

### **11.2.- MEANS OF EXERCISING VOTING RIGHTS**

All shareholders entitled to vote may do so in person or by proxy by any of the following means:

**A)** Attending personally and voting at the Meeting, with the attendance and voting card duly signed and completed for this purpose or, if agreed by the Board of Directors, the right to attend and vote using telematic means, in the manner indicated by the Board for this purpose.

**B)** By post, by casting votes at the Shareholder Information Office, by recognised electronic signature or any other electronic means or, in general, by any other means of remote communication permitted by law, attaching an electronic attendance and voting certificate.

The Board of Directors shall determine which electronic or remote media may be used to attend and vote at each General Shareholders' Meeting pursuant to the provisions of this article and having regard to the state of the art. Such means of remote communication must satisfy the security standards required to ascertain shareholders' identities, the effectiveness of their rights, the proper conduct of the meeting and the security of electronic communications as indicated by the Board in the Notice of Meeting and on the Company's website.

The right to attend and vote using remote or electronic means, votes cast at the Shareholder Information Office or any other means of remote communication

permitted in future must conform to any such statutory requirements as may be laid down and to the formalities and procedures directed by these Rules and Regulations.

### **11.3.- VALIDITY OF VOTES**

#### **A) Voting by personal attendance at the General Meeting**

To exercise his/her voting rights, a shareholder present at the Meeting in person must, in addition to producing proof of identity in accordance with Article 9 of these Rules and Regulations, identify him/herself as follows:

If he/she is a natural person, he/she shall exhibit a national identity card or passport.

If the shareholder is a legal person, the natural-person representative attending and voting on its behalf shall exhibit his/her national identity card or passport and a document proving his/her power of attorney.

If the Board of Directors decides to exercise the right to attend and vote using telematic means, it shall indicate in the call to meeting and on the Company's website the form of accreditation of the shareholder or proxy, and the deadline, form and manner of exercising the right to vote.

#### **B) Votes cast by remote communication systems**

In order for the vote cast by any of the remote communication systems to be valid, it must be received by the Company at the Shareholders' Information Office between the date of the call to the General Shareholders' Meeting and no later than twenty-four hours prior to the date and time scheduled for the meeting on first call, without prejudice to the possibility of the Board of Directors agreeing to a shorter period.

It is up to the shareholder who uses these means to prove that he has notified the Company in the due time and manner.

Votes cast by postal correspondence shall be valid provided that the shareholder sends the Company, in a sealed envelope, the attendance and voting card clearly indicating the identity of the shareholder, the number of shares held, the likely vote on each of the items on the Agenda, as well as his or her signature and a copy of the national identity card or passport, if the shareholder is an individual, and also a document legally accrediting the proxy, if the shareholder is a legal person.

If the shareholder casts his vote by electronic or telematic means, it shall be valid when he states, by means of the corresponding electronic certificate of attendance and vote, his identity by means of a recognised electronic signature or any other electronic means that provide adequate guarantees of authenticity and identification of the shareholder exercising his right to vote, as well as the number of shares he holds and the likely vote on each of the items on the Agenda.

If shareholders decide to cast their vote in person or by proxy at the Shareholder Information Office, they shall submit an attendance and voting card clearly stating the shareholder's identity, number of shares held and vote on each item on the Agenda, bearing their written signature, and shall also present their national identity card or passport, if the shareholder is a natural person, and the document that constitutes a legal accreditation of representation.

**11.4.-** A shareholder casting his/her votes remotely shall for the purposes of constitution of any General Meeting count as being present.

11.5.- A vote cast by remote means may be invalidated only:

- a) It is later expressly revoked by the same means used for the originally casting the vote, within the time limit established casting votes.
- b) The shareholder casting the vote is present at the Meeting in person.

Any sale of voting shares effected at least five days before the scheduled date of the Meeting shall render votes cast prior to such sale null and void."

## RESOLUTION 8

Appointment and re-election of members of the Board of Directors. The following proposals shall be put to vote separately:

- 8.1. Re-elect Sociedad Estatal de Participaciones Industriales (SEPI) as Director for the four-year period. Sociedad Estatal de Participaciones Industriales (SEPI) shall serve as Proprietary Director.
- 8.2. Appoint Mr. José Blanco López as Director for the four-year period. Mr. José Blanco López shall serve as Independent Director.
- 8.3. Appoint Mr. José Montilla Aguilera as Director for the four-year period. Mr. José Montilla Aguilera shall serve as Independent Director.
- 8.4. Appoint Mr. Cristóbal José Gallego Castillo as Director for the four-year period. Mr. Cristóbal José Gallego Castillo shall serve as Independent Director.

At the time of sending out the call to the Meeting, the shareholders were provided with the following reports, with detailed information on the proposals for re-election and appointment of Directors:

"REPORT PREPARED BY THE BOARD OF DIRECTORS OF ENAGÁS, S.A. PURSUANT TO ARTICLE 529 DECIES OF THE CONSOLIDATED TEXT OF THE CORPORATE ENTERPRISES ACT JUSTIFYING THE PROPOSED APPOINTMENTS AND RE-ELECTIONS OF DIRECTORS INCLUDED IN ITEM 8 ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED FOR JUNE 29 AND 30, 2020, AT FIRST AND SECOND CALL RESPECTIVELY."

"REPORT PREPARED BY THE APPOINTMENTS, REMUNERATIONS AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF ENAGÁS, S.A. PURSUANT TO ARTICLE 529 DECIES AND 529 QUINQUEDECIES OF THE CONSOLIDATED TEXT OF THE SPANISH CORPORATE ENTERPRISES ACT JUSTIFYING THE PROPOSED APPOINTMENT AND RE-ELECTION OF THE DIRECTORS NAMED IN ITEM 8 OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED FOR JUNE 29 AND 30 2020, IN FIRST AND SECOND CALL RESPECTIVELY."

Without prejudice to the express referral to such reports, their content is summarised here:

**1. Re-election of Sociedad Estatal de Participaciones Industriales (SEPI) as Director for the four-year term provided for in the Articles of Association. Sociedad Estatal de Participaciones Industriales (SEPI) will serve as Proprietary Director.**

On the occasion of this General Meeting, the four-year term of office provided for in the Articles of Association of the Director Sociedad Estatal de Participaciones Industriales (SEPI), represented by its Chairman, Mr. Bartolomé Lora Toro, have passed.

The Board and the Appointments, Remuneration and Corporate Social Responsibility Committee consider that having two Proprietary Directors proposed by the Sociedad Estatal de Participaciones Industriales (SEPI) (the SEPI itself, a legal entity represented by its Chairman Mr. Bartolomé Lora Toro, and Mr. Ferrer) on the Board of Directors does not breach Recommendation 16 of the Good Governance Code of the National Securities Market Committee given that:

"The percentage of Proprietary Directors out of all Non-Executive Directors should not be greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

*This criterion can be relaxed:*

*a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.*

*b) In companies with a plurality of shareholders represented on the Board but not otherwise related".*

Sociedad Estatal de Participaciones Industriales (SEPI) is a public entity governed by Law 5/1996 of January 10 and implementing regulations, with a 5% stake in the share capital of Enagás, S.A., but the voting rights of which are not subject to the limitations determined by additional provision thirty-one of Hydrocarbons Law 34/1998 of October 7. There are currently very few significant shareholdings in the Company's capital. One of these corresponds to the Sociedad Estatal de Participaciones Industriales (SEPI) I. In Enagás' case, this justifies relaxing the proportionality criterion set forth in recommendation 16, as outlined above, as the situation described in its section a) is applicable to the Company.

The Board and the Appointments, Remuneration and Corporate Social Responsibility Committee have given a very positive assessment of SEPI's contribution to the Board and the performance of its duties by Mr. Lora during his previous mandate.

#### **Attendance at Board Meetings.**

Mr. Lora personally attended all meetings of the Board of Directors held during 2019. He also personally attended all meetings of the Audit and Compliance Committee.

#### **Personal information.**

Mr. Bartolomé Lora Toro, the proxy of Sociedad Estatal de Participaciones Industriales on the Board of Directors, is Chairman of the SEPI.

A graduate in Economic and Business Sciences through CUNEF, specialising in Finance and Executive MBA through the Business Institute.

He started his professional career at Bankinter and held positions in the financial area at Enfersa and Ferrovial. He joined the National Institute of Industry (INI) in 1990. He was appointed Director of Planning in 2000 and Director of Subsidiaries in 2002, joining SEPI's Management Committee. He has been a member of the Boards of Directors of NAVANTIA, ALESTIS, ITP and TRAGSA.

### **Mr. Lora's contribution to the Board's skills matrix.**

Mr. Lora holds proxy status of the shareholder SEPI. In his appointment as the natural person representing SEPI, the trust placed in him by the latter is very important in his designation. Nevertheless, the Committee and the Board value very highly the contribution of Mr. Lora to the skills set required of the Board for the best performance of its functions.

His economic background and practical professional experience in the field of finance and the public business sector help cover the Board's needs for knowledge and experience in this area.

### **Proposal submitted to the General Shareholders' Meeting.**

Hence, as provided for under Article 529 decies.4 of the Consolidated Text of the Corporate Enterprises Act, the Board, with the approval of the Appointments, Remuneration and Corporate Social Responsibility Committee, proposes that Sociedad Estatal de Participaciones Industriales (SEPI) be re-elected as Director for the statutory four-year period.

## **2. Proposal for the appointment of new Independent Directors.**

### **2.1 Appoint Mr. José Blanco López as Director for the four-year period. Mr. José Blanco López shall serve as Independent Director.**

#### **Personal information.**

Mr. José Blanco López, 58, was a Senator (1989-1996) and a Member of the Spanish Parliament (1996-2015).

Minister of Development of the Government of Spain (2009-2011), he was also at that time Chairman of the Transport Council of the European Union and President of the World International Transport Forum.

Spokesperson for the Spanish Government (2011).

Member of the European Parliament (2015-2019) taking part in the follow-up and participation in various legislative dossiers and reports on parliamentary initiatives. He has been a member of the Committee on Industry, Research and Energy; Member of the Committee of Inquiry into the Measurement of Emissions from the Automobile Sector; Vice-Chairman of the delegation to the EU-Mexico Joint Parliamentary Committee and Rapporteur on the Renewable Energy Directive (REDII 2020-2030).

As head of the European Parliament for the renewable energy directive, he has participated as a speaker in more than 100 conferences, forums and congresses in recent years. Among the most recent: "Energy Transition, between all of us. Self-consumption as a key to change"; "Participation in the GASNAM Congress as a conference speaker: European Renewable Energy Directive" and the "Transition to a new energy model in Europe". He has been a speaker in the European capital at various conferences: the Solar Power Summit, the III Energy Summit, the European Sustainable Energy Week, the Annual High-Level Experts Conference and the European Commission's Clean Energy Financing, at the presentation of the REMAP study by the International Renewable Energy Agency, the Global Sustainability Conference, the IV Energy Summit and at the conferences organised in Sofia by the Bulgarian Presidency of the European Union. In Spain, he has participated as a

speaker at the 3rd Spanish Wind Energy Congress, the National Renewable Energy Congress, the 4th Solar Forum, the 1st Canary Islands Wind Energy Congress, the Conference on renewable energies organised by the Murcia Association of Engineers, the Spanish Energy Club, the OCU Self-Consumption Conference, the UNEF Conference on Power Purchase Agreements and the Renewable Energy Directive. He led the convening of two round tables on biofuels and on bioenergy organised by the S&D Group at Parliament's HQ in Brussels and has sponsored the organisation of several round tables at the Parliament with various EU associations from the sectors concerned, including EREF, Euroelectric, Ecofys and RE100.

Author of articles on energy issues in different media. Author of the chapter "Paris Agreement, Winter Package, Energy and Climate Strategy 2030 and 2050. Historical Vision of the European Union's Climate and Energy Policies" published in the Workbook on Energy Transition in Spain. A proposal from social democracy.

He is currently CEO and Founder of ACENTO PUBLIC AFFAIRS.

### **Mr. Blanco's contribution to the Board's skills matrix.**

As mentioned above, Enagás holds the status of Technical Manager and Transmission System Operator (independent operator) of the Spanish Gas System. As such it is expressly certified by the European Union and Spanish authorities. For its part, it is responsible for the normal operation of the essential service of supplying gas to Spanish domestic, commercial and industrial consumers, which in turn includes electricity generators, the supply of which is considered an essential service.

Furthermore, insofar as its activities related to the essential gas supply service are regulated, their remuneration is determined by the regulations in force at any given time by the sector regulators.

Enagás has always taken into account that this activity is an essential one within its corporate purpose and has provided it on a regular and efficient basis. For this purpose, it has always had the appropriate profiles on its Board of Directors.

However, the emergency situation caused by the worldwide Covid-19 crisis, which was unpredictable, of unprecedented dimensions and still uncertain as to its outcome, has highlighted new threats to the guarantee of the essential gas supply service for which Enagás is responsible and to which the Company must above all react on a preventive basis. In this context, the Company must also be prepared for the economic effects of Covid19 on its regulated activities and its remuneration.

This leads the Board to propose the strengthening of its Board of Directors by adding to the current profiles, who are still necessary and carry out their mandate with full effectiveness, new ones that provide value-added in the management of an emergency situation such as the one we are experiencing.

This need to strengthen the Board, in the face of an emergency situation with new contributions and without dispensing with those that are still necessary, leads to the proposal to increase the maximum number of Directors to 16.

Mr. Blanco fits the profile that the Company now requires. He has held the highest responsibilities in government and administration. As Minister for Public Works, he has had extensive experience in the management of critical infrastructure and managed the crisis of air traffic controllers in Spain, which led to the first democratic decree of a state of emergency; and the crisis caused by the eruption of the Icelandic volcano Eyjafjalla, which led to cancellation of thousands of flights throughout Europe, in the context of the Spanish presidency of the European Union.

To this must be added his extensive experience in the field of the European Union, at a time when the effects of the Covid-19 crisis will lead to a more intense interrelationship with it at all levels. His in-depth knowledge of the energy sector, in particular renewable energies, brings value in the context of the European Green Deal and the regulatory developments underway in the field of energy in Europe and decarbonisation.

To ensure Mr. Blanco's suitability for the performance of his duties, the Appointments, Remuneration and Corporate Responsibility Committee has received external and independent advice from the firm "Seeliger y Conde"

### **Proposal submitted to the General Shareholders' Meeting.**

Taking into account the foregoing and for the purposes of Article 529 decies.4 and 529 quidecies.3 c) of the Consolidated Text of the Corporate Enterprises Act, the Appointments, Remuneration and Corporate Social Responsibility Committee has proposed the appointment of Mr. José Blanco López as Independent Director of the Company. The Board of Directors has adopted the Committee's proposal as its own.

## **2.2 Appoint Mr. José Montilla Aguilera as Director for the four-year period. Mr. José Montilla Aguilera shall serve as Independent Director.**

### **Personal information.**

Mr. José Montilla Aguilera, 65, was Mayor of Cornellá de Llobregat (1985-2004). He held various posts in the Barcelona Provincial Council, of which he was Chairman (2003-2004).

Member of Parliament (2004-2006).

Minister for Industry, Trade and Tourism with full responsibility for Energy (2004-2006).

During his time as Minister he launched the Renewable Energy Plan 2005-2010, the Energy Saving and Efficiency Strategy 2005-2007, and the National Coal Restructuring Plan 2006-2012. He also stood out for promoting the adoption of legislative reforms to strengthen the powers of the National Energy Commission and to liberalise the energy sector, as well as reforms of the internal gas and electricity markets.

President of the Catalan Government and Member of the Catalonia Parliament (2006-2010).

Senator representing the Catalonia Parliament (2011-2019). As Senator, he has been Chairman of the Budget Committee and Spokesman for the Economy and Competitiveness, Finance and Public Administration, and Industry, Energy and Tourism Committees. He has been behind the following Bills: Audit of Accounts; Independent Authority for Fiscal Responsibility; Corporate Tax; Urgent Measures in Bankruptcy Matters; Fiscal Measures for Energy Sustainability; Guarantee of Supply and Increase of Competition in the Insular and Extrapeninsular Electrical Systems; Fiscal Measures for Energy Sustainability.

### **Mr. Montilla's contribution to the Board's skills matrix.**

Mr. Montilla has held the highest administrative and governance responsibilities in the country in the field of energy, making him the ideal person to strengthen Enagás'



Board of Directors to guarantee the supply of gas in these exceptional times of emergency. Coupled with this is his knowledge of the energy system and its regulators.

His direct knowledge of the reality of the territorial organisation of the State, having been President of the Generalitat de Catalunya, will be a valuable contribution to the Company, which has facilities and provides services throughout the State.

To ensure Mr. Montilla's suitability for the position, the Appointments, Remuneration and Corporate Social Responsibility Committee hired the independent external advisory firm "Seeliger y Conde".

### **Proposal submitted to the General Shareholders' Meeting.**

Taking into account the foregoing and for the purposes of Article 529 decies.4 and 529 quidecies.3 c) of the Consolidated Text of the Corporate Enterprises Act, the Appointments, Remuneration and Corporate Social Responsibility Committee has proposed the appointment of Mr. José Montilla Aguilera as Independent Director of the Company. The Board of Directors has adopted the Committee's proposal as its own.

### **2.3 Appoint Mr. Cristóbal José Gallego Castillo as Director for the four-year period. Mr. Cristóbal José Gallego Castillo shall serve as Independent Director.**

#### **Personal information.**

Mr. Cristóbal José Gallego Castillo, 38, holds a degree in Aeronautical Engineering from the Polytechnic University of Madrid. International Doctorate, with the qualification *cum laude*, by the same University.

During his doctoral studies he was part of the research team at the Department of Energy - Wind Energy Division - of CIEMAT (Centre for Energy, Environmental and Technological Research).

He is currently an Associate Professor at the Universidad Politécnica de Madrid, Department of Aircraft and Space Vehicles.

During his professional career he has actively participated in numerous projects related to energy transition and renewable energies:

- Journal referee (IEEE Transactions on Power Systems, Wind Energy, Journal of Renewable and Sustainable Energy, Applied Energy, Sustainable Energy, Grids and Networks).
- Member of the Scientific Committee that prepared the tenth Seminar on Wind Energy in Europe. (Orleans, France 2014).
- Member in AENOR of the National Committee (AEN/CTN) 206 "ELECTRICAL ENERGY PRODUCTION" and of the Sub-committee (SC) 88 "WINDTURBINES" (2014).
- Member of the National Association of Wind Engineering (ANIV). 2014.

It is worth highlighting his participation as a member of the "National Commission of Experts on Energy Transition" created by the Council of Ministers by means of an Agreement of July 7, 2017, with the task of preparing a report analysing the possible

proposals that could contribute to the definition of the Spanish strategy for Energy Transition.

He has participated in numerous seminars and conferences in his technical speciality and in others related to renewable energies and energy transition. Author of numerous scientific articles on the same subjects.

#### **Mr. Gallego's contribution to the Board's skills matrix.**

Although the company's current concern is to guarantee the regular operation of the natural gas supply service, preventing the threats posed by the current exceptional situation and its future consequences, Enagás has not forgotten the role that natural gas and the Company itself must play in the energy transition process.

It therefore considers it necessary, and has proposed to the Board, to strengthen its Board of Directors with an expert who will provide technical expertise and new perspectives on energy transition. Mr. Gallego adequately meets those requirements.

To ensure Mr. Gallego's suitability for the position, the Appointments, Remuneration and Corporate Social Responsibility Committee hired the independent external advisory firm "Seeliger y Conde".

#### **Proposal submitted to the General Shareholders' Meeting.**

Taking into account the foregoing and for the purposes of Article 529 decies.4 and 529 quidecies.3 c) of the Consolidated Text of the Corporate Enterprises Act, the Appointments, Remuneration and Corporate Social Responsibility Committee has proposed the appointment of Mr. Cristóbal José Gallego Castillo as Independent Director of the Company. The Board of Directors has adopted the Committee's proposal as its own.

### **3. Board structure following the appointment proposed to the Meeting.**

#### **Independence and diversity.**

Following the proposed appointments, the Board will slightly increase the number of members to 16. The percentage of independent directors increased to 68.76% (11 out of 16) while the percentage of the less represented gender was 25%.

Enagás maintains a solid corporate governance policy that has been endorsed by its shareholders at successive General Meetings to which it submits its proposals. Enagás is aware that in the current situation there is a slight impairment in some of the recommended parameters for good governance.

This is due to the exceptional situation in which we find ourselves and which makes it necessary, in the interests of society, to give priority to guaranteeing the essential gas supply service that Enagás has been entrusted with.

Enagás aspires to re-establish its usual parameters, always in line with best corporate governance practices, to the extent that the return to normality will again allow it to prioritise these.

#### **Separation of posts.**

Since 2012, the Company has separated the posts of Chairperson of the Board of Directors and Chief Executive Officer and since 2010 it boasts a Lead Independent Director, the post held by Ms. Ana Palacio Vallelersundi, providing an additional guarantee that the Board is functioning properly. The internal structure guarantees that all the functions (Internal Audit, Legal Counsel and Compliance) promoting the control that must be exercised by the Board of Directors in relation to the executive and business functions that fall to the Chief Executive Officer maintain the necessary independence, and are organically and functionally assigned to the Chairperson of the Board of Directors and to the Board itself through the Secretary to the Board.

### Evaluation of the Board's performance.

The Board is subject to an annual evaluation process by an independent expert. The 2019 evaluation has been carried out by the firm SODALI.

The result of the valuation is reflected in the Annual Corporate Governance Report.

### Skills matrix.

Enagás has a skills matrix of its Board that is kept up to date. The one corresponding to 2019 has been published as part of the "Annual Report" prior to the call to Meeting and is set out below.

#### Skills, knowledge and professional experience of the Board of Directors [GRI 102-27]

SKILLS	Audit and Compliance Committee							Appointments, Remuneration and CSR Committee						% of the total
	1	2	3	4	5	6	7	8	9	10	11	12	13	
Engineering (qualification and ample experience as a practising engineer).	X	X		X	X		X	X						46%
Industry / Sector (Ample experience in administration, management and control in major energy companies).	X	X		X	X			X	X		X	X	X	69%
Public / Regulatory institutions (Ample experience acquired through direct exposure to regulators and related institutions).	X	X	X	X	X	X	X	X	X		X	X	X	92%
Corporate Governance (Experience in positions of oversight (Chairman / Director on the Board of Directors of listed companies / specific management roles in large or listed companies)).	X	X		X	X		X	X	X		X	X	X	77%
Auditing / Accounting (Ample experience acquired in positions of senior management (CEO, CFO) in listed companies and/or holding management positions in an accounting firm).		X	X	X	X	X	X	X	X		X	X		77%
Risk control and management (Relevant experience in related positions (Risk Officer, internal auditor, internal control positions, monitoring/risk/internal control committees).		X		X	X		X	X	X		X	X	X	69%
Corporate Social and Environmental Responsibility (Ample experience in administration, management and control in companies operating in sectors exposed to high environmental impact or broad experience in roles of strategic management of social and/or environmental issues. Multi-year academic experience in this field).		X		X	X	X	X	X		X	X	X	X	77%
International expansion / Multicultural environment (Previous experience working for multinational or domestic companies in a position with significant international exposure).	X	X		X	X		X	X	X		X	X	X	77%
Business / Management (Previous experience as a senior manager in other companies).		X		X	X		X	X	X	X	X		X	69%
Cybersecurity.										X				8%
Computing and technology.		X		X	X		X	X		X				46%

The incorporation of the three new Directors fulfils in a special way the purpose of reinforcing the skillset of the Board in the face of an exceptional situation and its consequences.

## **Implication of the Directors.**

Thirteen meetings of the Board of Directors were held during 2019. All the Directors attended all of them. The individual breakdown is as follows

- Mr. Antonio Llardén Carratalá (Chairman) attended all the Board meetings.
- Mr. Marcelino Oreja Arburúa (Chief Executive Officer) attended all the Board meetings.
- Ms. Ana Palacio Vallelersundi attended all the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Ms. Isabel Tocino Biscarolasaga attended all the meetings of the Board and of the Audit and Compliance Committee.
- Mr. Antonio Hernández Mancha attended all the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Ms. Patricia Úrbez Sanz attended all the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Mr. Luis García del Río attended all the meetings of the Board and of the Audit and Compliance Committee during his time as a member of each one.
- Mr. Gonzalo Solana González attended all the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Mr. Martí Parellada Sabata attended all the meetings of the Board and of the Audit and Compliance Committee.
- Ms. Rosa Rodríguez Díaz attended all the meetings of the Board and of the Audit and Compliance Committee.
- Mr. Ignacio Grangel Vicente attended all the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Mr. Santiago Ferrer Costa has attended all the meetings of the Board and all meetings of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Sociedad Estatal de Participaciones Industriales (SEPI), represented by Mr. Bartolomé Lora Toro, has attended all the meetings of the Board and all the meetings of the Audit and Compliance Committee.

The Directors, especially the Chairwomen of both Committees, maintain permanent contact with those Managers responsible for the areas of their competence.

Accordingly,

**The following resolutions are proposed for adoption before the General Meeting, which will be subject to separate votes:**

Appointment and re-election of members of the Board of Directors. The following proposals shall be put to vote separately:

8.1. Re-elect Sociedad Estatal de Participaciones Industriales (SEPI) as Director for the four-year period. Sociedad Estatal de Participaciones Industriales (SEPI) shall serve as Proprietary Director.

8.2. Appoint Mr. José Blanco López as Director for the four-year period. Mr. José Blanco López shall serve as Independent Director.

8.3. Appoint Mr. José Montilla Aguilera as Director for the four-year period. Mr. José Montilla Aguilera shall serve as Independent Director.

8.4. Appoint Mr. Cristóbal José Gallego Castillo as Director for the four-year period. Mr. Cristóbal José Gallego Castillo. Mr. Cristóbal José Gallego Castillo shall serve as Independent Director.

Following these appointments, the number of Directors is set at sixteen.

## RESOLUTION 9

To grant authorisation for purposes of Article 146 of the Corporate Enterprise Act concerning the possibility of enterprises acquiring their own shares.

The legal regime governing transactions involving own shares or stakes (acquisitions of treasury shares) by public limited companies is determined clearly in Articles 134 et. seq. of the Consolidated Text of the Corporate Enterprises Act. Article 146 therein sets out the conditions in which the derivative acquisition of public limited companies is allowed. This first condition is that the acquisition must be authorised by a resolution of the General Meeting, which must establish the terms of the acquisition, the maximum number of stakes or shares to be purchased, the minimum and maximum price in onerous acquisitions, and the term of the authorisation, which shall not exceed five years.

Authorisation was given at the General Meeting held on March 27, 2015 to the Board of Directors for the derivative acquisition of treasury shares. The five-year legal term for this authorisation has already expired.

The Board of Directors has made use of this authorisation on two occasions in the enforcement of the resolutions adopted by the General Shareholders' Meeting in 2016 and 2019 in relation to the long-term incentive plan that includes the handover of shares, applicable to the Executive Directors, the members of the Management Committee and executive personnel of the Company and its group of companies. Accordingly, it is considered appropriate that the Company should have the possibility of acquiring its treasury shares, under the terms determined by law, and a new authorisation is requested from the Meeting. The new resolution proposed is similar to the previous one and the maximum number of shares proposed to be authorised is the number allowed by law and which article 509 of the Corporate Enterprises Act currently sets at ten (10) percent of subscribed capital for listed companies.

**Therefore, the following resolution is laid before the General Meeting:**

"To authorise and empower the Board of Directors, with power of substitution, for the derivative acquisition of the Company's own shares in accordance with Article 146 of the Corporate Enterprises Act, in the following terms:

1. The acquisitions may be carried directly by Enagás, S.A. or indirectly by subsidiaries under the same terms as those set out herein.
2. The acquisitions may be carried out through a purchase and sale, exchange or any other transaction permitted by law.
3. The maximum number of shares to be acquired shall be the maximum number permitted by law.
4. The acquisition price shall not be more than 15 percent higher or lower than the average weighted share price of the session prior the acquisition.
5. The authorisation is granted for a maximum of 5 years from adoption of this resolution.

In accordance with Article 146 of the Corporate Enterprises Act, it is hereby expressly stated that the shares acquired pursuant to this authorisation may, in whole or in part, be directly awarded to employees or directors of the company or of companies belong to its Group, or that the purchase is the result of the exercise of employee or director options.

Likewise, the shares acquired as a result of this authorisation may be used, in full or in part, both for their disposal or redemption and for the achievement of potential corporate or business operations or decisions, as well as for any other legally possible purpose.

## **RESOLUTION 10**

Modification for the purposes of article 529 novodecies of the Corporate Enterprises Act of the policy on remuneration of directors for the 2019, 2020 and 2021 financial years, for the sole purpose of modifying the maximum annual limit on the remuneration of directors in their capacity as such to adapt it to the new number of directors and the new number of members of the committees.

The General Shareholders' Meeting held on March 29, 2019 approved the Director' Remuneration Policy for the 2019-2021 period, as item 7 of its Agenda, with a percentage of votes in favour of 85.784%.

Article 529 novodecies of the Corporate Enterprises Act establishes that any modification or substitution of the same during its validity will require the prior approval of the general shareholders' meeting in accordance with the procedure established for its approval, viz., with the corresponding rationale and accompanied by a specific report from the appointments and remuneration committee.

Enagás' current remuneration policy, with regard to the maximum annual limit on directors' remuneration for their status as such, was based on the premise of a maximum number of fourteen directors, and eleven meetings each year for the Board and four each year for each of the Committees. Based on the foregoing, and on the annual remuneration foreseen for each director according to the positions held and their attendance at the meetings of the Board and its Committees, the maximum amount of annual remuneration to be paid to all directors in their capacity as such was calculated, after a slight upward rounding. The resulting amount was 2,241,000 euros for 2019, 2020 and 2021.

The modification of the remuneration policy presented by the Board to the Meeting is reduced exclusively to taking into consideration the resolutions submitted previously to the approval of this General Shareholders' Meeting regarding the increase in the number of directors and the new number of members of the

Appointments, Remuneration and Corporate Social Responsibility Committee and the Audit and Compliance Committee.

The policy does not change anything with regard to the annual remuneration forecast for each director based on the positions they hold and their attendance at meetings of the Board and its Committees. However, as the maximum amount was calculated taking into account a maximum number of fourteen directors and two Board Committees, the Appointments, Remuneration and Corporate Social Responsibility Committee with a maximum of six members and the Audit and Compliance Committee with a maximum of five members, when it is to be increased to sixteen, seven and seven, respectively, it becomes necessary to modify the overall maximum amount in order to accommodate this increase in the number of directors and committee members. After a slight upward rounding, the resulting amount becomes 2,600,000 euros for 2020 and 2021.

Without prejudice to this new maximum amount, as usual, the new directors appointed at the Ordinary General Shareholders' Meeting in 2020 and the directors who, if appropriate, join the Board's Committees in view of their new maximum number of members, shall only receive the proportional remuneration that corresponds to them based on the date when they were appointed.

The Board of Directors has therefore agreed to submit for the approval of the General Shareholders' Meeting, for the purposes of article 529 novodecies of the Consolidated Text of the Corporate Enterprises Act, the aforementioned proposal to amend the "Directors' Remuneration Policy for 2019, 2020 and 2021". Attached to this proposal of resolution and forming an integral part of the same, the following are placed at the disposal of shareholders: (i) the Director Remuneration Policy for 2019, 2020 and 2021, with the amendment that is submitted to the General Shareholders' Meeting for approval as item 10 of the Agenda, and (ii) the report of the Appointments, Remuneration and Corporate Social Responsibility Committee on said amendment.

**Therefore, the following proposed resolution is laid before the Ordinary General Meeting:**

"To modify, for the purposes of article 529 novodecies of the Corporate Enterprises Act, the directors' remuneration policy for the 2019, 2020 and 2021 financial years, for the sole purpose of modifying the maximum annual limit on the remuneration of directors in their capacity as such to adapt it to the new number of directors and the new number of members of the committees".

#### **RESOLUTION 11**

To submit the Annual Directors' Remuneration Report referred to in Article 541 of the Consolidated Text of the Corporate Enterprises Act to an advisory vote.

Article 541 of Consolidated Text of the Corporate Enterprises Act stipulates that Boards of listed societies must draw up and publish a report on Directors' remuneration, including remuneration they receive or must receive in their capacity as Directors and, where applicable, remuneration for carrying out executive functions. The Annual Report on Directors' Remuneration shall be submitted to an advisory vote as a separate item on the Agenda of the Ordinary General Shareholders' Meeting.

Article 529 novodecies of Consolidated Text of the Corporate Enterprises Act stipulates that the policy for Directors' remuneration shall be as per the remuneration

system provided for in the company' Articles of Association, and shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the Agenda. The Directors' remuneration policy, approved as set forth above, will remain valid for three fiscal years after being approved by the General Meeting. Any remuneration paid to Directors for holding or being removed from their positions and for performing executive functions must be consistent with the Director remuneration policy in effect at any given time, except for any remuneration expressly approved by the General Shareholders' Meeting.

The General Shareholders' Meeting held on March 29, 2019 approved the "Director Remuneration Policy for 2019, 2020 and 2021", including a long-term incentive plan which was also approved by the same Shareholders' Meeting. The Annual Directors' Remuneration Report which is now put forward for the advisory vote refers to the aforementioned Policy approved by the Board.

This report is in keeping with the provisions of Article 541 of the Consolidated Text of the Corporate Enterprises Act, which includes the remuneration of Directors, including remuneration they receive or must receive in their capacity as Directors and, where applicable, remuneration for carrying out executive functions. The report is in keeping with the contents and structure determined by the Spanish Ministry of Finance and Competitiveness and the National Securities Market Commission (CNMV), and includes (i) clear, comprehensive and comprehensible information concerning the Director Remuneration Policy applicable to the current year; (ii) a global overview of application of the Remuneration Policy during the preceding year; (iii) in addition to details of the individual remuneration packages accruing for all concepts and for each of the Directors during that year.

By way of attachment to these proposed resolutions and forming an integral part of them, the Annual Report on Directors' Remuneration is placed at the shareholders' disposal.

Accordingly,

**The proposed advisory vote on the Annual Report on Directors' Remuneration, made available to shareholders, is laid before the General Meeting for the purposes of Article 541 of the Consolidated Text of the Corporate Enterprises Act.**

## RESOLUTION 12

Report not subject to vote on the amendments made to the "Rules and Regulations on the Organisation and Functioning of the Board of Directors of Enagás, S.A." since the last General Meeting, in order to adapt it to the criteria and basic principles of Technical Guidelines 3/2017 and 1/2019 of the CNMV and the amendments to the Law on Non-Financial Information and Diversity introduced by Law 11/2018.

Pursuant to Article 528 of the Consolidated Text of the Corporate Enterprise Act, on convening the Ordinary General Meeting the Board of Directors provides shareholders of the Company with a report explaining the scope and content of the amendment to the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás, S.A., approved by the Board of Directors at a meeting on December 16, 2019 at the proposal of the Audit and Compliance Committee and the Appointments, Remuneration and Corporate Social Responsibility Committee.



On June 27, 2017, the Spanish National Securities Market Commission published the Technical Guide 3/2017 on Audit Committees of Public Interest Entities (the "Technical Guide 3/2017"), within the regulatory powers attributed to it by Article 21.3 of the Consolidated Text of the Securities Market Law, which sets out certain principles, recommendations and criteria in relation to the organisation, composition and functions of Audit Committees.

Furthermore, on February 20, 2019, the Spanish National Securities Market Commission published the Technical Guide 1/2019 on Appointments and Remuneration Committees (the "Technical Guide 1/2019"), within the framework of the aforementioned regulatory powers, aimed at establishing certain principles, recommendations and criteria in relation to the organisation, composition and functions of the Appointments and Remuneration Committees.

Moreover, on December 29, 2018, *Law 11/2018* of December 28 was published in the Official State Gazette. This law amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of July 2 and Law 22/2015 of July 20 on the Auditing of Accounts, in the area of non-financial information and diversity ("Law 11/2018") which, among other matters, amends Articles 529 bis and 540 of the *consolidated text of the Corporate Enterprises Act* in the area of diversity, as well as Article 529 ter LSC, empowering the Board of Directors to "*supervise the process of preparing and presenting the financial information and the management report, which shall include, where appropriate, the required non-financial information*".

This amendment is aimed at adapting the Regulations, on the one hand, to the criteria and basic principles of the Technical Guide 3/2017 as well as the Technical Guide 1/2019 and, in this regard, to expressly incorporate certain Recommendations of the Good Governance Code that the Company declares that it complies with in IAGC 2018 and, also, to incorporate the new diversity issues and the new non-delegable power of the Board of Directors of listed companies introduced into the LSC by Law 11/2018, taking advantage of this reform to incorporate certain technical or coordination details in different articles of the Regulations.

By way of attachment to these proposed resolutions and forming an integral part of them, the Board of Directors' Report referring to this item on the Agenda is included.

### RESOLUTION 13

To delegate authorisation to supplement, develop, implement, rectify and formalise the resolutions adopted at the General Shareholders' Meeting.

**Adoption of the following resolution is proposed to the Ordinary General Shareholders' Meeting:**

- "One.- To delegate to the Board of Directors the broadest powers required to supplement, develop, implement and rectify any of the resolutions adopted at the General Meeting. The power to rectify shall include the power to make any required or advisable modifications, amendments and additions arising from any objections or remarks made by the regulatory bodies of securities markets, stock exchanges, the Companies Register or any other public authority with powers relating to the resolutions adopted.
- Two.- To delegate indistinctly to the Chairman of the Board of Directors, Mr. Antonio Llardén Carratalá, and the Secretary, Mr. Rafael Piqueras Bautista, and to each of the Board members, the powers required formally to draw up the resolutions adopted by the General Meeting and register those so

requiring, in full or in part, with powers to that end to draw up all manner of notarised and non-notarised instruments, including those supplementing or rectifying those resolutions."

These draft resolutions were approved by the Board of Directors at its meeting on May 25, 2020.

The Secretary to the Board of Directors.  
Rafael Piqueras Bautista  
**Enagás, S.A.**