



REPORT FROM THE AUDIT AND COMPLIANCE COMMITTEE ON RELATED PARTY TRANSACTIONS.

1. INTRODUCTION AND BACKGROUND

By virtue of the provisions of Recommendation 6 of the Unified Good Governance Code of listed companies, approved in a resolution by the Board of the National Securities Market Commission (CNMV) on February 18, 2015, the Audit and Compliance Committee of Enagás, S.A. has drafted this report on the related-party transactions made by its group and subsidiaries in 2019, and which will be published on Enagás' website sufficiently in advance of the 2020 Ordinary General Shareholders' Meeting.

The information included in this report is also made available to the shareholders in the notes to the financial statements and the annual corporate governance report, documents which form part of Enagás group's 2019 consolidated annual accounts.

To draft this report, the prevailing securities market regulations were taken into account, specifically Legislative Royal Decree 4/2015 of October 23, which approves the consolidated text of the Securities Market Act, Order EHA/3050/2004 of September 15, on reporting of related party transactions that must be undertaken by companies issuing securities listed for trading in official secondary markets, and CNMV Circular 3/2018 of June 28, on regular information from issuers with securities admitted to trading on regulated markets, regarding interim management reports, intermediate management reports and, if applicable, quarterly financial reports.

Moreover, the provisions of Article 14 bis regarding related party transactions established in the Regulations of the Organisation and Functioning of the Board of Directors of Enagás, S.A. were taken into account:

1.- It will be the responsibility of the Board of Directors to identify and approve, pursuant to a report from the Audit and Compliance Committee, transactions carried out by the Company or the companies in its Group with Directors under the terms set forth in Articles 229 and 230, or with shareholders who, individually or in conjunction with others, hold a significant stake, including shareholders represented on the Company's Board of Directors or the boards of other companies belonging to the same group or with persons associated with them. The Directors affected or who represent or are related to affected shareholders must refrain from participating in the deliberation and voting of the agreement in question.

The aforementioned transactions shall be assessed from the point of view of equal treatment and on an arm's length basis, and shall be disclosed in the annual corporate governance report and in the company's regular public reporting as provided in applicable laws and regulations.

2.- The approval provided in the previous section shall not be required, however, for transactions that simultaneously comply with the following three conditions:

(a) they are governed by standard form contracts applied on an across-the-board basis to a large number of customers;

(b) *they go through at market prices, generally set by the person supplying the goods or services; and*

(c) *their amount does not exceed 1% of the Company's annual revenues.*

3.- *The conditions provided in the paragraph above are met, the affected parties shall not be under a duty to report said transactions.*

4.- *In the event of duly documented, urgent reasons, related party transactions may be authorised, as applicable, by delegated bodies and persons, who must be ratified at the first meeting of the Board of Directors held after the decision is adopted.*

2. CRITERIA FOR DETERMINING WHICH RELATED PARTY TRANSACTIONS ARE TO BE REPORTED INDIVIDUALLY

Based on the regulations stated in the preceding section, the company has applied the following criteria to determine which related party transactions must be reported individually. The criteria are as follows:

- It is not necessary to disclose transactions between companies or entities belonging to the same consolidated group, provided that these are eliminated in the process of drawing up the consolidated financial statements and that their subject matter and terms form part of the company's ordinary course of business.

- It is not necessary to disclose transactions which, though part of the company's ordinary course of business, are carried out on an arm's length basis and are of a small amount, which are understood to be those that are not required to be reported in order to provide a true and fair view of the company's equity, financial position and earnings. Accordingly, given the scale of Enagás, S.A.'s financial statements, any transactions whose cumulative volume is less than 1% of the consolidated revenues, although the company may still on occasion decide to disclose transactions that fall below this threshold.

- For clarification, note that: (i) it is necessary to disclose any related party transactions that are not made on an arm's length basis, regardless of the amount, and (ii) it is advisable to disclose any related party transactions with directors or with companies where they have a significant influence, regardless of the amount.

3. INFORMATION ABOUT ENAGÁS, S.A.'S PEOPLE AND RELATED PARTY TRANSACTIONS

- Transactions between Enagás, S.A. and companies over which it has control:

- Company name of the Group company:

ESTACIÓN DE COMPRESIÓN SOTO LA MARINA SAPI DE CV

Amount (in thousands of euros): 2,559

Brief description of the transaction: Financial income from the loan.

- Company name of the Group company:

ESTACIÓN DE COMPRESIÓN SOTO LA MARINA SAPI DE CV

Amount (in thousands of euros): 8,013

Brief description of the transaction: Guarantees and sureties extended.

- Company name of the Group company:

GASODUCTO DE MORELOS SAPI DE CV

Amount (in thousands of euros): 1,376

Brief description of the transaction: Financial income from the loan.

- Company name of the Group company:

GASODUCTO DE MORELOS SAPI DE CV

Amount (in thousands of euros): 8,909

Brief description of the transaction: Guarantees and sureties extended.

- Transactions between Enagás S.A. and companies over which it exercises significant influence:

- Company name of the Group company:

PLANTA DE REGASIFICACIÓN DE SAGUNTO, S.A. (SAGGAS)

Amount (in thousands of euros): 271

Brief description of the transaction: Financial income from the loan.

- Company name of the Group company:

TRANS ADRIATIC PIPELINE AG

Amount (in thousands of euros): 19

Brief description of the transaction: Financial income from the loan.

- Company name of the Group company:

TRANS ADRIATIC PIPELINES AG

Amount (in thousands of euros): 20,924

Brief description of the transaction: Investment commitments acquired.

- Company name of the Group company:

TRANS ADRIATIC PIPELINES AG

Amount (in thousands of euros): 522,952

Brief description of the transaction: Guarantees and sureties extended.

- Company name of the Group company:

GAS TO MOVE TRANSPORT SOLUTIONS, S.L.

Amount (in thousands of euros): 17

Brief description of the transaction: Financial income from the loan.

- Company name of the Group company:

TALLGRASS ENERGY LP

Amount (in thousands of euros): 745,050

Brief description of the transaction: Investment commitments acquired.

- Transactions between Enagás, S.A. and companies having significant control over it:

o Transactions with Sociedad Española de Participaciones Industriales (S.E.P.I.).- Enagás, S.A. paid out a dividend of 18,597 thousands of euros to S.E.P.I in 2019.

o Transactions with Bank of America Corporation.- Enagás, S.A. paid out a dividend of 13,442 thousands of euros to Bank of America Corporation in 2019.

o Transactions with Norges Bank.- Enagás, S.A. paid out a dividend of 10,741 thousands of euros to Norges Bank in 2019.

o Transactions with Blackrock Inc.- Enagás, S.A. paid out a dividend of 12,587 thousands of euros to Blackrock Inc in 2019.

o Transactions with State Street Corporation.- Enagás, S.A. paid out a dividend of 11,187 thousands of euros to State Street Corporation in 2019.

- Transactions between Enagás, S.A. and companies in which the directors and managers have significant influence:

Group Company	Related party	Category	Amount (€ thousand)
Enagás S.A.	Banco Santander, S.A.	Finance cost	6,938
Enagás Internacional S.L.U.	Banco Santander, S.A.	Finance cost	4,732
Total finance cost, other related parties			11,670
Enagás Internacional, S.L.U.	Banco Santander, S.A.	Financial income	11
Total finance income, other related parties			11
Enagás S.A.	Banco Santander, S.A.	Agent Services	15
Enagás S.A.	Banco Santander, S.A.	Vehicle leasing	62
Enagás S.A.	Club Español de la Energía	Services received	51
Enagás S.A.	C.E.O.E.	Services received	36
Enagás S.A.	Fundación Aspen Institute España	Services received	2
Enagás S.A.	Sociedad Estatal de Participaciones Industriales	Services received	17
Enagás S.A.	Fundación Colección Thyssen-Bornemisza	Services received	6
Enagás G.T.S., S.A.	Club Español de la Energía	Services received	3

Enagás Transporte S.A.U.	Banco Santander, S.A.	Vehicle leasing	114
Enagás Transporte S.A.U.	Club Español de la Energía	Services received	1
Total services received, other related parties			304
Enagás S.A.	Banco Santander, S.A.	Guarantees	23,333
Guarantees and sureties received, other related parties			23,333

TOTAL TRANSACTIONS WITH OTHER RELATED PARTIES	35,318
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4. CONCLUSION

Based on the information included in this report, Enagás' Audit and Compliance Committee confirms that the company has complied with the securities market regulations regarding related party transactions and verifies they form part of the company's ordinary course of business and were made on an arm's length basis and approved by the company's Board of Directors.

And for all appropriate legal reasons, it is hereby stated that the Audit and Compliance Committee approved this report at its meeting held on February 17, 2020.

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