



**REPORT PREPARED BY THE SUSTAINABILITY AND APPOINTMENTS COMMITTEE OF ENAGÁS, S.A. PURSUANT TO ARTICLES 529 DECIES AND 529 QUINDECIES OF THE CONSOLIDATED TEXT OF THE SPANISH CORPORATE ENTERPRISES ACT JUSTIFYING THE PROPOSED RE-ELECTION OF DIRECTORS INCLUDED IN ITEM 6 ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED FOR MARCH 20 AND 21, 2024, AT FIRST AND SECOND CALL RESPECTIVELY.**

**1. Introduction.**

Pursuant to Article 518 e) of the Consolidated Text of the Corporate Enterprises Act, when issuing a call notice to the General Shareholders' Meeting and when appointing, ratifying or re-electing Directors, companies shall include the identity, CV and position of each Director, in addition to the proposed resolution and reports mentioned in Article 529 decies.

Pursuant to Article 529 decies of the Consolidated Text of the Corporate Enterprises Act, the Appointments and Remuneration Committee shall be responsible for proposing all appointments and re-elections of members of the Board of Directors in the case of Independent Directors, while the Board itself shall be responsible for proposing all other appointments and re-elections. The proposal shall always be accompanied by a report from the Board justifying the competencies, experience and merits of the proposed candidate. This report shall be attached to the minutes of the General Shareholders' Meeting or of the Board. All proposed appointments or re-elections of non-Independent Directors shall also be subject to a report from the Appointments and Remuneration Committee.

Pursuant to Article 529 quincecies, the Appointments and Remuneration Committee shall, inter alia, 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 Shareholders' Meeting, along with proposals for the re-election or removal of those Directors by the General Shareholders' Meeting. The Committee shall also report on the proposed appointments, re-elections or removal of the remaining Directors.

The Board of Directors intends to convene a General Shareholders' Meeting for March 20, 2024 at first call and for March 21, 2024 at second call. Item 6 on the Agenda will include the following proposed resolutions:

6. Re-election of members of the Board of Directors. The following proposals shall be put to vote separately:

6.1 To re-elect SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI) as Director for the four-year period. SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI) has the role of Proprietary Director.

*In the event of any discrepancy between the Spanish version and this translation into English, the Spanish version shall prevail.*

- 6.2 To re-elect Mr Jose Blanco López as Director for the four-year period. Mr Jose Blanco López has the role of Independent Director.
- 6.3 To re-elect Mr José Montilla Aguilera as Director for the four-year period. Mr José Montilla Aguilera has the role of Independent Director.
- 6.4 To re-elect Mr Cristobal Gallego Castillo as Director for the four-year period. Mr Cristobal Gallego Castillo has the role of Independent Director.
- 6.5 To establish the number of members of the Board of Directors at fifteen.

At the meeting held on February 14, 2024, the Sustainability and Appointments Committee of Enagás, S.A., (i) has formulated its proposal for the re-election of three Independent Directors: Mr Jose Blanco López; Mr José Montilla Aguilera and Mr Cristobal Gallego Castillo; and (ii) has approved the re-election of the Proprietary Director SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI), represented by Mr Bartolomé Lora Toro. Following these re-elections the number of Directors remains at fifteen.

The Board shall make available to all shareholders the report referred to in Article 529 decies.

**2. "Re-election of Sociedad Estatal de Participaciones Industriales (SEPI) as Director for the four-year period. Sociedad Estatal de Participaciones Industriales (SEPI) has the role of Proprietary Director"**

Sociedad Estatal de Participaciones Industriales (SEPI) has been a Proprietary Director of Enagás, S.A. since April 25, 2008. It is currently represented by its Vice-Chairman, Mr Bartolomé Lora Toro as a natural person.

The General Meeting of Shareholders held on June 30, 2020 resolved to appoint him as a Director for the statutory period of four years. The re-election received 81.78% of votes in favour.

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

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

*This criterion can be relaxed:*

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

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

Sociedad Estatal de Participaciones Industriales (SEPI) is a public entity governed by Law 5/1996 of January 10, and implementing regulations, with a 5% stake in the share capital of Enagás, S.A., but the voting rights of which are not subject to the limitations determined by additional provision thirty-one of Hydrocarbons Law

34/1998 of October 7. There are currently very few significant shareholdings in the Company's capital. One of these corresponds to the Sociedad Estatal de Participaciones Industriales (SEPI). In Enagás' case, this justifies relaxing the proportionality criterion set forth in recommendation 16, as outlined above, as the situation described in its section a) is applicable to the Company.

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

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

Mr Lora personally attended all the meetings of the Board of Directors held during 2023. He also personally attended all the meetings of the Audit and Compliance Committee.

#### **Personal data.**

Mr Bartolomé Lora Toro, representative natural person of Sociedad Estatal de Participaciones Industriales on the Board of Directors, is the Vice-Chairman of SEPI.

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

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

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

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

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

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

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

### **3. Proposal for the re-election of three Independent Directors**

#### **3.1 To re-elect Mr José Blanco López as Director for the four-year period. Mr José Blanco López has the role of Independent Director**

The General Shareholders' Meeting held on June 30, 2020 resolved to appoint Mr Blanco as an Independent Director of the Company for the statutory period of four years with 85.65% of votes in favour.

### **Personal data.**

Mr José Blanco López, 62, was a Senator (1989-1996) and a Member of the Spanish Parliament (1996-2015).

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

Spokesperson for the Spanish Government (2011).

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

As head of the European Parliament for the renewable energy directive, he has participated as a speaker in more than 100 conferences, forums and congresses in recent years. Among the most recent: "Energy Transition, between all of us. Self-consumption as a key to change"; "Participation in the GASNAM Congress as a conference speaker: European Renewable Energy Directive" and the "Transition to a new energy model in Europe". He has been a speaker in the European capital at various conferences: the Solar Power Summit, the III Energy Summit, the European Sustainable Energy Week, the Annual High-Level Experts Conference and the European Commission's Clean Energy Financing, at the presentation of the REMAP study by the International Renewable Energy Agency, the Global Sustainability Conference, the IV Energy Summit and at the conferences organised in Sofia by the Bulgarian Presidency of the European Union. In Spain, he has participated as a speaker at the 3rd Spanish Wind Energy Congress, the National Renewable Energy Congress, the 4th Solar Forum, the 1st Canary Islands Wind Energy Congress, the Conference on renewable energies organised by the Murcia Association of Engineers, the Spanish Energy Club, the OCU Self-Consumption Conference, the UNEF Conference on Power Purchase Agreements and the Renewable Energy Directive. He led the convening of two round tables on biofuels and on bioenergy organised by the S&D Group at Parliament's HQ in Brussels and has sponsored the organisation of several round tables at the Parliament with various EU associations from the sectors concerned, including EREF, Euroelectric, Ecofys and RE100.

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

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

Since his appointment as Director in 2020, Mr Blanco has personally attended all the meetings of the Board of Directors and the Committees of which he has been a member.

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

The Sustainability and Appointments Committee has particularly valued in the re-election of Mr José Blanco López his extensive professional career and, in particular, his experience in energy regulation, both at national and European level, and his contribution in these areas on the Board and in the Sustainability and Appointments Committee.

His skills are ideal for completing the current skills matrix of the Enagás Board of Directors.

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

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

### **3.2 To re-elect Mr José Montilla Aguilera as Director for the four-year period. Mr José Montilla Aguilera has the role of Independent Director**

The General Shareholders' Meeting held on June 30, 2020 resolved to appoint Mr Montilla as an Independent Director of the Company for the statutory period of four years with 85.51% of votes in favour.

#### **Personal data.**

José Montilla Aguilera, 69, was Mayor of Cornellá de Llobregat (1985-2004). He held various posts in the Barcelona Provincial Council, of which he was Chairman (2003-2004).

Member of Parliament (2004-2006).

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

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

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

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

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

Since his appointment as Director in 2020, Mr Montilla has personally attended all the meetings of the Board of Directors and the Audit and Compliance Committee.

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

The Sustainability and Appointments Committee has particularly valued in the re-election of Mr José Montilla Aguilera his excellent work as Chairman of the Audit and Compliance Committee and his professional experience in accounting, regulatory and financial matters.

His skills are ideal for completing the current skills matrix of the Enagás Board of Directors.

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

### **3.3 To re-elect Mr Cristóbal José Gallego Castillo as Director for the four-year period. Mr Cristóbal José Gallego Castillo has the role of Independent Director**

The General Shareholders' Meeting held on June 30, 2020 resolved to appoint Mr Gallego as an Independent Director of the Company for the statutory period of four years with 85.74% of votes in favour.

#### **Personal data.**

Cristóbal José Gallego Castillo, 42, holds a degree in Aeronautical Engineering from the Polytechnic University of Madrid. International Doctorate, with the qualification cum laude, by the same University.

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

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

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

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

It is worth highlighting his participation as a member of the "National Commission of Experts on Energy Transition" created by the Council of Ministers by means of an Agreement of July 7, 2017, with the task of preparing a report analysing the possible proposals that could contribute to the definition of the Spanish strategy for Energy Transition.

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

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

Mr Gallego personally attended all the meetings of the Board of Directors and of the Sustainability and Appointments Committee held during 2023.

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

The Sustainability and Appointments Committee has particularly valued in the re-election of Mr Cristóbal Gallego his knowledge and technical expertise in matters related to renewable energies and energy transition as well as his excellent contribution in these areas in the Board and in the Sustainability and Appointments Committee.

His skills are ideal for completing the current skills matrix of the Enagás Board of Directors.

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

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

#### **4. Board structure following the appointment proposed to the General Shareholders' Meeting.**

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

Following the proposed appointments, the Board maintains the number of members at fifteen. The percentage of Independent Directors is 73.33% (11 out of 15), while the percentage of female Directors remains at 40% (6 out of 15).

With this, the Board of Directors complies with all the recommendations currently established by the CNMV's Good Governance Code for Listed Companies in terms of size and composition.

##### **Separation of the offices.**

Since 2012, the Company has separated the positions of Chairman of the Board of Directors and Chief Executive Officer, and since 2010 has had an Independent Leading Director, the post held by Ms Ana Palacio Vallelersundi, providing an additional guarantee for the proper functioning of the Board.

Mr Antonio Llardén Carratalá has the role of Non-Executive Chairman. Having served as Executive Chairman until March 31, 2022, the Meeting held on March 31, 2022 resolved to re-elect him as an "other external" Director.

As Chief Executive Officer, Mr Arturo Gonzalo Aizpiri is the only executive member of the Board of Directors.

The internal structure guarantees that all the functions promoting the control that must be exercised by the Board of Directors in relation to the executive and business functions that fall to the Chief Executive Officer maintain the necessary independence, and are functionally assigned to the Board of Directors through the Audit and Compliance Committee.

### Assessment of the Board's performance.

The Board is subject to an annual evaluation process by an independent expert. The assessment for the 2023 financial year has been carried out with the collaboration of the firm Georgeson.

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

### Skills matrix.

Enagás has a Board's skills matrix, which it updates annually and which is included in the Non-Financial Information Statement included in the Enagás Group's Consolidated Directors' Report. This matrix is published on the corporate website prior to the convening of the General Meeting and is reproduced below.

	Audit and Compliance Committee						Sustainability and Appointments Committee						Remuneration Committee		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Senior management	x	x	x	x		x	x	x		x	x	x	x		x
Industry experience	x	x	x		x	x	x		x	x	x	x	x	x	
International experience	x	x	x	x	x	x	x		x	x	x	x	x	x	
Audit and finance	x	x	x	x	x	x	x	x			x	x	x	x	x
Risk management	x	x	x	x		x	x					x	x		
Strategy	x	x	x	x	x	x	x	x		x	x	x	x		x
Institutional experience and public service	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Legal, regulatory and corporate governance	x	x	x		x	x	x	x		x	x	x	x		x
Technology		x	x	x		x		x	x	x		x	x		
Innovation		x	x	x		x				x	x	x	x		
Cybersecurity and the digital transformation		x	x		x	x		x		x			x		
People, culture, talent and human rights management	x	x	x	x	x	x	x	x		x	x	x	x	x	x
Sustainability, climate change and environment	x	x	x		x	x	x	x	x	x	x	x	x	x	x

The re-election of the Directors aims to maintain the skills of the Board.

### Implication of the Directors.

Twelve meetings of the Board of Directors were held during 2023. All the Directors attended all of them. The individual breakdown is as follows:

- Mr Antonio Llardén Carratalá (Chairman) attended all the Board meetings.
- Mr Arturo Gonzalo Aizpiri (Chief Executive Officer) attended all the Board meetings.



- Ms Ana Palacio Vallelersundi attended all the meetings of the Board and of the Sustainability and Appointments Committee.
- Ms Eva Patricia Úrbez Sanz attended all the meetings of the Board of Directors and the Audit and Compliance Committee.
- Sociedad Estatal de Participaciones Industriales (SEPI), represented by Mr Bartolomé Lora Toro, attended all the meetings of the Board and of the Audit and Compliance Committee.
- Mr Santiago Ferrer Costa attended all the meetings of the Board of Directors and of the Sustainability and Appointments Committee.
- Mr José Blanco López attended all the meetings of the Board of Directors and of the Sustainability and Appointments Committee.
- Mr José Montilla Aguilera attended all the meetings of the Board of Directors and the Audit and Compliance Committee.
- Mr Cristóbal José Gallego Castillo attended all the meetings of the Board and of the Sustainability and Appointments Committee.
- Ms Natalia Fabra Portela attended all the meetings of the Board of Directors and the Audit and Compliance Committee.
- Ms Maria Teresa Arcos Sánchez attended all the meetings of the Board of Directors and of the Remuneration Committee.
- Ms Maria Teresa Costa Campí attended all the meetings of the Board of Directors and of the Sustainability and Appointments Committee.
- Ms Clara Belén García Fernández-Muro attended all the meetings of the Board of Directors and of the Remuneration Committee.
- Mr Manuel Gabriel González Ramos attended all the meetings of the Board of Directors and of the Remuneration Committee.
- Mr David Sandalow attended all the meetings of the Board of Directors and of the Sustainability and Appointments Committee, with the exception of the Committee meetings of April 20, 2023.

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

Accordingly,

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

"6. Re-election of members of the Board of Directors. The following proposals shall be put to vote separately:

- 6.1 To re-elect SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI) as Director for the four-year period. SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI) has the role of Proprietary Director.
- 6.2 To re-elect Mr Jose Blanco López as Director for the four-year period. Mr Jose Blanco López has the role of Independent Director.
- 6.3 To re-elect Mr José Montilla Aguilera as Director for the four-year period. Mr José Montilla Aguilera has the role of Independent Director.
- 6.4 To re-elect Mr Cristobal Gallego Castillo as Director for the four-year period. Mr Cristobal Gallego Castillo has the role of Independent Director.
- 6.5 To establish the number of members of the Board of Directors at fifteen”.

For all appropriate legal reasons, it is hereby stated that the Sustainability and Appointments Committee drafted this report at its meeting on February 14, 2024.

The Secretary to the Board of Directors  
Diego Trillo Ruiz  
**Enagás, S.A**