



<p style="text-align: center;">REPORT PREPARED BY THE DIRECTORS OF ENAGÁS, S.A. IN RELATION TO THE PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION</p>

1. Introduction

On 4 December 2014, Law 31/2014, of 3 December was published in the Spanish Official State Gazette amending the Spanish Corporate Enterprises Act ("LSC" or "**Ley de Sociedades de Capital**") for purposes of improving corporate governance ("**Law 31/2014**"). This law provides for legislative reform aimed at improving good governance at companies of all types generally, and furthermore includes specific measures for publicly traded corporations. Law 31/2014 provides for a transitory regime for the more significant new features that might require organisational changes or amendments to articles of association, and establishes that certain changes introduced by virtue of Law 31/2014 are to be adopted by resolution at a given company's first general meeting held after 1 January 2015.

In keeping with the referred legal mandate, the Board of Directors of Enagás, S.A. (hereinafter, the "**Company**" or "**Enagás**") agreed at its meeting today to convene the annual ordinary general meeting of shareholders to be held on 26 March 2015 on first call and on 27 March 2015 on second call, and submit for approval by the General Meeting of the Company, inter alia, under item 6 of the agenda, the amendment of the Articles of Association in the articles mentioned below.

Pursuant to article 286 of the revised text of the LSC and in keeping with the Regulations of the Mercantile Registry, the directors of the Company have prepared this Report, with the purpose of providing due justification for the proposal to amend articles 7, 18, 21, 22, 23, 27, 31, 32, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45 and 46 of the Articles of Association of Enagás and set out the wording of the full text of the proposed amendment to the Articles of Association.

2. Rationale for the proposal

The proposed reform provides on the one hand for the adaptation of the Articles of Association to the new wording of the LSC; on the other, and relating to the foregoing, it also introduces some clearer wordings and technical improvements in the case of certain items. Reducing the maximum number of members of the Board of Directors from 15 to 14 is likewise proposed.

- In relation to the new content of the LSC:
 - Amendments are made to reflect the new wording provided for in the LSC regarding the rights of the Company, and also of shareholder associations and of shareholders individually or jointly in certain cases, to know the identity of the shareholders (article 7.- "Accounting records").
 - Different aspects are introduced in relation to the General Meeting: the calculation of majorities in the adoption of resolutions by the General Meeting is clarified, through a reference to the law, and the powers attributed to the General Meeting in accordance with the current provisions of the LSC are included (Article 18.- "General Meeting"); the percentage of capital for the exercising of what is referred to as minority rights is reduced (from 5% to 3% of the share capital)(Article 21.- "Extraordinary general

meeting", Article 22.- "Convening the General Meeting" and Article 23.- "Exceptional convening of the General Meeting"); there are amendments to reflect the new general information requirements prior to the General Meeting (Article 21.- "Extraordinary general meeting"); the limitations on exercising voting rights in cases of a conflict of interest are included and the wording in relation to intermediary entities, vote splitting, divergent vote and delegation is amended (Article 27.- "Attendance, proxies and voting at General Meetings"); the deadline for exercising the shareholder rights to information is amended and the regulation of the exercising of this right and the consequences of its violation are completed (Article 31.- "Shareholders' right to information"); a paragraph relating to the majorities provided for in the adoption of resolutions by the General Meeting is deleted due to repeating that set out in the first paragraph of Article 18 of the Articles of Association (Article 32.- "Minutes of Proceedings"); and the regulatory reference regarding challenges to the resolutions of the General Meeting is specified (Article 34.- "Challenges to resolutions of the General Meeting").

- In relation to the Board of Directors the following changes are proposed: the regulation of the directors' pay system is amended to reflect the provisions of the LSC and the retribution items are detailed (Article 36.- "Remuneration of the Board of Directors"); the requirements for appointing the chairman are amended in accordance with the provisions of the LSC, the mandatory nature of the independent director when the chairman is an executive director is included and the functions of this are amended to reflect the provisions of the LSC, although other additional functions that the Company already provides for that post are maintained (Article 37.- "Posts"); the changes relating to the director's term of office are included (Article 38.- "Term of office"); the regulation about the information to be provided to the directors for the debating and adoption of resolutions is included, and the scheme for attendance of the board meetings and representation in them is amended to reflect the provisions of the LSC, eliminating the maximum representations that the directors may hold (Article 39.- "Meetings of the Board of Directors"); the regulation regarding the directors' duties and liability scheme is amended to reflect the provisions of the LSC (Article 41.- "Directors' liability"); the scheme for challenging resolutions is updated to reflect the changes introduced by the Act, including the lower percentage of capital required for the challenge (Article 42.- "Challenges to resolutions"); the scheme for delegating powers is updated, including those matters that the Law sets as powers of the Board of Directors that may not be delegated (Article 43.- "Delegation of powers"); the regulation regarding the composition of the Audit and Compliance Committee and the Appointments, Retribution and Corporate Social Responsibility Committee is amended, and their duties and powers are amended to reflect the provisions of the LSC (Article 44.- "Audit and compliance committee" and Article 45.- "Appointments, retribution and corporate social responsibility committee"); the duties of the chairman are amended to reflect the provisions of the LSC, maintaining the duties provided for by the Company when the chairman's post is filled by an executive director (Article 46.- "Chairman of the Board of Directors").
- Additionally, there is a proposal to reduce the maximum number of directors from 15 to 14 members to further adapt the composition of the Board of Administrators to the recommendations on good corporate governance, the characteristics of the Company and the practises of other comparable Companies (Article 35.- "Composition of the Board").

3. Scheme for the proposed amendment to the articles of association

For the purposes of voting on the proposed amendment to the articles of association, the decision has been made to group the different articles affected by the proposed reform into three categories, based on the general organisation of the Articles of Association: one regarding shares, in relation to the right to information about the identity of the shareholders, another about the amendments that affect the General Shareholders' Meeting and the third about the amendments that affect the Board of Directors.

4. Full text of the proposed amendment to the articles of association

The proposed amendment to the articles of association, in the event that it is approved by the General Shareholders' Meeting, will imply the amendment of the following articles of the Articles of Association that, hereinafter, will have the following literal wording:

- **"ARTICLE 7. – ACCOUNTING RECORDS AND IDENTITY OF SHAREHOLDERS**

The entity in charge of maintaining the Accounting Records concerning the shares is the Servicio de Compensación y Liquidación de Valores, (Spanish Securities Clearing and Settlement Service) or such entity as may in future replace it, together with its affiliated entities, on the terms prescribed by current laws and regulations.

The Company may at any time request the information associated with the shareholders from the companies keeping the securities records. This includes the shareholders' addresses and contact details.

Any shareholder associations having formed within the Company and representing at least one percent of the share capital, as well as shareholders who individually or jointly hold at least three percent of the share capital, shall enjoy the same right exclusively for purposes of facilitating communications with the shareholders in the exercise of their rights and the best defence of their common interests.

In the event of abusive or harmful use of the information requested, the association or partner in question shall be liable for any loss or damage caused."

- **"ARTICLE 18. – GENERAL MEETING**

The shareholders, when constituted as a duly summoned General Meeting, shall by the majority of votes provided for in Spanish law decide upon the matters that fall within the powers of the General Meeting.

It falls upon the General Meeting to address and reach resolution on the following issues:

- a) *Approval of the annual accounts, the appropriation of earnings, and approval of company management.*
- b) *The appointment and removal of directors, liquidators, or, where applicable, account auditors, as well as the institution of liability actions against any of them.*
- c) *Amendments to the Articles of Association.*
- d) *To effect capital increases and reductions.*
- e) *To suspend or restrict pre-emptive subscription rights.*
- f) *To acquire and dispose of core assets or contribute them to another company. Asset are considered to be core assets, if the respective transaction amount is greater than 25% of the value of the assets shown on the last approved balance sheet.*
- g) *The transfer to subsidiaries of core activities to subsidiaries that were previously carried out by the Company itself, even though the latter retains full control of the*

former; Activities and operating assets are considered to be core activities and core operating assets, if the respective transaction amount is greater than 25% of the total value of the assets held on the balance sheet

- h) To restructure, merge, or split the company, or fully transfer the assets and liabilities thereof, or to agree to move the registered office outside Spain.*
- i) To dissolve the Company.*
- j) To approve the final balance sheet for liquidation purposes.*
- k) Operations that effectively add up to the company's liquidation.*
- l) Explain the policy on directors' remuneration.*
- m) Any other affairs prescribed by law or the Articles of Association.*

All shareholders, including those absent or dissenting, shall be bound by the resolutions of the General Meeting.

The Company shall guarantee, at all times, equality in the treatment of all shareholders in the same position, in regard of information, participation and the exercise voting rights at General Shareholder Meetings."

"ARTICLE 21 – EXTRAORDINARY GENERAL MEETING

Any General Meeting other than as provided for in the preceding article shall be considered an Extraordinary General Meeting.

The Board of Directors may convene an extraordinary General Meeting if it deems it to be in the Company's interests, and is under a duty to call such meeting upon the request of shareholders holding at least 3% of the share capital, such requisition to specify the business to be transacted at the General Meeting. In this event, the General Meeting must be summoned for a date within two months following the day on which the Board of Directors was requisitioned via notary.

The Agenda must specify the business that is the subject matter of the request."

"ARTICLE 22 CONVENING THE GENERAL 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 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 add items to the agenda and to submit resolution proposals, as well as the deadline for exercising 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 vote by proxy 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 be able to access at the Company's registered office documents that must be subjected to the approval of same as well as 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 for informative purposes only are concerned, a report from the competent bodies detailing each such item. As they are received, resolutions proposed by shareholders shall also be included.*

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 Appointments, Remuneration and Corporate Responsibility Committee in the case of the appointment or re-election of a non-independent director. In the case of a body corporate, the information must include that pertaining to the natural person to be appointed to exercise the functions of the post on a permanent basis.

- e) *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 23 – EXCEPTIONAL CONVENING OF THE GENERAL MEETING**

If the ordinary General Meeting is not summoned within the statutory time limit, it may be convened on the motion of shareholders, a hearing having been granted to the Board of Directors, by the commercial court with jurisdiction at the place of the Company's registered office, which court shall appoint the Chairman of the General Meeting so convened.

This same mode of summoning the General Meeting shall be carried out with respect to the extraordinary General Meeting when so demanded by shareholders holding at least 3% of the share capital, should the time limit referred to in article 21(2) expire."

- **"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 Amended 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 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) Real-time bi-directional communication to allow shareholders to address the General Shareholders' Meeting from other locations.*
- c) 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 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 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 quorum required for the Meeting to be valid.

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 LSC. 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 call for proxies, the provisions of articles 186 and 526 of the LSC shall be applied.

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."

- "ARTICLE 31 - SHAREHOLDERS' RIGHT TO INFORMATION

Up to the fifth day before the Meeting is held, shareholders may request from Directors any information or clarification they deem appropriate concerning business on the agenda, or submit in writing the questions they judge relevant. Within the same notice period and in the same form, or verbally during the meeting, shareholders may request information or clarifications, or ask questions concerning the publicly available information that the Company has provided to the Comisión Nacional del Mercado de Valores (Spanish National Securities Market Commission) since the last General Shareholders' Meeting was held or concerning the auditor report.

The Directors shall be under obligation to supply the information requested in accordance with the foregoing paragraph, in writing, up until the day on which the General Meeting is held.

In the course of the General Meeting itself, shareholders in the Company may orally request any information or clarifications they deem appropriate concerning items on the Agenda, and should it not be possible to satisfy a shareholder's right to information at that time, the Directors shall be obliged to facilitate that information in writing within six days of the conclusion of the Meeting.

The Directors shall be obliged to facilitate information requested pursuant to the previous three paragraphs, unless said information is superfluous to the preservation of the shareholder's rights, or there are objective reasons to believe the information could be used towards ends other than those of the Company or that publication of the information could harm the Company or its affiliates.

No such refusal may be made if the request is put forward by shareholders representing at least 25% of the Company's share capital.

Valid requests for information or clarifications, or questions asked in writing along with the written replies of the Directors shall be posted on the Company's website.

In cases where, prior to the formulation of a specific question, the information so requested was already clearly, expressly, and directly available to all shareholders on the Company's website in a question-and-answer format, the Directors may limit their reply to a reference to the information provided in the aforementioned format.

Infringements on the right to information exercised in the course of the General Meeting pursuant to the provisions of this article, shall solely entitle shareholders to demand fulfilment of the obligation to provide information and seek redress for any loss or damage that may have been caused them, but it shall not be grounds for invalidating the General Meeting.

In the event of abusive or harmful use of the information requested, the partner in question shall be liable for any loss or damage caused."

- **ARTICLE 32 – MINUTES OF PROCEEDINGS**

For each session of the General Meeting the respective minutes shall be taken, stating the following particulars: date and venue of the meeting; date and form of notice of meeting, except in the case of a Universal General Meeting; indication of the media by which the notice of meeting was published; full text of the notice of meeting, or, if a Universal General Meeting, the items of business accepted on the Agenda for the session; the shareholders present at the meeting, in the manner set forth in article 30, and, if a Universal General Meeting, the names of those present, followed by the signature of each; a summary of the matters discussed and of the speeches for which a record was requested; and the content of any resolutions passed. For each resolution put to vote at the General Meeting, at a minimum, the following must be determined: number of shares represented by valid votes, the proportion of share capital represented by said votes, the total number of valid votes, the number of votes for and against each resolution and, if any, the number of abstentions.

The resolutions adopted and the results of votes will be published in full on the company's website within five days of the General Shareholders' Meeting being held.

Minutes may be approved by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman and two Referees, one representing the majority and the other the minority.

Corporate resolutions will be enforceable as from the date on which the minutes containing them are approved."

- **"ARTICLE 34 - CHALLENGES TO RESOLUTIONS OF THE GENERAL MEETING**

A resolution of the General Meeting may be challenged in the manner prescribed in Chapter IX, Title V of the Amended Consolidated Text of the Corporate Enterprise Act and in Article 495.2 of same.

- **"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 14, 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 body-corporate Director:

- a) Natural persons or bodies corporate 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".*

“ARTICLE 36.– REMUNERATION OF THE BOARD OF DIRECTORS

The position of Director shall be remunerated.

The General Meeting shall determine the total maximum remuneration to be paid to Members of the Board of Directors in their capacity as such. Said remuneration shall comprise a cash sum payable on an annual basis or in respect of such period as the General Meeting may determine, a fee for each Board of Directors meeting a Director actually attends, a fee for sitting on the Committees of the Board of Directors, and another for acting as Chairman of same, and in the case of the Lead Independent Coordinator, a supplementary amount in remuneration of said function. The allocation of remuneration among the various remuneration components and to each Director shall be determined by resolution of the Board of Directors, in consideration of the functions and responsibilities attributed to each Director.

Directors may receive additional remuneration in the form of company shares, share options or other securities that enable the holder to obtain shares, or through other remuneration systems based on the price of the shares quoted on a public exchange. The application of said systems shall be presented to the General Meeting for approval, and the Meeting shall determine the maximum number of shares that may be allocated to this remuneration system in each financial year, or the system for calculating the price for the exercise of option rights, the reference value of the shares applied, if applicable, and the term of duration of the scheme.

Directors who perform executive functions for the Company, regardless of the nature of their legal relationship with same shall be entitled to additionally receive remuneration for performing said functions, which must be established in a contract between the Director and the Company and which remuneration shall consist of: (i) a fixed remuneration, in cash and in specie, commensurate with the services rendered and

responsibilities assumed; if applicable (ii) a variable remuneration short-term and long-term and the general system of incentives established for the Company's Senior Management, which might comprise the delivery of shares, or the entitlement to options on same, or remuneration based on the value of the shares, subject to the requirements set forth in the prevailing legislation at any given time; (iii) a benefits component to include appropriate pension and insurance schemes and social security benefits; as well as, if applicable (iv) a consideration for a post-contractual covenant not to compete. In the event of termination on grounds other than non-compliance with their functions, they shall be entitled to compensation.

Directors shall be entitled to the payment or reimbursement of expenses incurred as a result of attendance at meetings and other tasks directly related to the performance of their duties, such as travel, accommodation, meals and any other which may arise.

The Company may contract civil liability insurance for Directors and senior management.

The policy for Directors' remuneration shall be in keeping with the remuneration system provided for herein, and shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the Agenda.

Board Member remuneration shall be reported in the terms legally provided for in the Report, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report. The latter report shall be submitted to an advisory vote as a specific item on the Agenda of the Ordinary General Meeting.

In the event that the Annual Report on Directors' Remuneration be rejected by the advisory vote of the Ordinary General Meeting, then the remunerations policy to be applied to the following financial year must be submitted to the General Meeting for approval prior to its application, even if the aforementioned three-year period has not elapsed. An exception to the foregoing shall be made in the event that the remunerations policy has been approved at that same Ordinary General Meeting."

"ARTICLE 37.- POSTS

The Board of Directors shall appoint its Chairman pursuant to the report of the Appointments, Remuneration and Corporate Responsibility Committee. The appointment as Chairman 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 Appointments, Remuneration and Corporate Responsibility Committee, to perform the following duties, under the title of Lead Independent Director:

- a) To request the Chairman 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 Chairman and, where appropriate, the Chief Executive Officer.
- e) To perform as a Deputy Chairman the functions of the Chairman as regards the Board of Directors, if the Chairman is absent, ill or unable to act as Chairman 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 Chairman.

The appointment of a Lead Independent Director shall be obligatory, if the Chairman 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 Chairman 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 38 – TERM OF OFFICE

A Director shall hold office for four years. At the end of the term of appointment, a Director may be re-elected for a term of equal duration at most.

For the purposes of this article, an appointment lapses if, the relevant time limit having expired, the following General Meeting is held, or the statutory time limit for holding the following Ordinary General Meeting has expired.

If during the term to which the Directors were appointed vacancies should arise, the Board may appoint, from among the shareholders, persons to fill them until the first General Meeting is held, or the following one, in the event that the vacancy should arise after the General Meeting has been convened but before it has been held.”

“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 Chairman 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 Chairman 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 Chairman, 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 Chairman 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 Chairman 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, a

Directors may grant a proxy to another Director. Non-Executive Directors may only grant a proxy to other Non-Executive Directors.

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".

- ***"ARTICLE 41 - DIRECTORS' LIABILITY***

Directors shall perform their office and discharge the duties imposed by law and the Articles of Association with the diligence of a prudent businessman, taking the nature of their post and the functions attributed to each of them into consideration, with the loyalty of a representative acting in good faith and in the best interests of society. They shall be liable to the Company, to the shareholders and to creditors of the Company for any damages they may cause by acts or omissions contrary to the law or to the Articles of Association or acts done in default of the diligence with which a Directorship is to be exercised, if attributable to fault or misconduct.

Such liabilities shall attach jointly and severally to all Directors, except those who prove that they did not take part in the adoption and execution of the detrimental act or resolution and were unaware of its existence, or, being aware, took all appropriate steps to avoid, or at least expressly opposed the detrimental act or resolution.

No exemption from liability shall arise from the circumstance that the detrimental act or resolution was adopted, authorised or ratified by the General Meeting.

- ***"ARTICLE 42 – CHALLENGES TO RESOLUTIONS***

The Directors may challenge the resolutions of the Board of Directors, or of any other collegial administrative body, within a period of thirty days from its adoption. Said resolutions may likewise be challenged by shareholders representing 0.1% of the share capital within thirty days of the resolutions' becoming known to them, as long as less than one year has elapsed since their adoption.

The associated grounds, procedures and consequences are governed in conformity with the provisions for challenging resolutions of the General Meeting, with the particularity that in this case, it will also result from infringement on the Rules and Regulations of the Board of Directors."

- ***ARTICLE 43 – DELEGATION OF POWERS***

The Board of Directors may designate from among its members one or several executive directors or executive committees, and shall determine in each case the content, limits and modalities of the delegation. The Executive Committee shall meet as often as convened by the Chairman or the majority of its members.

The following powers of the Board of Directors shall not be delegated under any circumstances:

- a) Supervision of the effective functioning of committees it sets up and of the actions of the executive bodies and Managers it appoints.*
- b) Determination of the general policies and strategies of the Company.*

- c) *Authorisation does not release the Board of Directors from its obligations deriving from the duty to loyalty in conformity with article 230 of the Amended Consolidated Text of the Corporate Enterprise Act.*
- d) *Its own organisation and functioning.*
- e) *Preparing the annual accounts and their presentation to the General Meeting.*
- f) *The issuance of any type of report the Board of Directors is required to submit by law, if the transaction to which the report refers cannot be delegated.*
- g) *Appointing and removing the Company's Managing Directors and establishing the terms of their contracts.*
- h) *Appointing and removing managers that report directly to the Board of Directors or to one of its members, and establishing the basic terms of their contracts including their remuneration.*
- i) *Decisions concerning the remuneration of Directors within the framework of the Articles of Association, and, if applicable, under the remunerations policy approved by the General Meeting.*
- j) *Convening the General Meeting of Shareholders and determining the Agenda and the proposed resolutions.*
- k) *Determining policy concerning the Company's own shares or equity holdings.*
- l) *The powers the General meeting would have delegated to the Board of Directors, unless the latter has been expressly authorised by the General Meeting to sub-delegate them.*
- m) *Approving the Company's strategic or business plan, the management targets and annual budgets, investment or financing policy, corporate social responsibility policy or the dividend policy.*
- n) *Defining the Company's risk control and management policy, including tax risks, or the policy for monitoring the its internal information and control systems*
- o) *Defining the Company's or the Group's corporate governance policy, its organisation and operation and functioning, or in particular, approving and amending its own rules and regulations.*
- p) *Approving the financial information the Company must periodically disclose on account of being a publicly traded company.*
- q) *Defining the structure of the Group.*
- r) *Approving investments or transactions of any kind that, on account of the large amounts involved or special characteristics, are strategic in nature or pose particular taxation risks, unless their approval falls to the General Meeting;*
- s) *Approving the creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a similar nature whose complexity might impair the transparency of the Company or the Group;*

- t) *Approving, pursuant to the report of the Audit and Compliance Committee, transactions the Company or the companies in its Group execute with Directors under the terms set forth in Articles 229 and 230 of Consolidated Amended Text of the Corporate Enterprise Act, or with shareholders who, individually or jointly with others, hold a significant stake, including shareholders represented on the Company's Board of Directors or the boards of other companies belong to the same group or with persons associated with them.*
- u) *Defining the Company's tax strategy.*

Under, duly justified, urgent circumstances, the decisions pertaining to issues m) to u) above may be adopted by the delegated bodies and persons, who must be ratified at the first meeting of the Board of Directors held after the decision was adopted."

"ARTICLE 44. - AUDIT AND COMPLIANCE COMMITTEE

The Board of Directors shall appoint from among its members an Audit and Compliance Committee that shall comprise a minimum of three and a maximum of five Directors. No Executive Director may sit on this Committee. At least one member of the Committee must be independent and will be appointed in light of their knowledge and experience in the areas of accounting, auditing, or both. The Committee Chairman shall be selected from among the Independent Directors by the Board of Directors, and shall not have the casting vote. The Chairman must be replaced every four years, and may be re-elected after the lapse of one year from his 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 Rules and Regulations of the Board of Directors:

- *Informing the General Meeting of Shareholders on issues raised in the areas that lie within the Committee's competences.*
- *To oversee the effectiveness of the Company's system of internal control, internal auditing and risk management, including taxation risks, as well as discussing with the auditors any significant weaknesses in the internal control system identified during the course of the audit;*
- *To oversee the process of preparation and presentation of statutory financial reporting.*
- *To formulate proposals for the Board of Directors for selecting, appointing, re-electing and replacing the external auditors, along with the terms of their contract, regularly evaluate information on the auditing plan and its implementation, in addition to preserving their independence in the exercise of their functions.*
- *To liaise with the account auditors to obtain information on any issues that could compromise the latter's independence for appraisal by the Committee, or on any other subjects related to the auditing process, and on any other disclosure obligations established in auditing legislation and 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 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.*
- *Issuing an annual report, prior to the issue of the audit report, containing an opinion on the independence of the auditors. This report shall in all cases include a*

valuation of the additional services provided, as referred to in the previous section, considered separately and in their totality, which consists of services other than statutory audits and how they relate to the requirement of independence or to the regulatory legislation on auditing.

- *To keep the Board of Directors informed, in advance, on all items provided for in the law, the Articles of Association and the Rules and Regulations on the Board of Directors, in particular, on:*

- 1. The financial information 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 transactions with related parties.*

The meetings of this Committee shall be called by its Chairman 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."

"ARTICLE 45.- APPOINTMENTS AND REMUNERATIONS COMMITTEE, REMUNERATION AND CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors shall appoint from among its members an Appointments, Remuneration and Corporate Social Responsibility Committee that shall be comprised of a minimum of three and a maximum of six Directors. A majority of Committee members must be Independent Directors and no Executive Directors may be included among its number. The Chairman of the Committee shall be selected from among the Independent Directors on the Committee 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 evaluates the competences, knowledge and experience needed on the Board of Directors. To these ends, it shall define the functions and capabilities required of the candidates to fill each vacancy, and evaluate the time and dedication needed for them to properly perform their duties.*
- b) *To establish an objective concerning the representation of the less-represented sex on the Board of Directors and prepare guidelines on how this objective can be attained.*
- c) *To formulate proposals for the Board of Directors for appointing Independent Directors in order for them to be designated by the method of co-option or to be subject to the decisions of the General Meeting of Shareholders, along with proposals for the re-election or removal of those Directors by the General Meeting of Shareholders.*
- d) *To report on the proposed appointments of the remaining Directors for them to designated by co-option or subject to the decision of the General Meeting of*

Shareholders, as well as on proposals for their re-election or removal by the General Meeting of Shareholders.

- e) Report on proposed appointments and removals in senior management and the basic terms of their contracts.*
- f) To examine and organize the succession of the Company's Chairman 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 contractual terms of Executive Directors, also to ensure that said policy is observed.*
- h) Report to the Board on general policy concerning Corporate Social Responsibility and Corporate 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 Chairman. 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."

"ARTICLE 46. - CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman is the most senior decision-maker in charge of the effective functioning of the Board of Directors. In addition to those conferred on him by the law, the Articles of Association, or the Rules and Regulations of the Board of Directors, the Chairman shall also have the following powers:

- a) To convene and act as Chairman of the meetings of the Board of Directors and, if applicable, of the Executive Committee, setting the Agenda of the meeting and directing the discussions and deliberations.*
- b) Chairing General Shareholders' Meetings*
- c) Ensure that the Directors are provided with adequate information in advance for them be able to deliberate on the items on the Agenda.*
- d) Stimulate debate and the active participation of the Directors during sessions, safeguarding their right to freely express their opinions.*

In addition when the post of Chairman is exercised by an Executive Director, they shall have the following powers:

- e) To individually represent the Company, both in and out of court.*
- f) Act as senior manager of all the services of the Company.*

g) *To sign on behalf of the Company."*

To facilitate the comparison between the new wording of the articles that are proposed to be amended and those they currently have, included as appendix 1 to this report, for informational purposes, is a literal transcription of both texts, double columned, in which the changes that are proposed to be introduced into the currently existing text are highlighted in the right column, which is transcribed in the left column.

For all appropriate legal reasons, the Company's Board of Directors prepares this report at its meeting held on 23 February 2015.

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

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF ENAGÁS, S.A.

EXISTING TEXT	PROPOSED AMENDMENT
<p>ARTICLE 7. – ACCOUNTING RECORDS.</p> <p>The entity in charge of maintaining the Accounting Records concerning the shares is the <i>Servicio de Compensación y Liquidación de Valores</i>, (Spanish Securities Clearing and Settlement Service) or such entity as may in future replace it, together with its affiliated entities, on the terms prescribed by current laws and regulations.</p> <p>The company may at any time request from the companies legally entrusted with keeping the book entry registry, the data required to identify shareholders and their recognition as such, including their addresses and contact details, to ensure communication with them and, if applicable, to create to this end a Shareholder Register for the company via the corresponding resolution of the Board of Directors.</p>	<p>ARTICLE 7. – ACCOUNTING RECORDS AND IDENTITY OF SHAREHOLDERS.</p> <p>The entity in charge of maintaining the Accounting Records concerning the shares is the <i>Servicio de Compensación y Liquidación de Valores</i>, (Spanish Securities Clearing and Settlement Service) or such entity as may in future replace it, together with its affiliated entities, on the terms prescribed by current laws and regulations.</p> <p>The company may at any time request from the companies legally entrusted with keeping the book entry registry, the data required to identify shareholders and their recognition as such, including their addresses and contact details, to ensure communication with them and, if applicable, to create to this end a Shareholder Register for the company via the corresponding resolution of the Board of Directors.</p> <p>The Company may at any time request the information associated with the shareholders from the companies keeping the securities records. This includes the shareholders' addresses and contact details.</p> <p>Any shareholder associations having formed within the Company and representing at least one percent of the share capital, as well as shareholders who individually or jointly hold at least three percent of the share capital, shall enjoy the same right exclusively for purposes of facilitating communications with the shareholders in the exercise of their rights and the best defence of their common interests.</p> <p>In the event of abusive or harmful use of the information requested, the association or partner in question shall be liable for any loss or damage caused.</p>
<p>ARTICLE 18. – GENERAL MEETING</p>	<p>ARTICLE 18. – GENERAL MEETING</p>

The shareholders, when constituted as a duly summoned General Meeting, shall by a majority of votes decide upon the matters that fall within the powers of the General Meeting.

It falls upon the General Meeting to address and reach resolution on the following issues:

- a) Approval of the annual accounts, the appropriation of earnings, and approval of company management.
- ~~a)~~b) The appointment and removal of directors, liquidators, or, where applicable, account auditors, as well as the institution of liability actions against any of them.
- ~~b)~~c) Amendments to the Articles of Association.
- d) Capital increases and reductions.
- e) The removal or limitation of the pre-emptive subscription right.

~~e)~~h) To restructure, merge, or split the company, or fully transfer the assets and liabilities thereof, or to agree to move the registered office outside Spain.

~~h)~~i) To dissolve the Company.

~~i)~~j) To approve the final balance sheet for liquidation purposes.

The shareholders, when constituted as a duly summoned General Meeting, shall by **at the** majority of votes **provided for in Spanish law** decide upon the matters that fall within the powers of the General Meeting.

It falls upon the General Meeting to address and reach resolution on the following issues:

- ~~b)~~a) Approval of the annual accounts, the appropriation of earnings, and approval of company management.
- b) The appointment and removal of directors, liquidators, or, where applicable, account auditors, as well as the institution of liability actions against any of them.
- c) Amendments to the Articles of Association.
- d) ~~d) Capital~~To effect capital increases and reductions.
- e) ~~e) The removal~~To suspend or ~~limitation of the restrict~~ pre-emptive subscription ~~right~~rights.
- f) To acquire and dispose of core assets or contribute them to another company. Asset are considered to be core assets, if the respective transaction amount is greater than 25% of the value of the assets shown on the last approved balance sheet.
- g) The transfer to subsidiaries of core activities to subsidiaries that were previously carried out by the Company itself, even though the latter retains full control of the former; Activities and operating assets are considered to be core activities and core operating assets, if the respective transaction amount is greater than 25% of the total value of the assets held on the balance sheet
- ~~e)~~h) To restructure, merge, or split the company, or fully transfer the assets and liabilities thereof, or to agree to move the registered office outside Spain.
- i) To dissolve the Company.
- j) To approve the final balance sheet for liquidation purposes.
- k) **Operations that effectively add up to the**

<p>hm) Any other affairs prescribed by law or the Articles of Association.</p> <p>All shareholders, including those absent or dissentient, shall be bound by the resolutions of the General Meeting.</p> <p>The Company shall guarantee, at all times, equality in the treatment of all shareholders in the same position, with regards to information, participation and exercising voting rights at General Shareholder Meetings.</p>	<p>company's liquidation.</p> <p>l) Explain the policy on directors' remuneration.</p> <p>km) Any other affairs prescribed by law or the Articles of Association.</p> <p>All shareholders, including those absent or dissentient, shall be bound by the resolutions of the General Meeting.</p> <p>The Company shall guarantee, at all times, equality in the treatment of all shareholders in the same position, with regards to information, participation and exercising voting rights at General Shareholder Meetings.</p>
<p>ARTICLE 21. – EXTRAORDINARY GENERAL MEETING</p> <p>Any General Meeting other than as provided for in the preceding article shall be considered an Extraordinary General Meeting.</p> <p>The Board of Directors may convene an extraordinary General Meeting if it deems it to be in the Company's interests, and is under a duty to call such meeting upon the request of shareholders holding at least 5% of the share capital, such requisition to specify the business to be transacted at the General Meeting. In this event, the General Meeting must be summoned for a date within two months following the day on which the Board of Directors was requisitioned via notary.</p> <p>The agenda must specify the business that is the subject matter of the requisition.</p>	<p>ARTICLE 21. – EXTRAORDINARY GENERAL MEETING</p> <p>Any General Meeting other than as provided for in the preceding article shall be considered an Extraordinary General Meeting.</p> <p>The Board of Directors may convene an extraordinary General Meeting if it deems it to be in the Company's interests, and is under a duty to call such meeting upon the request of shareholders holding at least 53% of the share capital, such requisition to specify the business to be transacted at the General Meeting. In this event, the General Meeting must be summoned for a date within two months following the day on which the Board of Directors was requisitioned via notary.</p> <p>The agenda must specify the business that is the subject matter of the requisition.</p>
<p>ARTICLE 22. – CONVENING THE GENERAL MEETING.</p> <p>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</p>	<p>ARTICLE 22. – CONVENING THE GENERAL MEETING.</p> <p>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</p>

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 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

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 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:

d) The right to request information, to add items to the agenda and to submit resolution proposals, as well as the deadline for exercising 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.

a) b) The system for issuing votes by proxy, with particular mention of the forms that must be used to vote by proxy and the media that must be used for the company to accept notification of delegated representation by electronic means.

b) 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 be able to access at the Company's registered office documents that must be subjected to the approval of same as well as 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:

f) The convening notice.

a) b) The total number of shares and voting rights on the date of the convening, broken down by share categories if any.

b) c) The documents that will be presented at the General Shareholders' Meeting, in particular the management, auditor and independent expert reports.

e) d) The full texts of the proposed resolutions or, if none, a report from the competent bodies detailing each point of the agenda. As they are received, resolutions proposed by shareholders shall also be included.

General Shareholders' Meeting, in particular the following information:

e) a) The right to request information, to add items to the agenda and to submit resolution proposals, as well as the deadline for exercising 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 vote by proxy 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 be able to access at the Company's registered office documents that must be subjected to the approval of same as well as 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:

e) 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 ~~Shareholders'~~ Meeting, in particular the management, auditor and independent expert reports.

d) The full texts of the proposed resolutions ~~or, if none~~ detailing each and every item on the Agenda, or where items for informative purposes only are concerned, a report from the competent bodies detailing each ~~point of the agenda such item~~. As they are received, resolutions proposed by shareholders shall also be

e) 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 include 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 five percent of share capital may request that a supplement to the convening notice for the general Shareholders' Meeting be published, including one or more points in 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

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 Appointments, Remuneration and Corporate Responsibility Committee in the case of the appointment or re-election of a non-independent director. In the case of a body corporate, 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~~company to each shareholder. If for technical reasons these cannot be posted on the website, the Company must ~~include~~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 ~~five~~three percent of share capital may request that a supplement to the convening notice for the general Shareholders' Meeting be published, ~~including on which~~ one or more ~~points in items~~are added to the ~~agenda~~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

<p>Meeting. Failure to publish the supplement to the notice of meeting by the legally established deadline shall render the meeting void.</p> <p>Shareholders representing at least five percent of 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 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.</p>	<p>date of the General Meeting. Failure to publish the supplement to the notice of meeting by the legally established deadline shall render the meetingMeeting void.</p> <p>Shareholders representing at least fivethree 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.</p>
<p>ARTICLE 23. – EXCEPTIONAL CONVENING OF THE GENERAL MEETING.</p> <p>If the ordinary General Meeting is not summoned within the statutory time limit, it may be convened on the motion of shareholders, a hearing having been granted to the Board of Directors, by the commercial court with jurisdiction at the place of the Company's registered office, which court shall appoint the Chairman of the General Meeting so convened.</p> <p>This same mode of summoning the General Meeting shall be carried out with respect to the extraordinary General Meeting when so demanded by shareholders holding at least 5% of capital if the time limit referred to at article 21(2) expires.</p>	<p>ARTICLE 23. – EXCEPTIONAL CONVENING OF THE GENERAL MEETING.</p> <p>If the ordinary General Meeting is not summoned within the statutory time limit, it may be convened on the motion of shareholders, a hearing having been granted to the Board of Directors, by the commercial court with jurisdiction at the place of the Company's registered office, which court shall appoint the Chairman of the General Meeting so convened.</p> <p>This same mode of summoning the General Meeting shall be carried out with respect to the extraordinary General Meeting when so demanded by shareholders holding at least 53% of capital if the time limit referred to at article 21(2) expires.</p>
<p>ARTICLE 27. – ATTENDANCE, PROXIES AND VOTING AT GENERAL MEETINGS.</p> <p>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.</p>	<p>ARTICLE 27. – ATTENDANCE, PROXIES AND VOTING AT GENERAL MEETINGS.</p> <p>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.</p> <p>Without prejudice to the foregoing, shareholders may not exercise the voting rights corresponding to their shares concerning the adoption of a resolution where</p>

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

one of the grounds for a conflict of interest exists according to article 190.1 of the Consolidated Amended 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 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) Real-time bi-directional communication to allow shareholders to address the General Shareholders' Meeting from other locations.
- c) 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 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 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 quorum required for the Meeting to be valid.

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 LSC. 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.

A financial intermediary may, on behalf of those shareholder clients who have empowered the intermediary to act for them,

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.

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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 LSC. 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.

~~A financial intermediary may, on behalf of those shareholder clients who have empowered the intermediary to act for them,~~

cast the votes in opposing ways, in compliance with different voting instructions, if such instructions have been received. The direction of the vote must be reported to the company. Intermediaries who are empowered to act must provide the Company, within the seven-day period prior to the scheduled date of the meeting, with a list containing the identity of each client, the number of shares regarding which they will exercise voting rights on behalf of said clients, and any voting instructions they have received.

In the event of a call for proxies, the provisions of articles 186 and 526 of the LSC shall be applied.

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.

ARTICLE 31. - SHAREHOLDERS' RIGHT TO INFORMATION

Up to the seventh day before the meeting is held, shareholders may request from Directors any information or clarification they deem appropriate concerning business on the agenda, or submit in writing the questions they judge relevant. Within the same notice

~~cast the votes in opposing ways, in compliance with different voting instructions, if such instructions have been received. The direction of the vote must be reported to the company. Intermediaries who are empowered to act must provide the Company, within the seven-day period prior to the scheduled date of the meeting, with a list containing the identity of each client, the number of shares regarding which they will exercise voting rights on behalf of said clients, and any voting instructions they have received. 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 call for proxies, the provisions of articles 186 and 526 of the LSC shall be applied.

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.

ARTICLE 31. - SHAREHOLDERS' RIGHT TO INFORMATION

Up to the ~~seventh~~^{fifth} day before the ~~meeting~~Meeting is held, shareholders may request from Directors any information or clarification they deem appropriate concerning business on the agenda, or submit in writing the questions they judge relevant.

period and in the same form, or verbally during the meeting, shareholders may request information or clarifications, or ask questions concerning the publicly available information that the Company has provided to the *Comisión Nacional del Mercado de Valores* (Spanish National Securities Market Commission) since the last General Shareholders' Meeting was held or concerning the auditor report.

The Directors shall be under obligation to supply the information requested in accordance with the foregoing paragraph, in writing, up until the day on which the General Meeting is held.

In the course of the General Meeting itself, shareholders in the Company may orally request any information or clarifications they deem appropriate concerning items on the Agenda, and should it not be possible to satisfy a shareholder's right to information at that time, the Directors shall be obliged to facilitate that information in writing within six days of the conclusion of the Meeting.

The Directors are under a duty to furnish the information requested under the provisions of the three previous paragraphs unless, in the view of the Chairman, publicity of the requested information would harm the Company's interests.

The directors are not obliged to respond to specific questions from shareholders when, prior to the question being asked, the information is clearly and directly available to all shareholders on the website under the question and answer format.

No such refusal may be made if the request is put forward by shareholders representing at least twenty-five percent of the Company's share capital.

Within the same notice period and in the same form, or verbally during the meeting, shareholders may request information or clarifications, or ask questions concerning the publicly available information that the Company has provided to the *Comisión Nacional del Mercado de Valores* (Spanish National Securities Market Commission) since the last General Shareholders' Meeting was held or concerning the auditor report.

The Directors shall be under obligation to supply the information requested in accordance with the foregoing paragraph, in writing, up until the day on which the General Meeting is held.

In the course of the General Meeting itself, shareholders in the Company may orally request any information or clarifications they deem appropriate concerning items on the Agenda, and should it not be possible to satisfy a shareholder's right to information at that time, the Directors shall be obliged to facilitate that information in writing within six days of the conclusion of the Meeting.

The Directors ~~are under a duty~~ shall be obliged to ~~furnish the~~ facilitate information requested ~~underpursuant to the provisions of the three~~ previous three paragraphs, unless, ~~in the view of the Chairman, publicity of the requested~~ said information ~~would~~ is superfluous to the preservation of the shareholder's rights, or there are objective reasons to believe the information could be used towards ends other than those of the Company or that publication of the information could harm the ~~Company's interests~~ Company or its affiliates.

~~The directors are not obliged to respond to specific questions from shareholders when, prior to the question being asked, the information is clearly and directly available to all shareholders on the website under the question and answer format.~~

No such refusal may be made if the request is put forward by shareholders representing at least twenty-five percent of the Company's share capital.

Valid requests for information or

	<p>clarifications, or questions asked in writing along with the written replies of the Directors shall be posted on the Company's website.</p> <p>In cases where, prior to the formulation of a specific question, the information so requested was already clearly, expressly, and directly available to all shareholders on the Company's website in a question-and-answer format, the Directors may limit their reply to a reference to the information provided in the aforementioned format.</p> <p>Infringements on the right to information exercised in the course of the General Meeting pursuant to the provisions of this article, shall solely entitle shareholders to demand fulfilment of the obligation to provide information and seek redress for any loss or damage that may have been caused them, but it shall not be grounds for invalidating the General Meeting.</p> <p>In the event of abusive or harmful use of the information requested, the shareholder in question shall be liable for any loss or damage caused.</p>
<p>ARTICLE 32 – MINUTES OF PROCEEDINGS</p> <p>The General Meeting shall adopt its resolutions by a majority of votes. Each share carries one vote.</p> <p>For each session of the General Meeting the respective minutes shall be taken, stating the following particulars: date and venue of the meeting; date and form of notice of meeting, except in the case of a Universal General Meeting; indication of the media by which the notice of meeting was published; full text of the notice of meeting, or, if a Universal General Meeting, the items of business accepted on the Agenda for the session; the shareholders present at the meeting, in the manner set forth in article 30, and, if a Universal General Meeting, the names of those present, followed by the signature of each; a summary of the matters discussed and of the speeches for which a record was requested; and the content of any resolutions passed. For each resolution put to vote at the General Meeting, at a minimum, the following</p>	<p>ARTICLE 32 – MINUTES OF PROCEEDINGS</p> <p>The General Meeting shall adopt its resolutions by a majority of votes. Each share carries one vote.</p> <p>For each session of the General Meeting the respective minutes shall be taken, stating the following particulars: date and venue of the meeting; date and form of notice of meeting, except in the case of a Universal General Meeting; indication of the media by which the notice of meeting was published; full text of the notice of meeting, or, if a Universal General Meeting, the items of business accepted on the Agenda for the session; the shareholders present at the meeting, in the manner set forth in article 30, and, if a Universal General Meeting, the names of those present, followed by the signature of each; a summary of the matters discussed and of the speeches for which a record was requested; and the content of any resolutions passed. For each resolution put to vote at the General Meeting, at a minimum, the following</p>

<p>must be determined: number of shares represented by valid votes, the proportion of share capital represented by said votes, the total number of valid votes, the number of votes for and against each resolution and, if any, the number of abstentions.</p> <p>The resolutions adopted and the results of votes will be published in full on the company's website within five days of the General Shareholders' Meeting being held.</p> <p>Minutes may be approved by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman and two Referees, one representing the majority and the other the minority.</p> <p>The rules must be published on the website."</p>	<p>must be determined: number of shares represented by valid votes, the proportion of share capital represented by said votes, the total number of valid votes, the number of votes for and against each resolution and, if any, the number of abstentions.</p> <p>The resolutions adopted and the results of votes will be published in full on the company's website within five days of the General Shareholders' Meeting being held.</p> <p>Minutes may be approved by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman and two Referees, one representing the majority and the other the minority.</p> <p>The rules must be published on the website."</p>
<p>ARTICLE 34.- CHALLENGES TO RESOLUTIONS OF THE GENERAL MEETING</p> <p>A resolution of the General Meeting may be challenged in the manner prescribed in Chapter IX, Title V of the Amended Consolidated Text of the LSC.</p>	<p>ARTICLE 34.- CHALLENGES TO RESOLUTIONS OF THE GENERAL MEETING</p> <p>A resolution of the General Meeting may be challenged in the manner prescribed in Chapter IX, Title V of the Amended Consolidated Text of the LSC Corporate Enterprise Act and in Article 495.2 of the same.</p>
<p>ARTICLE 35. – COMPOSITION OF THE BOARD.</p>	<p>ARTICLE 35. – COMPOSITION OF THE BOARD.</p>
<p>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 15, appointed by the General Meeting.</p> <p>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.</p> <p>A Director need not be a shareholder, may</p>	<p>The Company shall be governed and managed by the Board of Directors, which shall represent the Company collegiately as a collegiate body, both in and out of court. Its representation shall extend, without any limitation of power, to all acts embodied in the corporate purpose.</p> <p>The Board of Directors shall be composed of a minimum of 6 members and a maximum of 15 14, appointed by the General Meeting.</p> <p>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.</p>

<p>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 body-corporate Director:</p> <ul style="list-style-type: none"> c) Natural persons or bodies corporate who hold the post of director in more than 5 (five) companies whose shares are admitted to trading on national or foreign markets. d) 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. 	<p>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 body-corporate Director:</p> <ul style="list-style-type: none"> e)a) Natural persons or bodies corporate who hold the post of director in more than 5 (five) companies whose shares are admitted to trading on national or foreign markets. f)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.
<p>ARTICLE 36.— REMUNERATION OF THE BOARD OF DIRECTORS. The position of Director shall be remunerated. The General Meeting shall determine the total maximum remuneration to be paid to Directors, and this shall comprise a cash sum payable on an annual basis or in respect of such period as the General Meeting may determine.</p>	<p>ARTICLE 36.— REMUNERATION OF THE BOARD OF DIRECTORS. The position of Director shall be remunerated. The General Meeting shall determine the total maximum remuneration to be paid to Directors, and thisMembers of the Board of Directors in their capacity as such. Said remuneration shall comprise a cash sum payable on an annual basis or in respect of such period as the General Meeting may determine, a fee for each Board of Directors meeting a Director actually attends, a fee for sitting on the Committees of the Board of Directors, and another for acting as Chairman of same, and in the case of the Lead Independent Coordinator, a supplementary amount in remuneration of said function. The allocation of remuneration among the various remuneration components and to each Director shall be determined by resolution of the Board of Directors, in consideration of the</p>

When setting remuneration, the General Meeting may resolve that part of the pay ought to remunerate the directorship itself, equally for all directors, and that another part should be apportioned by the Board on such basis as may be determined at the General Meeting.

Directors may receive additional remuneration in the form of company shares, share options or other securities that enable the holder to obtain shares, or through other remuneration systems based on the price of the shares quoted on a public exchange. The application of said systems shall be presented to the General Meeting for approval, and the Meeting shall determine the value of the shares granted to each Director, the price for the exercise of option rights, the term of duration and all other conditions deemed appropriate.

Remuneration established herein shall be compatible with and independent from salaries, wages, indemnifications, pensions or compensations of any type established in general or in particular for those members of the Board of Directors who are linked to the company through a normal labour relationship, special senior executive contract, or a contract for services. Such relationships must be compatible with the position of member of the Board of Directors.

functions and responsibilities attributed to each Director.

~~When setting remuneration, the General Meeting may resolve that part of the pay ought to remunerate the directorship itself, equally for all directors, and that another part should be apportioned by the Board on such basis as may be determined at the General Meeting.~~

Directors may receive additional remuneration in the form of company shares, share options or other securities that enable the holder to obtain shares, or through other remuneration systems based on the price of the shares quoted on a public exchange. The application of said systems shall be presented to the General Meeting for approval, and the Meeting shall determine the ~~value~~ maximum number of ~~the~~ shares ~~granted~~ that may be allocated to this remuneration system in each ~~Director~~, financial year, or the system for calculating the price for the exercise of option rights, the reference value of the shares applied, if applicable, and the term of duration ~~and all other conditions deemed appropriate~~ of the scheme.

~~Remuneration established herein shall be compatible with and independent from salaries, wages, indemnifications, pensions or compensations of any type established in general or in particular for those members of the Board of Directors who are linked to the company through a normal labour relationship, special senior executive contract, or a contract for services. Such relationships must be compatible with the position of member of the Board of Directors.~~ Directors who perform executive functions for the Company, regardless of the nature of their legal relationship with same shall be entitled to additionally receive remuneration for performing said functions, which must be established in a contract between the Director and the Company and which remuneration shall consist of: (i) a fixed remuneration, in

Directors shall be entitled to the payment or reimbursement of expenses incurred as a result of attendance at meetings and other tasks directly related to the performance of their duties, such as travel, accommodation, meals and any other which may arise. The Company may contract civil liability insurance for Directors and senior management.

Board Member remuneration shall be reported in the terms legally provided for in the Report, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report. The latter report shall be submitted to an advisory vote as a specific item on the Agenda of the Ordinary General Meeting.

cash and in specie, commensurate with the services rendered and responsibilities assumed; if applicable (ii) a variable remuneration short-term and long-term and the general system of incentives established for the Company's Senior Management, which might comprise the delivery of shares, or the entitlement to options on same, or remuneration based on the value of the shares, subject to the requirements set forth in the prevailing legislation at any given time; (iii) a benefits component to include appropriate pension and insurance schemes and social security benefits; as well as, if applicable (iv) a consideration for a post-contractual covenant not to compete. In the event of termination on grounds other than non-compliance with their functions, they shall be entitled to compensation.

Directors shall be entitled to the payment or reimbursement of expenses incurred as a result of attendance at meetings and other tasks directly related to the performance of their duties, such as travel, accommodation, meals and any other which may arise.

The Company may contract civil liability insurance for Directors and senior management.

The policy for Directors' remuneration shall be in keeping with the remuneration system provided for herein, and shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the Agenda.

Board Member remuneration shall be reported in the terms legally provided for in the Report, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report. The latter report shall be submitted to an advisory vote as a specific item on the Agenda of the Ordinary General Meeting.

In the event that the Annual Report on Directors' Remuneration be rejected by the advisory vote of the Ordinary General Meeting, then the remunerations policy to be applied to the following financial year must be

	<p>submitted to the General Meeting for approval prior to its application, even if the aforementioned three-year period has not elapsed. An exception to the foregoing shall be made in the event that the remunerations policy has been approved at that same Ordinary General Meeting.</p>
<p>ARTICLE 37.- POSTS. The Board of Directors shall appoint its Chairman.</p> <p>The Board of Directors may appoint an Independent Director, on the proposal of the Appointments, Remuneration and Corporate Responsibility Committee, to perform the following duties, under the title of Lead Independent Director:</p> <p>f) To request the Chairman of the Board of Directors to convene that body when said Lead Independent Director deems it appropriate.</p> <p>a)b) To request that items be included on the Agenda of the meetings of the Board of Directors.</p> <p>b)c) To coordinate and give voice to the concerns of external directors; and to oversee the Board's evaluation of its Chairman and, where appropriate, the Chief Executive Officer.</p> <p>d) To oversee the Board's evaluation of its Chairman and, where appropriate, the Managing Director.</p> <p>e)e) To perform as a Deputy Chairman the functions of the Chairman as regards the Board of Directors, if the Chairman is absent, ill or unable to act as Chairman 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 Chairman.</p>	<p>ARTICLE 37.- POSTS. The Board of Directors shall appoint its Chairman pursuant to the report of the Appointments, Remuneration and Corporate Responsibility Committee. The appointment as Chairman of an Executive Director shall require the favourable vote of two-thirds of the members of the Board.</p> <p>The Board of Directors may appoint an Independent Director, on the proposal of the Appointments, Remuneration and Corporate Responsibility Committee, to perform the following duties, under the title of Lead Independent Director:</p> <p>a)a) To request the Chairman of the Board of Directors to convene that body when said Leadlead Independent Director deems it appropriate.</p> <p>b) To request that items be included on the Agenda of the meetings of the Board of Directors.</p> <p>c) To coordinate and give voice toconvene the concerns of external directors; and to oversee the Board's evaluation of its Chairman and, where appropriate, the Chief Non-Executive Officer.Directors.</p> <p>d) d)To oversee the Board's evaluation of its Chairman and, where appropriate, the Managing DirectorChief Executive Officer.</p> <p>e)e) To perform as a Deputy Chairman the functions of the Chairman as regards the Board of Directors, if the Chairman is absent, ill or unable to act as Chairman 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 Chairman.</p> <p>The appointment of a Lead Independent Director shall be obligatory, if the Chairman of the Board is an Executive Director. In such cases the Lead Independent Director shall be</p>

<p>The Chairman and the Secretary to the Board of Directors and the Deputy Secretary, if any, 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.</p>	<p>appointed by the Board with the Executive Directors abstaining from the vote.</p> <p>The Chairman and the Secretary to the Board of Directors and the Deputy Secretary, if any, 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.</p>
<p>ARTICLE 38. – TERM OF OFFICE.</p> <p>A Director shall hold office for four years. At the end of the term of appointment, a Director may be re-elected.</p> <p>For the purposes of this article, an appointment lapses if, the relevant time limit having expired, the following General Meeting is held, or the statutory time limit for holding the following Ordinary General Meeting has expired.</p> <p>If during the term to which the Directors were appointed vacancies should arise, the Board may appoint, from among the shareholders, persons to fill them until the first General Meeting is held.</p>	<p>ARTICLE 38. – TERM OF OFFICE.</p> <p>A Director shall hold office for four years. At the end of the term of appointment, a Director may be re-elected- for a term of equal duration at most.</p> <p>For the purposes of this article, an appointment lapses if, the relevant time limit having expired, the following General Meeting is held, or the statutory time limit for holding the following Ordinary General Meeting has expired.</p> <p>If during the term to which the Directors were appointed vacancies should arise, the Board may appoint, from among the shareholders, persons to fill them until the first General Meeting is held-, or the following one, in the event that the vacancy should arise after the General Meeting has been convened but before it has been held.</p>
<p>ARTICLE 39. – MEETINGS OF THE BOARD OF DIRECTORS.</p> <p>The Board of Directors shall meet at least once every two months, and, in addition, whenever convened by the Chairman or upon requisition by a majority of Directors.</p> <p>Meetings shall ordinarily be held at the registered office, but may also be held elsewhere and by any means that the Chairman may determine. Such a venue or manner of holding of the meeting must be specified in the notice of meeting.</p> <p>A meeting shall be convened, by any channel, by the Chairman, 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</p>	<p>ARTICLE 39. – MEETINGS OF THE BOARD OF DIRECTORS.</p> <p>The Board of Directors shall meet at least once every two months, and, in addition, whenever convened by the Chairman or upon requisition by a majority of Directors.</p> <p>Meetings shall ordinarily be held at the registered office, but may also be held elsewhere and by any means that the Chairman may determine. Such a venue or manner of holding of the meeting must be specified in the notice of meeting.</p> <p>A meeting shall be convened, by any channel, by the Chairman, 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</p>

is located, if they have requested the Chairman 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.

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. Each Director may grant a proxy to another Director, but no Director present may hold more than two proxies.

Resolutions shall 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.

ARTICLE 41. – DIRECTORS' LIABILITY

Directors shall perform their office with the diligence expected of a businessperson and of a legal proxy, and shall be liable to the Company, to the shareholders and to the Company's creditors for any damages they may cause by acts contrary to the law or to the Articles of Association or by those performed without the diligence that they must perform in their office.

is located, if they have requested the Chairman 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 Chairman of the Board in collaboration with the Secretary shall ensure that this obligation to provide information is fulfilled.

The Board ~~of Directors' meeting~~Meeting shall be validly constituted when one half of the membership plus one member are in attendance or represented at it. ~~Each Director~~the Meeting. The Directors must attend the meetings of the Board in person. Without prejudice to the foregoing, a Directors may grant a proxy to another Director, ~~but no Director present~~. Non-Executive Directors may ~~hold more than two proxies~~only grant a proxy to other Non-Executive Directors.

Resolutions shall 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.

ARTICLE 41. – DIRECTORS' LIABILITY.

Directors shall perform their office and discharge the duties imposed by law and the Articles of Association with the diligence ~~expected of a businessperson and of a~~ prudent businessman, taking the nature of their post and the functions attributed to each of them into consideration, with the loyalty of a ~~legal proxy, and~~representative acting in good faith and in the best interests of society. They shall be liable to the Company, to the shareholders and to ~~the Company's~~creditors of the Company for any damages they may

<p>Such liabilities shall attach jointly and severally to all Directors, except those who prove that they did not take part in the adoption and execution of the detrimental act or resolution and were unaware of its existence, or, being aware, took all appropriate steps to avoid, or at least expressly opposed the detrimental act or resolution.</p> <p>No exemption from liability shall arise from the circumstance that the detrimental act or resolution was adopted, authorised or ratified by the General Meeting.</p>	<p>cause by acts or omissions contrary to the law or to the Articles of Association law or by those performed withoutto the Articles of Association or acts done in default of the diligence that they must perform in their office with which a Directorship is to be exercised, if attributable to fault or misconduct.</p> <p>Such liabilities shall attach jointly and severally to all Directors, except those who prove that they did not take part in the adoption and execution of the detrimental act or resolution and were unaware of its existence, or, being aware, took all appropriate steps to avoid, or at least expressly opposed the detrimental act or resolution.</p> <p>No exemption from liability shall arise from the circumstance that the detrimental act or resolution was adopted, authorised or ratified by the General Meeting.</p>
<p>ARTICLE 42. – CHALLENGES TO RESOLUTIONS.</p> <p>The Directors may challenge the void and voidable resolutions of the Board of Directors within a period of thirty days from their adoption. Said resolutions may likewise be challenged by shareholders representing 5% of the share capital within thirty days of the resolutions' becoming known to them, as long as less than one year has elapsed since their adoption.</p> <p>A challenge to a resolution shall follow the procedure prescribed in Chapter IV of Section V of the Amended Consolidated Text of the LSC.</p>	<p>ARTICLE 42. – CHALLENGES TO RESOLUTIONS.</p> <p>The Directors may challenge the void and voidable resolutions of the Board of Directors, or of any other collegial administrative body, within a period of thirty days from theirits adoption. Said resolutions may likewise be challenged by shareholders representing 50.150.1% of the share capital within thirty days of the resolutions' becoming known to them, as long as less than one year has elapsed since their adoption.</p> <p>A challenge to a resolution shall follow the procedure prescribed in Chapter IV of Section V of the Amended Consolidated Text of the LSC.</p> <p>The associated grounds, procedures and consequences are governed in conformity with the provisions for challenging resolutions of the General Meeting, with the particularity that in this case, it will also result from infringement on the Rules and Regulations of the Board of Directors.</p>
<p>ARTICLE 43. – DELEGATION OF POWERS</p> <p>The Board of Directors may appoint from among its members an Executive Committee, determining in each case its composition and</p>	<p>ARTICLE 43. – DELEGATION OF POWERS</p> <p>The Board of Directors may appointdesignate from among its members an Executive Committee, determiningone or several</p>

the persons who occupy the positions within it. The Executive Committee shall meet as often as convened by the Chairman or the majority of its members.

The Board of Directors may also appoint a Chief Executive Officer and delegate to them the powers that it believes are necessary. No delegation may be made of the duties to render accounts and lay financial statements before the General Meeting, nor of any powers granted by the General Meeting to the Board of Directors, unless expressly authorised so to delegate by the General Meeting.

~~executive directors or executive committees, and shall determine in each case its composition and the persons who occupy~~content, limits and modalities of the ~~positions within~~delegation. The Executive Committee shall meet as often as convened by the Chairman or the majority of its members.

~~The Board of Directors may also appoint a Chief Executive Officer and delegate to them the powers that it believes are necessary. No delegation may be made of the duties to render accounts and lay financial statements before the General Meeting, nor of any powers granted by the General Meeting to the Board of Directors, unless expressly authorised so to delegate by the General Meeting.~~The following powers of the Board of Directors shall not be delegated under any circumstances:

- a) Supervision of the effective functioning of committees it sets up and of the actions of the executive bodies and Managers it appoints.
- b) Determination of the general policies and strategies of the Company.
- c) Authorisation does not release the Board of Directors from its obligations deriving from the duty to loyalty in conformity with article 230 of the Amended Consolidated Text of the Corporate Enterprise Act.
- d) Its own organisation and functioning.
- e) Preparing the annual accounts and their presentation to the General Meeting.
- f) The issuance of any type of report the Board of Directors is required to submit by law, if the transaction to which the report refers cannot be delegated.
- g) Appointing and removing the Company's Managing Directors and establishing the terms of their contracts.
- h) Appointing and removing managers that report directly to the Board of Directors or to one of its members, and establishing the basic terms of their contracts including their remuneration.

- i) Decisions concerning the remuneration of Directors within the framework of the Articles of Association, and, if applicable, under the remunerations policy approved by the General Meeting.
- j) Convening the General Meeting of Shareholders and determining the Agenda and the proposed resolutions.
- k) Determining policy concerning the Company's own shares or equity holdings.
- l) The powers the General meeting would have delegated to the Board of Directors, unless the latter has been expressly authorised by the General Meeting to sub-delegate them.
- m) Approving the Company's strategic or business plan, the management targets and annual budgets, investment or financing policy, corporate social responsibility policy or the dividend policy.
- n) Defining the Company's risk control and management policy, including tax risks, or the policy for monitoring the its internal information and control systems
- o) Defining the Company's or the Group's corporate governance policy, its organisation and operation and functioning, or in particular, approving and amending its own rules and regulations.
- p) Approving the financial information the Company must periodically disclose on account of being a publicly traded company.
- q) Defining the structure of the Group.
- r) Approving investments or transactions of any kind that, on account of the large amounts involved or special characteristics, are strategic in nature or pose particular taxation risks, unless their approval falls to the General Meeting;
- s) Approving the creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other

	<p>transactions or operations of a similar nature whose complexity might impair the transparency of the Company or the Group;</p> <p>t) Approving, pursuant to the report of the Audit and Compliance Committee, transactions the Company or the companies in its Group execute with Directors under the terms set forth in Articles 229 and 230 of Consolidated Amended Text of the Corporate Enterprise Act, or with shareholders who, individually or jointly with others, hold a significant stake, including shareholders represented on the Company's Board of Directors or the boards of other companies belong to the same group or with persons associated with them.</p> <p>u) Defining the Company's tax strategy. Under, duly justified, urgent circumstances, the decisions pertaining to issues m) to u) above may be adopted by the delegated bodies and persons, who must be ratified at the first meeting of the Board of Directors held after the decision was adopted.</p>
<p>ARTICLE 44. - AUDIT AND COMPLIANCE COMMITTEE.</p> <p>The Board of Directors shall appoint from among its members an Audit and Compliance Committee that shall comprise a minimum of three and a maximum of five Directors. No Executive Director may sit on this Committee. At least one member of the Committee must be independent and will be appointed in light of his knowledge and track record in matters of accountancy, auditing, or both. The Committee Chairman shall be selected from among Committee members by the Board of Directors, and shall not have a casting vote. The Chairman, who will be an Independent Director, must be replaced every four years, but may be re-elected once the term of one year has elapsed from his or her removal.</p>	<p>ARTICLE 44. - AUDIT AND COMPLIANCE COMMITTEE.</p> <p>The Board of Directors shall appoint from among its members an Audit and Compliance Committee that shall comprise a minimum of three and a maximum of five Directors. No Executive Director may sit on this Committee. At least one member of the Committee must be independent and will be appointed in light of histheir knowledge and track recordexperience in matterthe areas of accountancyaccounting, auditing, or both. The Committee Chairman shall be selected from among Committee—memberthe Independent Directors by the Board of Directors, and shall not have the casting vote. The Chairman, who will be an Independent Director, must be replaced every four years, butand may be re-elected onceafter the termlapse of one year has elapsedfrom his or her removaldeparture from office.</p>

The Audit and Compliance Committee shall possess functions and competences in the following areas:

- To provide information at General Meetings on issues raised by shareholders that fall within the scope of its powers.
- To see to the proper operation of the Company's internal control, its internal audit function, if applicable, and risk management systems, and discuss with the auditors any significant weaknesses in the internal control system detected in the course of audit.
- To supervise the preparation and submission of regulated financial information relative to the Company and its Group.
- To propose to the Board of Directors, for submission to the General Meeting, the appointment of the external accounts auditor, in accordance with article 264 of the LSC, and the fees payable to the auditor.
- To liaise with the account auditors to obtain information on any issues that could compromise the latter's independence for appraisal by the Committee or any other subjects related to the auditing process, and on any other disclosure obligations established in legislation on the annual audit process and in auditing standards. At all events,

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 Rules and Regulations of the Board of Directors:

- ~~To provide information at~~ Informing the General Meetings Meeting of Shareholders on issues raised ~~by shareholders~~ in the areas that fall within the ~~scope of its powers~~ Committee's competences.
- To ~~see to~~ ~~oversee~~ the ~~proper operation~~ effectiveness of the ~~Company's~~ Company's system of internal control, ~~its~~ internal ~~audit function,~~ ~~if applicable,~~ auditing and risk management systems, and discuss, including taxation risks, as well as discussing with the auditors any significant weaknesses in the internal control system ~~detected~~ ~~identified~~ during the course of the audit;
- To ~~supervise~~ ~~oversee~~ the process of preparation and ~~submission~~ presentation of ~~regulated~~ statutory financial ~~information~~ relative to the Company and its Group reporting.
- To ~~propose to~~ formulate proposals for the Board of Directors, ~~for submission to the General Meeting, the appointment of~~ for selecting, appointing, re-electing and replacing the external ~~accounts auditor,~~ ~~in accordance~~ auditors, along with ~~article 264~~ the terms of their contract, regularly evaluate information on the auditing plan and its implementation, in addition to preserving their independence in the exercise of ~~the LSC,~~ and the fees payable ~~to the auditor~~ their functions.
- To liaise with the account auditors to obtain information on any issues that could compromise the latter's independence for appraisal by the Committee, or on any other subjects related to the auditing process, and on any other disclosure obligations established in ~~auditing~~ legislation ~~on the annual audit process~~ and ~~in auditing~~

they must annually receive from the auditors a written confirmation of their being independent from the Company and any entity directly or indirectly related to it, and a disclosure of any manner of additional services provided to such entities by the auditors or persons or entities related to them in accordance with the Ley 19/1988 (Audit Act 1988).

- Issuing annually, prior to the issue of the audit report, a report giving an opinion on the independence of the auditors or audit firms. The report must at all events make reference to the provision of additional services referred to in the above sub-section.

The meetings of this Committee shall be called by its Chairman 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

standards. ~~At~~In all ~~events, they must~~ ~~annually~~cases, on an annual basis, the Audit Committee shall receive from the auditors ~~a~~written confirmation of their ~~being independent from~~independence vis-à-vis the Company ~~and any entity or~~ entities related to it directly or indirectly ~~related to it, and a disclosure of any manner of~~, in addition to information on additional services ~~provided~~of any kind rendered to ~~such~~these entities by the ~~forementioned~~ auditors or persons or entities related to them in ~~accordance~~conformity with the ~~Ley 19/1988 (Audit Act 1988)~~provisions of auditing legislation.

- Issuing ~~annually~~an annual report, prior to the issue of the audit report, ~~a report~~ ~~giving~~containing an opinion on the independence of the auditors ~~or audit firms~~. The. This report ~~must at~~shall in all ~~events make reference to~~cases include a valuation of the ~~provision of~~additional services ~~provided~~, as referred to in the ~~above sub~~previous section, considered separately and in their totality, which consists of services other than statutory audits and how they relate to the requirement of independence or to the regulatory legislation on auditing.
- To keep the Board of Directors informed, in advance, on all items provided for in the law, the Articles of Association and the Rules and Regulations on the Board of Directors, in particular, on:
 1. The financial information 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 transactions with related parties.

The meetings of this Committee shall be called by its Chairman 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

<p>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.</p>	<p>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.</p>
<p>ARTICLE 45.- APPOINTMENTS, REMUNERATION AND CSR COMMITTEE.</p> <p>The Board of Directors shall appoint from among its members an Appointments, Remuneration and CSR Committee that shall be comprised of a minimum of three and a maximum of six Directors. A majority of Committee members must be Independent Directors and no Executive Directors may be included among its number. The Committee Chairman shall be an Independent Director selected from among Committee members by the Board of Directors, and shall not have a casting vote.</p> <p>The Committee shall possess functions and competences in the following areas:</p>	<p>ARTICLE 45.- APPOINTMENTS, REMUNERATION AND CSR COMMITTEE.</p> <p>The Board of Directors shall appoint from among its members an Appointments, Remuneration and CSRCorporate Social Responsibility Committee that shall be comprised of a minimum of three and a maximum of six Directors. A majority of Committee members must be Independent Directors and no Executive Directors may be included among its number. The Chairman of the Committee Chairman shall be an Independent Director selected from among the Independent Directors on the Committee members by the Board of Directors, and shall not have the casting vote.</p> <p>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:</p> <ul style="list-style-type: none"> a) To evaluates the competences, knowledge and experience needed on the Board of Directors. To these ends, it shall define the functions and capabilities required of the candidates to fill each vacancy, and evaluate the time and dedication needed for them to properly perform their duties. b) To establish an objective concerning the representation of the less-represented sex on the Board of Directors and prepare guidelines on how this objective can be attained. c) To formulate proposals for the Board of Directors for appointing Independent Directors in order for them to be designated by the method of co-option or to be subject to the decisions of the General Meeting of Shareholders, along with proposals for the re-election or

a) To propose remuneration criteria for the Directors of the Company and of Group companies, in accordance with the stipulations of the Articles of Association and in line with resolutions passed at the General Meeting, and to ensure that remuneration is transparent.

~~e)~~b) To propose a general remuneration policy for Enagás, S.A. management personnel and guidelines relating to the nomination, selection, promotion and dismissal of senior managers of the Company and Group, in order to ensure that the Company has the appropriate highly qualified staff for administering its business at all times.

~~d)~~c) To revise the structure of the Board of Directors of Enagás and the companies included in its Group, as well as the criteria for the re-appointment of

removal of those Directors by the General Meeting of Shareholders.

d) To report on the proposed appointments of the remaining Directors for them to designated by co-option or subject to the decision of the General Meeting of Shareholders, as well as on proposals for their re-election or removal by the General Meeting of Shareholders.

e) Report on proposed appointments and removals in senior management and the basic terms of their contracts.

f) To examine and organize the succession of the Company's Chairman 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 contractual terms of Executive Directors, also to ensure that said policy is observed.

~~b) To propose remuneration criteria for the Directors of the Company and of Group companies, in accordance with the stipulations of the Articles of Association and in line with resolutions passed at the General Meeting, and to ensure that remuneration is transparent.~~

~~e) To propose a general remuneration policy for Enagás, S.A. management personnel and guidelines relating to the nomination, selection, promotion and dismissal of senior managers of the Company and Group, in order to ensure that the Company has the appropriate highly qualified staff for administering its business at all times.~~

~~f) To revise the structure of the Board of Directors of Enagás and the companies included in its Group, as well~~

Directors pursuant to the Company's Articles of Association, the incorporation of new members and any other aspects relating to its composition that it deems appropriate.

~~g)~~d) To report to the Board on transactions that entail or could entail a conflict of interest.

~~h)~~e) Report to the Board on the general CSR and Corporate Governance policy, ensuring the adoption and effective application of best practices, both those which are compulsory and 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 Chairman. 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."

ARTICLE 46. - CHAIRMAN OF THE BOARD OF DIRECTORS.

Corresponding to the Chairman:

a) To individually represent the Company, both in and out of court.

~~e)~~b) To convene and preside over the meetings of the Board of Directors and the Executive Committee.

~~as the criteria for the re-appointment of Directors pursuant to the Company's Articles of Association, the incorporation of new members and any other aspects relating to its composition that it deems appropriate.~~

~~h) To report to the Board on transactions that entail or could entail a conflict of interest.~~

~~g)~~h) Report to the Board on the general CSR and Corporate Governance policy, ensuring the adoption and effective application of best practices, both those which are compulsory and 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 Chairman. 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."

ARTICLE 46. - CHAIRMAN OF THE BOARD OF DIRECTORS.

~~Corresponding to the Chairman:~~The Chairman is the most senior decision-maker in charge of the effective functioning of the Board of Directors. In addition to those conferred on him by the law, the Articles of Association, or the Rules and Regulations of the Board of Directors, the Chairman shall also have the following powers:

~~b) To individually represent the Company, both in and out of court.~~

~~e)~~a) To convene and preside over the meetings of the Board of Directors and, if applicable, of the Executive Committee, setting the Agenda of the meeting and directing the discussions and deliberations.

b) Chairing General Shareholders' Meetings

<p>e)c) To direct the deliberations of the Company's bodies that they preside over.</p> <p>g)d) To ensure strict compliance with the resolutions adopted by those bodies.</p>	<p>f) To direct the deliberations of the Company's bodies that they preside over.</p> <p>h) To ensure strict compliance with the resolutions adopted by those bodies.</p> <p>c) Ensure that the Directors are provided with adequate information in advance for them be able to deliberate on the items on the Agenda.</p> <p>d) Stimulate debate and the active participation of the Directors during sessions, safeguarding their right to freely express their opinions.</p> <p>In addition when the post of Chairman is exercised by an Executive Director, they shall have the following powers:</p> <p>e) To individually represent the Company, both in and out of court</p>
<p>h)e) Act as senior manager of all the services of the Company.</p> <p>e)g) To sign on behalf of the Company.</p> <p>g)i) Any other powers attributed to them by law or the articles of association.</p>	<p>jj)f) Act as senior manager of all the services of the Company.</p> <p>f)h) To sign on behalf of the Company.</p> <p>h) Any other powers attributed to them by law or the articles of association.</p>