



## **REPORT OF ENAGÁS, S.A.'S BOARD OF DIRECTORS JUSTIFYING THE PROPOSED AMENDMENT TO THE RULES AND REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING INCLUDED IN ITEM 7 ON THE AGENDA**

### **1. INTRODUCTION AND PURPOSE OF THE REPORT**

The purpose of the Rules and Regulations of the General Shareholders' Meeting of Enagás, S.A. (hereinafter "the **Company**" or "**Enagás**"), in accordance with Article 512 of Royal Legislative Decree 1/2010, of July 2, enacting the Consolidated Text of the Spanish Corporate Enterprises Act (hereinafter the "**Corporate Enterprises Act**" or "**LSC**") is to establish the regime governing the organisation and functioning of the General Shareholders' Meeting. It therefore contains, inter alia, rules regarding the convening, preparation, information, attendance and proceedings of the General Shareholders' Meeting and the exercise of political rights.

At its meeting on May 25, 2020, the Board of Directors of Enagás agreed to call an Ordinary General Shareholders' Meeting to be held on June 29, 2020 on first call, and on June 30, 2020 on second call, and to submit the amendment to the following articles of the Rules and Regulations of the General Shareholders' Meeting for approval by the General Shareholders' Meeting, under item 7 on the Agenda: Article 9 ("Attendance Rights") and Article 11 ("Voting Rights").

This proposal to the General Shareholders' Meeting requires the Board of Directors to draw up the following justifying report (the "**Report**") and to draft the full text of the proposed amendment.

In this regard, and 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 version of the articles proposed to be amended, with the proposed amendments marked.

### **2. JUSTIFICATION AND PROPOSED AMENDMENTS**

#### **AMENDMENT TO ARTICLE 9 ("ATTENDANCE RIGHTS") AND ARTICLE 11 ("VOTING RIGHTS") TO PROVIDE FOR ATTENDANCE AT THE MEETING BY TELEMATIC MEANS**

As explained in the Report on the amendment to the Articles of Association and, in particular, on the amendment to Article 27, following the circumstances of the COVID-19 pandemic, the value of holding Shareholders' Meetings with the possibility of remote attendance has become particularly clear.

Accordingly, and beyond the legal authorisation that has been expressly permitted during the pandemic, the Board of Directors has proposed to provide in the Articles of Association and, in accordance with and in development, in the Rules and

Regulations of the General Shareholders' Meeting, the possibility of holding the General Meetings with shareholders simultaneously attending and casting votes remotely both by telematic means, when the Board deems it necessary or convenient.

It is therefore proposed to amend Articles 9 and 11 of the Rules and Regulation to include the proposed references to telematic attendance.

### **3. FULL TEXT OF THE PROPOSED AMENDMENT**

If the amendment is approved by the General Shareholders' Meeting, the proposal will entail the amendment to the following articles of the Rules and Regulations of the General Shareholders' Meeting, which shall hereinafter have the following literal wording:

#### ***“9.- ATTENDANCE RIGHTS***

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

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

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

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

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

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

#### ***“11.- VOTING RIGHTS***

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

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

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

- a) release the shareholder from an obligation or grant the shareholder a right;*
- b) provide them with any type of financial assistance, including the provision of guarantees in their favour; or*
- c) exempt such shareholder from his/her obligations deriving from the duty to loyalty in conformity with Article 230 of the Corporate Enterprises Act.*

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

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

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

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

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

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

*The right to attend and vote using telematic or electronic means, votes cast at the Shareholder Information Office or any other means of remote communication permitted in future must conform to any such statutory requirements as may be laid down and to the formalities and procedures directed by these Regulations.*

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

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

*To exercise their voting rights, a shareholder present at the General Shareholders' Meeting in person must, in addition to producing proof of identity in accordance with Article 9 of these Rules and Regulations, identify themselves as follows:*

*If they are a natural person, they shall present a national identity card or passport.*

*If the shareholder is a body corporate, the natural-person representative attending and voting on its behalf shall present their national identity card or passport and a document proving their power of attorney.*

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

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

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

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

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

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

*If Shareholders decide to cast their vote in person or by proxy at the Shareholders Information Office, they shall submit an attendance and voting card clearly stating*

*the Shareholder's identity, the number of shares held and the likely vote on each item on the Agenda, bearing their written signature. They shall also submit their national identity card or passport, if the Shareholder is a natural person, and if applicable, a document legally accrediting the proxy.*

**11.4.-** *A shareholder casting their vote remotely shall be considered present for the purposes of constitution of any General Shareholders' Meeting.*

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

*a) It is later expressly revoked by the same means used for originally casting the vote, within the time limit established for this.*

*b) The shareholder casting the vote is present in person at the meeting.*

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

And for all appropriate legal reasons, the Company's Board of Directors prepares this report at its meeting held on May 25, 2020.

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

## **APPENDIX**

The text comparing the articles of the current Rules and Regulations of the General Shareholders' Meeting with the new wording is attached as an Appendix to this report.

## **Appendix**

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

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

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

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

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

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

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

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

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

- a) release the shareholder from an obligation or grant the shareholder a right;
- b) provide them with any type of financial assistance, including the provision of guarantees in their favour; or

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

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

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

The right to attend and vote using telematic or electronic means, votes cast at the Shareholder Information Office or any other means of remote communication permitted in future must conform to any such statutory requirements as may be laid down and to the formalities and procedures directed by these Regulations.

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

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