REPORT OF THE APPOINTMENTS, REMUNERATION AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE, FOR THE PURPOSES OF ARTICLE 529 NOVODECIES OF THE CORPORATE ENTERPRISES ACT AND ARTICLE 36 OF THE CORPORATE BYLAWS, THE "DIRECTORS' REMUNERATION POLICY FOR FINANCIAL YEARS 2019, 2020, 2021" SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING FOR APPROVAL AS POINT 7 OF THE AGENDA

Article 529 novodecies of the Corporate Enterprises Act stipulates that the policy for directors' remuneration shall be as per the remuneration system provided for in the company' Articles of Association, and shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the agenda. The proposal for the remuneration policy of the Board of Directors shall state the reasons on which it is based and shall be accompanied by a specific report from the Appointments and Remuneration Committee.

The Board of Directors included the following proposal as item 7 of the Agenda of the 2019 Meeting:

For the purposes set out in article 529 novodecies of the Consolidated Text of the Corporate Enterprises Act, and in article 36 of the Articles of Association, the Board of Directors has agreed to submit the proposal for the "Director Remuneration Policy for 2019, 2020 and 2021" to the approval of the General Meeting. This policy is described in the document made available to shareholders for that purpose and which includes those elements that the aforementioned precepts require.

The Appointments, Remunerations and Corporate Social Responsibility Committee (hereinafter "**CNR**") held specific meetings to deal with this policy on 11 January 2019, 21 January 2019, 23 January 2019, 31 January 2019, 5 February 2019, 11 February 2019, 14 February 2019 and 22 February 2019. For purposes of the aforementioned article 529 novodecies of the Corporate Enterprises Act, at its meeting on 22 February 2019, the Appointments, Remuneration and Corporate Social Responsibility Committee approved this report which the Board has made available to shareholders, together with the proposed "Director remuneration policy for 2019, 2020 and 2021".

COMMITTEE'S REPORT

The Board of Directors (hereinafter, the "**Board**") of Enagás, S.A. (hereinafter, "Enagás" or the "**Company**") plans, at the same time as approving this report, to submit for approval by the General Shareholders' Meeting (hereinafter, the "**Meeting**"), for the purposes envisaged in article 529 novodecies of the Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010 of 2 July (hereinafter, the "**Corporate Enterprises Act**"), and article 36 of the Articles of Association (hereinafter, the "**Articles of Association**"), the proposed "Director remuneration policy for 2019, 2020 and 2021" (hereinafter, the "**Policy**").

Article 529 novodecies of the Corporate Enterprises Act stipulates that the policy for directors' remuneration shall be as per the remuneration system provided for in the company' Articles of Association, and shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the agenda. The proposal for the remuneration policy of the Board of Directors shall state the reasons on which it is based and shall be accompanied by a specific report from the Appointments and Remuneration Committee. Both documents have been made available to shareholders on the company's website since the call to the general meeting. Any modification or replacement thereof during said period shall require the prior approval of the General Shareholders' Meeting in accordance with the procedure established for its approval. Any remuneration paid to directors for holding or being removed from their positions and for performing executive functions must be consistent with the director remuneration policy in effect at any given time, except for any remuneration expressly approved by the General Shareholders' Meeting.

The General Shareholders' Meeting held on 18 March 2016 approved the Director Remuneration Policy for the 2016-2018 period, as item 7 of its Agenda, with a percentage of votes in favour of 82.53 %. The Policy included a Long Term Incentive for the same period that, voted on separately as item 8 of the Agenda, was approved with 87.30% of votes in favour.

On completion of the effective period of that Policy and of the Long Term Incentive (hereinafter the "**ILP**") included therein, the Board submits the Director remuneration policy for 2019, 2020 and 2021 to the Meeting for its binding approval, which includes a long-term remuneration incentive for that period.

The Policy has been proposed to the Board by the Appointments, Remuneration and Corporate Social Responsibility Committee, which dedicated specific meetings to this Policy on 10 January, 21 January, 23 January, 31 January, and 5 February, 11 February, 14 February and 22 February 2019. The Committee approved the proposal at the meeting on 22 February 2019, pursuant to article 529 quindecies of the Corporate Enterprises Act and article 45 of the Articles of Association.

The Committee has hired independent external advisory firm Willis Towers Watson, which analysed the current remuneration positioning of the company's directors and managers and submitted several options on how to update this positioning. The Committee also hired Garrigues, which provided advice about the legal factors of this policy. The Committee drafted the specific report referred to in article 529 novodecies of the Corporate Enterprises Act and was made available to shareholders in the way envisaged therein.

For the proposal, the CNR took into consideration the regulatory framework, the good governance recommendations and the voting criteria for institutional shareholders and proxy advisors which have established the criteria for the content of the Policy. International institutional investors, which in the case of Enagás represent a very high percentage of its shareholders, and their proxy advisors, usually vote in favour of remuneration proposals at General Meetings if the issuer's remuneration policy meets certain requirements, including the following:

☐ Absolute transparency with regard to the remuneration received and to be received in the future, both in terms of the amount and the procedures for determining it. Submission of this remuneration policy to the shareholders for their approval.

☐ Remuneration structure that includes fixed and variable components. Within the remuneration elements, there must necessarily be multi-year or long-term remuneration incentives, as well as annual incentives.

☐ These long-term compensation incentives must refer to multi-year objectives for a period of at least three years and be satisfied in Company shares, and the executive must agree to maintain them for a period of at least two years before they can be sold. The aim is to align the interests of the Company's managers with those of its shareholders and to establish mechanisms for retaining those managers which the Company is interested in.

☐ These long-term incentives should include cancellation clauses whereby the Directors undertake to refund the amount received, were it subsequently proven that the targets initially considered to have been achieved have not actually been met (these are known as clawback clauses).

Likewise, the CNR took special account of recommendations 56 to 64 on the remuneration of Directors that contains the Code of Good Governance of listed companies, published by the National Securities Market Commission ("CNMV") in February 2015.

The Policy for the period 2019-2021 is intended to maintain things as they stand and therefore maintains the fundamental premises on which the previous Policy approved for the 2016-2018 period was based.

The first premise of this Policy is the commitment made by the Board to shareholders at the Ordinary General Shareholders' Meeting held in 2015 to introduce a Long-Term Incentive in the remuneration structure of Executive Directors, which will also be applicable to the Company's management team, and which complies with recommendations 56 to 64 of the CNMV's Good Governance Code and with the most generally accepted criteria regarding these types of remuneration.

The second premise considered in this Policy is the obligation of the CNR and the Board to maintain a remuneration policy that is suitable, in structure and amount, for achieving the objectives of the Company's Strategic Plan, promoting the creation of value for shareholders, compensating capacity and effort proportionally and retaining the talent that the Company needs. All in accordance with general market conditions with respect to the Company's peers and its performance at all times.

To this end, a new analysis has been carried out on the adequacy of the Directors' remuneration compared with the average for the Company's peers. The suitable benchmark companies selected were other Ibex35 Spanish energy companies (Acciona, Endesa, Iberdrola, Naturgy, REE, Repsol and Siemens Gamesa). For these purposes, the latest known public data, for financial year 2018, were used. The Directors' remuneration has been analysed considering their positions as Directors, the remuneration of the Executive Directors and that of the members of the Management Committee and other Company executives. The CNR had advice from the Company Management and hired independent external advisory firm Willis Towers Watson, which analysed the current remuneration positioning of the Company's directors and managers and submitted several options on how to update this positioning. The Committee also hired Garrigues, which provided advice about the legal factors of this policy.

The Committee has taken into special consideration the provisions of article 217 of the Corporate Enterprises Act, insofar as remuneration of directors must in all cases be reasonably proportionate to the importance of the company, its economic situation at all times, and the market standards of comparable companies. The remuneration system established should be focused on promoting the long-term profitability and sustainability of the company and incorporate the necessary precautions to avoid the excessive assumption of risks and the reward of unfavourable results.

In particular, the Committee has also taken into account the previous Remuneration Policy and Long-Term Incentive, which were widely accepted by shareholders at the General Shareholders' Meeting on 18 March 2016, and now proposes to this Board a continuation of the Policy of Remunerations and Long-term Incentive with respect to those of 2016.

Technical improvements have been introduced that, to a large extent, seek to capture the concerns of international institutional investors and their proxy advisors with whom the Company maintains a policy of continuous engagement, given the broad percentage that this represents on the company's shareholding body.

From a quantitative point of view, the proposed Policy is very prudent.

Based on these premises, the CNR proposed a Policy with the following essential elements:

LONG-TERM INCENTIVE AS PART OF THE EXECUTIVE DIRECTORS' REMUNERATION POLICY FOR THE 2019-2021 PERIOD.

The 2016-2018 Policy included a Long-Term Incentive as part of the Executive Director Compensation Policy (also applicable to members of the Management Committee and the rest of the Company's management team). That Policy stated that the Long-Term Incentive should be maintained as part of the Company's remuneration structure and in successive compensation policies submitted to the Board for approval.

The CNR considers that the continuity of this Policy, indicated in the previous section, makes it necessary to implement a new Long Term Incentive for the period 2019-2021.

The structure and content of long-term incentive 2019-2021 also provide continuity with the previous long-term incentive, although a series of improvements aligned with the recommendations of corporate governance and proxy advisors have been included:

• Increase in the use of shares as a form of payment.

• Establishment of a deferral period of one year in the delivery of 50% of the incentive.

• Requirement for all beneficiaries to hold shares until the end of the fifth year, so that the total duration of the plan is 5 years.

• Increase in the relative importance of the Total Return metric for the Shareholder, so that in the future the potential effects of large investment projects, such as the recent GSP, will be more clearly captured.

The **general conditions** of Long Term Incentive 2019-2021 are as follows:

Objectives.

- To boost the sustainable achievement of the objectives contemplated in the company's Strategic Plan.
- To provide the opportunity of sharing the creation of values by the participants.
- To enhance the sense of pertaining to the company and a common destiny.
- To be competitive.

- Be aligned with the requirements of the institutional investors and proxy advisers and with the best good corporate governance practices, particularly those based on the recommendations of the Code of Good Governance approved by the CNMV.

Eligibility.

- Executive Directors (Chairman and Chief Executive Officer).

- The nine members of the Management Committee.

- The remaining executive directors.

- In all, 48 beneficiaries (hereinafter, the "Beneficiaries"), notwithstanding new members and ceasing members as per the terms set forth in the Plan Regulations (hereinafter, the "Regulations"). The Board of Directors, upon a proposal from the CNR, may agree to the inclusion of new beneficiaries.

Type of Plan:

- A Plan for 2019-2021 with a three year objectives measurement period.

- The Plan envisages delivering shares and cash linked to the Strategic Plan's objectives.

- A minimum reference has been established for settlement in the form of shares for each segment (100% for Executive Directors, 80% for the Management Committee and 60% for Directors).

Duration.

A period of 3 years for permanence and to measure objectives.

Period of settlement and retention of shares.

At the end of the target measurement period, the 1st Payment Date, consisting of the immediate payment of 50% of the shares, will take place within 30 days following the approval of the 2021 Annual Accounts Statements by the General Shareholders' Meeting. This 50% would apply to the assets part of the Incentive as well as the cash part of the Incentive.

The 2nd Payment Date (50% deferred) will occur on the first anniversary of the 1st Payment Date.

This 1-year deferral will apply to the entire incentive (both the shares and the cash).

Additionally, the Beneficiaries will have the right to receive, in the form of shares, any dividends that they would have received between the First and second Payment Dates (hereinafter "**Deferral period**") should all the shares be received at the First Payment Date.

Beneficiaries shall be obliged to maintain the shares received, net of tax, at the time of settlement of the Plan (mid 2022) for two (2) years those received on the 1st Payment Date and one (1) year those received on the 2nd Payment Date. We will call this period retention period.

The beneficiaries will have the right to receive, in the form of shares, the dividends generated during the deferment period as they are owners of the shares until the settlement date.

Conditions to receive the Incentive.

The Incentive will be received according to the degree of fulfilment of four different objectives aligned with the Enagás Strategic Plan and with the expectations expressed by the institutional investors and proxy advisers:

- Objective 1. The relative total shareholder return (hereinafter, "TSR").

To ensure appropriate, competitive shareholder remuneration. It takes into account share performance and the dividend policy.

The Objective will have two components: The Absolute RTA and the Relative RTA with a relative importance of 15% each, giving a more relevant weight to the effect of significant projects (e.g.: GSP).

The TSR is measured relatively in comparison with a group of fifteen companies (REE, SNAM, TERNA, NATIONAL GRID, REN, IBERDROLA, GAS NATURAL FENOSA, ENEL, RWE, E.ON, ENGIE, CÉNTRICA, UNITED UTILITIES, SEVERN TRENT, PENNON GROUP).

The absolute TSR is measured as the acquisition of a target share price in 2021. The target price has been established by investing estimated share dividends and is based on profitability and market parameters.

- Objective 2. Funds for Operations (hereinafter, "**FFO**"). This shows the financial soundness and net profit growth, which are the cornerstones of the Strategic Plan. This takes into account both the EBITDA of the regulated business and the dividends received from the subsidiaries that are not controlled by Enagás. It is a benchmark indicator for investors. By meeting this objective, the company's projections for the Group's dividend pay-out, investment and debt redemption are met. It accounts for 25% of the total objectives.

- Objective 3. Accumulated cash flow received from affiliates (hereinafter, the "**Dividend**"). This shows the focus on international growth and a realistic and profitable investment plan as the cornerstones of the Strategic Plan. It measures the profitability of the international business compared with the annual remuneration objective which measures the year's international investment volume. It accounts for 35% of the total objectives.

- Objective 4. (hereinafter "**Sustainability Plan**"). It reflects the company's commitment to creating long-term value responsibly in the social and environmental context. The objective will consist of 3 indicators:

a) Average reduction of CO_2 emissions in the period 2019-2021 vs. 2018.

b) Increase in the percentage of women on the Board, in management team and in the staff.

c) Investment associated with the increased presence of renewable gases in the energy mix.

It accounts for 10% of the total objectives.

Given that the Hydrocarbons Sector Act 34/1998, of 7 October, attributes to Enagás the transmission activities and Technical Management of the Gas System, which must be carried out independently through its subsidiaries Enagás Transporte S.A.U. and Enagás GTS, S.A.U., in accordance with the principles of independence from other Company activities, for the Beneficiaries of the Plan who occupy related positions in the Technical Management of the System and Infrastructure, it is proposed to use three targets (60% FFO, 30% relative TSR and 10% Sustainability Plan) given that they do not have the capacity to influence the dividend targets in the international activity.

The Board of Directors, at the behest of the Appointments and Remuneration Committee, reserves the right to modify the parameters established in the event of certain exceptional circumstances, to make them more adequate for new business circumstances, in which case they will ensure that the impact on the Plan is neutral.

Reception of the Incentive depends on the Beneficiary remaining with the Enagás Group until the date of Plan settlement, except under the special circumstances explained in the Plan regulations.

Achievement scales.

An achievement scale is established for each goal with:

- A minimum achievement level, below which no remuneration is paid.

- A 100% achievement level, for which 100% of the initial target remuneration is paid.

- A maximum total incentive which cannot be higher than 125% of the initial target

- Intermediate levels are calculated using linear interpolation.

- In the case of the Absolute TSR, failure to comply with the objective cannot be offset with the over compliance of the remaining indicators above 100%, so the maximum total incentive would change from 125% to 85% on the performance shares and target cash incentive assigned to the Beneficiaries. This restriction is due to the greater importance to be granted to this indicator in the overall assessment of objectives, as reflected in the improvements that were previously presented for this Long-Term Incentive (importance of significant projects, such as: GSP).

Incentive level

The incentive is expressed as a percentage of the fixed remuneration or a number of times the fixed remuneration amount in a way that allows segmentation by management level. The annualized Incentive in the 100% attainment level scenario would be as follows:

- Executive directors, 50% of fixed annual remuneration in 2019.

- Management Committee, 45% of fixed annual remuneration in 2019.

- Directors, 30% of fixed annual remuneration in 2019.

Clawback clauses.

If certain circumstances occur which show, at a later date, that targets have not in fact been met, then the Board may, if suggested by the Committee, claim back part or all of the Incentive paid. These clauses will apply to all Beneficiaries and will have an application period of two years starting from each of the payment dates.

The Incentive delivered may have to be refunded in the following cases:

☐ If the Company's financial statements have to be restated for a reason other than the modification of the applicable accounting standards.

☐ If the Beneficiary is sanctioned due to serious breach of the code of conduct and other applicable internal regulations.

☐ When the Incentive has been totally or partially settled and paid based on information which is subsequently clearly proven to be false or seriously inaccurate.

☐ Other circumstances not foreseen or assumed by the Company that have a material negative effect on the income statements of any of the years of the "clawback" period.

Malus clauses.

Malus clauses are included to allow for partial or total cancellation of deferred amounts pending payment. The deferral period shall be one (1) year on 50% of the unpaid Incentive. They shall be applied for the same reasons referred to in the previous section for the clawback clauses.

Accounting cost.

The maximum consumption of capital has been estimated for a scenario in which all Plan targets are met. The arithmetic average price rounded off to the second decimal place of the closing prices of the Enagás share of the session of 31 December 2018 and of the 20 sessions prior to and 20 sessions after that date has been used. The maximum number of shares to be delivered through the Plan to all the Beneficiaries is estimated to be 501,946.

The Plan's maximum annualised capital consumption is 0.07%. The maximum annualised consumption of the Ibex35 is 0.23%. The maximum consumption recommended by investors and their proxy advisors is 0.5%.

Authorisation to deliver shares.

Irrespectively of the description of the Long-Term Incentive above, the Board submits to the General Shareholders' Meeting -as item 8 of the Agenda- in accordance with article 219 of the Corporate Enterprises Act, an express agreement for the approval of the Long-Term Incentive inasmuch as it includes the delivery of shares. This agreement includes the maximum number of shares that may be allocated in each year by this remuneration system, the value of the shares that may be taken as a reference, the term of the Plan and other characteristics of the Plan.

Plan Regulation.

A Plan Regulation approved by the Board, at the behest of the Appointments and Remuneration Committee, will regulate the details of the implementation and execution of the Long Term Incentive.

Plan management and administration.

The Board of Directors of Enagás, at the behest of the Appointments and Remuneration Committee, shall, in each case, take the appropriate decisions to correctly manage and administer the Plan.

B) REMUNERATION OF DIRECTORS FOR THEIR POSITION AS SUCH FROM 2019 TO 2021.

This is the remuneration received for acting as members of the Board of Directors, and whose maximum annual amount must be included in this Policy and approved by the General Meeting, in accordance with article 529 sept of the Corporate

Enterprises Act, article 36 of the Articles of Association and article 16 of the Board Regulations.

Analysis of current positioning.

As described above, a new analysis has been conducted on the remuneration position of Directors in their capacity as such with respect to a group of benchmark companies which considered other Spanish Ibex35 energy companies (Acciona, Endesa, Iberdrola, Naturgy, REE, Repsol and Siemens Gamesa).

This analysis was conducted using criteria similar to those used in the definition of the previous policy (2016-2018):

- The comparison benchmark used was 90% of the market median.
- This benchmark (90% of the market median in 2018) will be the maximum limit that the remuneration of the directors could reach after the three years of the policy (2019-2021).
- The positioning of the Directors with respect to this benchmark is the criterion that was considered to establish their proposed remuneration for the years 2019-2021.

In the case of Directors in their capacity as such, the analysis led to the following conclusions:

- The total remuneration of the Enagás Board for this item, which includes both the remuneration for attending the Board and the remuneration for sitting on the Committees, is aligned with the objective positioning below the benchmark (90% of the median by 2018) of the energy market under consideration.
- The second conclusion of the analysis is that the market remains stable compared to 2014 both in terms of amounts and structure (components).

Remuneration proposal for 2019, 2020 and 2021.

a) The 2016-2018 remuneration policy put forward a transition plan that entailed a gradual increase in remuneration in each of the years 2016-2018 with the aim of aligning the remuneration positioning of Enagás Directors as such to 90% of the 2014 median of the companies taken as reference.

b) Since 2014 until the present day, the market has therefore remained stable and the remuneration of Enagás' directors as such remains in line with the objective positioning (90% of the median for 2018) of the energy market under consideration. For this reason, the proposal is to maintain the amounts received by Directors in 2018, with regard to the different elements of compensation, for 2019, 2020 and 2021, so that there will be no increase in remuneration for directors in respect of such matters during the three years of this Policy.

The Policy proposed by the CNR contains a draft "Individual remuneration of Directors" and sets the "Maximum amount of the annual remuneration to be paid to all Directors in their capacity as such" in accordance with the objectives and transition plan mentioned. The ARC approved the proposal at the latter meeting, pursuant to article 529 quindecies of the Corporate Enterprises Act and article 36 of the Articles of Association. All of the above under the terms exhaustively detailed in the draft Policy.

C) REMUNERATION OF EXECUTIVE DIRECTORS FOR THEIR POSITION AS SUCH FROM 2019 TO 2021.

This is the remuneration to be received by the two Executive Directors (Executive Chairman and Chief Executive Officer) for discharging their executive duties and due to their contracts approved by the Board of Directors in accordance with the requirements established in article 249.3 of the Corporate Enterprises Act.

Analysis of current positioning.

As described above, a new analysis has been conducted on the remuneration position of Executive Directors with respect to a group of companies which considered other Spanish Ibex35 energy companies (Acciona, Endesa, Iberdrola, Naturgy, REE, Repsol and Siemens Gamesa).

This analysis was conducted using criteria similar to those used in the definition of the previous policy (2016-2018):

• The comparison benchmark used was 90% of the market median.

• This benchmark (90% of the market median in 2018) will be the maximum limit that the remuneration of the directors could reach after the three years of the policy (2019-2021).

• The positioning of the Directors with respect to this benchmark is one of the criteria was considered to establish their proposed remuneration for the years 2019-2021. Other criteria that considered in establishing the proposed remuneration are the evolution of the contribution of the position and the person, consistency with the evolution of the rest of the management team, the results of the group.

The analysis showed that, in the case of Executive Directors, the positioning with respect to the maximum benchmark (90% of the market median in 2018) enables the evaluation of increases in the years 2019-2021 as described in the following section.

Remuneration proposal for 2019, 2020 and 2021.

Under the premise of maintaining continuity with the 2016-2018 policy, a remuneration proposal for 2019-2021 was prepared with the following bases:

• Maintain the level of contribution to existing social security plans.

• Keep the Long Term Incentive described in section A) above;

• Maintain, during the three years of the period, the remuneration for the Executive Directors for their membership of the Board set for 2018 and described in section B) above;

• Enable the possibility of applying increases in fixed remuneration in the terms set out in the Policy.

In accordance with article 529 octodecies.1 of the Spanish Corporate Enterprises Act, the following are detailed: the annual fixed remuneration amount for the Executive Chairperson and the Chief Executive Officer and the changes in the 2019-2021 period; the different parameters for fixing variable components and the main terms and conditions of their contracts, paying particular attention to their duration, compensation for early severance or termination of the contractual relationship and exclusivity, post-contractual non-competence, permanence and loyalty pacts.

(D) ANNUAL CEILING ON BOARD REMUNERATION.

The maximum total amount that the Company may pay its directors in each of the three years covered by this Policy shall be the sum of the following items:

A) Maximum amount of the remuneration to be paid to all the Directors in their capacity as such for 2019, 2020 and 2021.

B) The amount to be paid to the executive directors under the different remuneration items included in the Policy.

C) The amount of the compensation referred to in headings 2.C.1 and 2.C.2 of this Policy in the event of termination with a right to compensation of any of the executive directors, as well as the amounts that could be paid to the Chief Executive Officer corresponding to compensation for post-contractual non-competition agreements during the term of this Policy.

E) COMPANY POLICY FOR REMUNERATION OF MEMBERS OF THE MANAGEMENT COMMITTEE AND REST OF THE MANAGEMENT TEAM.

This Policy, which is submitted for the approval of the Meeting for the purposes of article 529 novodecies of the Corporate Enterprises Act, does not cover the remuneration policy that the Company will follow for members of the Management Committee and the rest of the Management team. This is without prejudice to the fact that changes in the remuneration of the members of the Management Committee must be submitted to the Board for approval in accordance with the provisions of article 249 bis of the Capital Enterprises Act.

However, to the extent that the entire remuneration policy of the Company should be considered as a whole, in this section the Board informs the Meeting of the policy that, as with the proposal for the Executive Directors, will apply to the members of the Steering Committee (nine currently) and the Managers (thirty-seven currently).

The CNR, with the collaboration of the independent consultant Willis Towers Watson, extended the analysis of the remuneration positioning to the members of the Management Committee and the rest of the Management team.

Analysis of current positioning.

As described above, a new analysis was conducted on the remuneration positioning of the management team with respect to a group of companies proposed by the independent advisor in which Spanish Ibex35 energy companies were considered.

This analysis was conducted using criteria similar to those used in the definition of the previous policy (2016-2018):

• The comparison benchmark used was 90% of the 2018 market median.

• This benchmark (90% of the market median in 2018) will be the limit that the remuneration of the management team could reach after the three years of the policy (2019-2021).

• The positioning of the management team with respect to this benchmark is one of the criteria was considered to establish their proposed remuneration for the years 2019-2021. Other criteria that considered in establishing the proposed remuneration are the evolution of the contribution of the position and the person, consistency with the evolution of the rest of the management team, the results of the group.

Remuneration proposal for 2019, 2020 and 2021.

Apply annual increments that enable fulfilment of the target positioning (90% of market median of 2018) at the end of the financial year 2021.

Reduce the individual annual increase to a maximum of 20%, with respect to 30% of the 2016-2018 policy.

The annual increases applied must have the approval of the Board at the proposal of the Appointments, Remuneration and CSR Committee and must be justified based on the following criteria:

- The evolution of the contribution of the position and the person
- Consistency with the evolution of the rest of the management team
- The results of the group
- Market benchmarks

In addition, during the 2019-2021 period, the company undertakes to carry out a detailed analysis of salary fairness from a gender perspective or any other fairness issue included in the Enagás diversity commitment deemed appropriate, with proposals, where appropriate, of action plans deemed necessary.

Change in the economic conditions of the members of the Steering Committee must be approved by the CNR and the Board in accordance with article 249 bis of the Capital Enterprises Act. These changes will be made in accordance with the general policy set forth by the CNR for this purpose.

Changes in the economic conditions of the rest of the management team will be implemented in accordance with the general policy set by the Company.

And for the appropriate legal effects, it is hereby stated that the Board of Directors formulates this proposal for a "Directors' remuneration policy for 2019, 2020 and 2021" at its meeting held on 22 February 2019.

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