Enagás' Director Remuneration Policy for 2025, 2026 and 2027

INTRODUCTION

This document contains the Directors' Remuneration Policy of Enagás, S.A. (hereinafter, "Enagás" or the "Company") to be submitted for approval at the 2024 General Shareholders' Meeting as a separate item on the agenda (hereinafter, the "Policy" or the "Remuneration Policy"), to replace the current Directors' Remuneration Policy approved by the General Shareholders' Meeting held on May 27, 2021, and subsequently amended by the General Shareholders' Meeting held on March 31, 2022. This Policy shall come into force on January 1, 2025, and shall remain in force until December 31, 2027, without prejudice to any adaptations or updates that may be made by the Board of Directors in accordance with its provisions, and any amendments that may be approved by the Enagás General Shareholders' Meeting from time to time.

The Policy, together with the date and result of the vote, will be accessible on Enagás' website free of charge as soon as it is approved and for at least as long as it remains in force.

The Policy contains the following sections:

1. NEW DEVELOPMENTS IN THE REMUNERATION POLICY

Summary of the main changes

Following the General Shareholders' Meeting each year, the Remuneration Committee ("RC") conducts a reflection process where it considers the internal and external factors listed below.

As part of its commitment to continually listen to its shareholders, Enagás maintains a constant and transparent dialogue with them to ascertain, among other issues, their opinion on the Remuneration Policy and to assess any modifications that may be necessary. The RC receives timely feedback on shareholder comments and opinions and incorporates them into the process of determining and implementing the Policy.

The reflection process has also considered the results of the votes on the Annual Report on Directors' Remuneration obtained in the last two financial years (81.47% and 81.53% of votes in favour over the votes cast at the General Shareholders' Meetings of the financial years 2022 and 2023, respectively) and those relating to the Directors' Remuneration Policy approved on March 31, 2022 (82.70% of votes in favour over the votes cast at the General Shareholders' Meeting of that financial year).

INTERNAL FACTORS	EXTERNAL FACTORS
• Alignment to strategy, including sustainability priorities. • The business targets set in the short and long term. • The results obtained by the Enagás Group. • The alignment of the Policy with the remuneration conditions of the management team and employees as a whole.	• The recommendations received in the process of engagement with investors, shareholders and proxy advisors that Enagás regularly carries out. Also, the result of the vote on the current Policy and the annual reports on the remuneration of previous directors. • The market practices of companies relevant to Enagás as competitors by business or talent and companies considered high performers. • General corporate governance regulations and recommendations at national and international level.

As a result of the conclusions reached in the reflection process, the RC has proposed to the Board of Directors this Remuneration Policy, which has the following characteristics:

- The new Policy is in line with the one approved at the General Meeting of March 31, 2022.
- In relation to the comparison groups, in the process of engaging with shareholders, their comments and views on the comparison groups considered in previous policies have been heard. In this context, the Board of Directors, at the proposal of the RC, has agreed to consider companies with a higher degree of comparability by size, maintaining those that are similar by type of activity. The criteria for selecting the comparison group are detailed in section 4.1. and periodically updated information will be included in the Annual Report on Directors' Remuneration.
- Regarding the Chief Executive Officer, the proposals are as follows:
    - Simplify the structure of fixed remuneration and to enhance the pay for performance equation. Thus, the remuneration of the Executive Director as a director in his capacity as such is eliminated and this amount (€130,000) is included as part of the target long-term incentive. This means an increase in the weight of the annualised long-term variable remuneration which, for a scenario of maximum compliance, increases from 62.5% to 78.75% of the fixed remuneration. This variable, "at risk" remuneration will be equity-based or equity-settled and primarily linked to long-term shareholder value creation. The RC has examined the simplified fixed remuneration structure and found that it maintains a comparable total remuneration level for the Executive Director in relation to the comparison groups.
    - Revise the share retention requirements so that if the Executive Director has not reached the number of shares subject to the permanent shareholding commitment already established in the 2022-2024 Policy, the retention period for any shares received under any variable remuneration scheme will be three years.
- The text of each section has been reviewed to ensure that the Policy provides a rigorous management framework that is sufficiently flexible to align decisions on the Policy and its implementation with the Company's strategy and the interests of the various stakeholders.
- New sections have been introduced to bring the structure of the Policy more clearly in line with the legally required content.
- The format of the Policy has been adapted to the highest market standards to make it easier for stakeholders to understand.
- The ceiling of remuneration for Directors, in their role as such, is adjusted to accommodate the maximum number of members on the Board and its Committees as stated in the Articles of Association. As a result, the limit is reduced from €3,200,000 (approved by the 2022 General Shareholders' Meeting) to €3,030,000. The elimination of the remuneration to which the Executive Director would be entitled in his capacity as such is also indicated.

2. OUR REMUNERATION PRINCIPLES AND PRACTICES

The main objective of the Remuneration Policy is to attract, retain and motivate the best talent so that the Company can meet its strategic objectives and create value for Enagás' stakeholders, particularly its shareholders, within the increasingly competitive and complex framework in which it operates, establishing the most appropriate measures and practices for this purpose.

The general principles underlying the Remuneration Policy, which in turn are applicable to the rest of the Company's remuneration policies and procedures, are as follows:

SUSTAINABILITY AND ALIGNMENT WITH STAKEHOLDERS

The Policy is aligned with the commitment to sustainable growth, efficiency and long-term value creation for Enagás stakeholders.

INTERNAL EQUITY AND EXTERNAL COMPETITIVENESS

The Executive Director's Remuneration Policy is aligned with that of other employees, sharing the same principles and criteria for action, and incorporating the elements included in the remuneration package for Enagás senior managers. Adequate remuneration is paid for professional worth, skills, experience, responsibility and results achieved.

The Policy is consistent with Enagás' inclusive culture, where there is a commitment to incorporate diversity and inclusion management as a key element to connect talent and grow as a Company.

The structure of the remuneration package for the Executive Director and the Enagás employees is based on the principle to attract and retain the best talent and be competitive within the sector, by rewarding employees for their contribution to the Group's results. Similarly, the compensation for Directors in their role as such should be sufficient to attract and retain the desired profile for the Company.

The Policy is reviewed from time to time so that it is in reasonable proportion to the size of the Company, its economic situation and the market standards of its peers.

PRUDENCE AND APPROPRIATENESS

The remuneration of Directors in their capacity as such should be appropriate to the dedication and responsibility of each Director, without such remuneration compromising their independence of judgement.

TRANSPARENCY

The Board of Directors assumes the commitment to make effective the principle of full transparency of all remuneration received by all Directors, providing transparent, sufficient information, issued with the necessary advance notice and in line with the good governance recommendations of listed companies. The breakdown by item, the allocation criteria and the individual breakdown will be published in the corresponding Annual Report on Directors' Remuneration.

These principles translate into a Remuneration Policy aligned with sound good governance practices:

<table>
<tr><th>OUR BEST PRACTICES</th><th>PRACTICES WE AVOID</th></tr>
<tr><td>Executive Director
Align the payment of a relevant part of the remuneration with audited financial and shareholder return results as well as to non-financial results, including sustainability achievements ("pay for performance").
Set limits in the individual amounts in the variable remuneration.
Deliver a part of the remuneration in shares of Enagás, S.A.
Set a minimum holding requirement of shares equivalent to twice the annual fixed remuneration.
Include ex-post adjustments in variable remuneration (malus and clawback).
Periodically review the alignment of total compensation with that of comparable companies.
Ensure that the RC has external advice in order to know the market remuneration information and to design, review and apply the Policy.</td><td>Executive Director
Guarantee increases in fixed remuneration or payment of variable remuneration.
Grant discretionary remuneration.
Allow hedging, pledging, short selling or derivative contracts on the value of shares received during the holding period.</td></tr>
<tr><td>Non-executive Directors
Align compensation with effective dedication, the responsibilities assumed and the development of their functions as directors.</td><td>Non-executive Directors
Participate in remuneration formulas or systems aligned with the Company's results or individual performance.
Participate in long-term savings schemes or other social benefits.</td></tr>
</table>

3. REMUNERATION POLICY

3.1. EXECUTIVE DIRECTOR

As of the date of submission of this Policy to the General Shareholders' Meeting, only the Chief Executive Officer of the Company performs executive functions.

I. Remuneration items

The remuneration items for the performance of executive functions are: (i) fixed elements, (ii) annual variable remuneration and (iii) long-term variable remuneration*:

FIXED ITEMS

Reward the individual value of the position and their performance in the organisation.

- **Fixed remuneration (FR): €1,000,000**
- **Employee benefit plan (retirement): 20% of the FR + premium for the achievement of the guaranteed return**
- **Other benefits: up to 20% of the FR**

VARIABLE ANNUAL REMUNERATION

Encourage compliance with annual targets, in line with the Enagás Group's strategy, which includes the Sustainability Strategy.

- **Minimum: no incentive payable**
- **Maximum: 60% of the fixed remuneration**

LONG-TERM VARIABLE REMUNERATION

- Encourage the sustainable achievement of long-term targets, aligned with the strategy, and share value creation with the Executive Director.
- A multi-year period for measuring objectives of at least three years.
- Priority in equity instruments.
- Obligation, where applicable, to hold the instruments delivered.

- **Minimum: no incentive payable**
- **Maximum: 78.75% of the fixed remuneration**

* There are no additional remuneration concepts to those indicated.

Remuneration mix and total potential remuneration scenarios

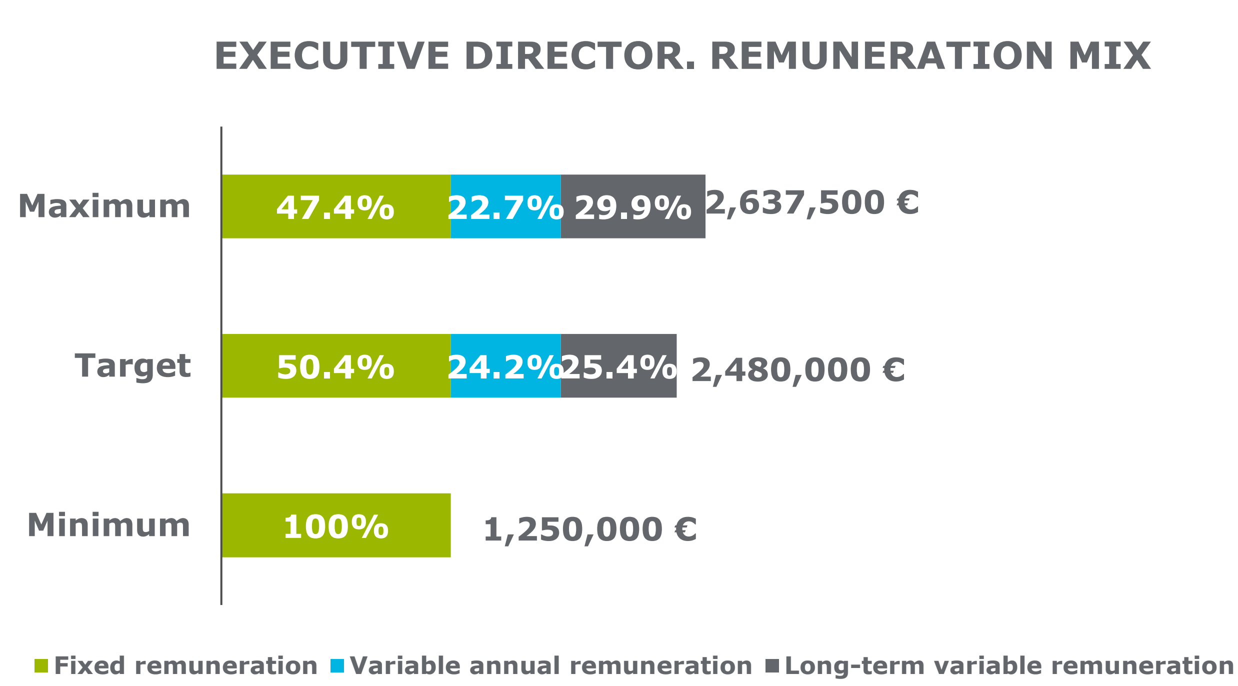
The Remuneration Policy strikes a reasonable balance between the various fixed and variable remuneration items, reflecting appropriate risk-taking combined with the achievement of defined short and long-term targets.

Fixed items[1]	All scenarios	• Fixed remuneration (FR): € 1,000,000 • Total premium to the employee benefit plan: 25% of the FR
Variable annual remuneration	Minimum	No incentive would be paid
	Target	60% FR
	Maximum	60% FR
Long-term incentives[2]	Minimum	No incentive would be paid
	Target	63% FR
	Maximum	78.75% FR

[1] In addition, the Executive Director may benefit from other remuneration in kind limited to 20% of his FR. The contribution to the employee benefit plan may vary due to the application at any given time of the price increases and, where applicable, of the valuation rules that apply.

[2] The amounts reflect the value of the incentive considering the share price at the grant date.

The graph shows the potential level of remuneration and the remuneration mix (weight of the different items) under different scenarios for the Executive Director in 2025:



3. REMUNERATION POLICY

3.1. EXECUTIVE DIRECTOR

II. Fixed items for the performance of executive functions

Fixed remuneration	
Amount	**Operation**
Up to €1,000,000 per year.	This amount of fixed annual remuneration would be maintained for the duration of this Remuneration Policy, with no changes foreseen. However, the Board of Directors may, at the proposal of and following a reasoned report from the RC, agree specific variations in the fixed remuneration of the Executive Director during the period of validity of this Policy. Increases to be agreed shall be justified on the basis of 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. These potential variations associated with each year in which the Policy is in force may not exceed 10% of the fixed remuneration for the Chief Executive Officer. These increases in remuneration shall be duly broken down in the Annual Report on Directors' Remuneration, which is submitted annually to an advisory vote by the General Meeting. The fixed gross annual remuneration is paid monthly in cash.

Employee benefit plan	
Amount	**Operation**
Contribution for retirement, permanent disability and death: up to 20% of the fixed remuneration. Premium to achieve the guaranteed return: depending on the insurance market conditions	The Executive Director is the beneficiary of a social security plan with the same characteristics and rights as those granted to the Directors of Enagás under what is called the Directors' Insurance Plan adapted to the conditions of the Executive Director. It is a defined contribution scheme for retirement and permanent disability contingencies and a defined benefit plan for death benefits in service. The accrual or consolidation of rights is not linked to any type of achievement of targets or performance assessment. This system is implemented through an insurance policy taken out with an external insurance company. This entity will annually establish the necessary premiums (according to the contribution to be made to the Plan, which is set at 20% of the Fixed Gross Remuneration), in order to achieve the profitability of the Plan. This return is set at 125% of the annual change in the Consumer Price Index up to December 31 of the year prior to reaching the age of 65. The benefit consists of the economic right that corresponds to the beneficiary as a result of the occurrence of any of the following contingencies: • Retirement: 100% of the accumulated capital • Death before retirement: 102% of the accumulated capital • Permanent disability: 100% of the accumulated capital In the event of termination of the relationship, the economic rights shall be vested in favour of the Chief Executive Officer, except when the termination occurs as a result of wilful or grossly negligent conduct on his part in the performance of his duties, resulting in damage or loss to the Company. The receipt of any indemnity shall be compatible with the recognition of the financial entitlement to the benefit scheme. The amounts to which the Executive Director may be entitled may reduce the amount, if any, to which the Executive Director is entitled as a post-contractual non-competition commitment (section 3.1.VII of this Policy). Possible variations in the amount of the annual contribution will result from the application at any given time of the price increases and, where applicable, of the applicable valuation rules.

Other benefits	
Amount	**Operation**
Up to 20% of the fixed remuneration per year.	These benefits for the Executive Director include an annual fixed remuneration in kind for the usual items in these types of benefits and similar ones to those for the Company's management team: car, life insurance, medical insurance, etc. For the period of validity of the Policy, no variations are expected in the items that make up the remuneration in kind and the possible differences in their amount, within the maximum margin established, will arise from the application at any given time of the price increases and, where applicable, of the valuation rules that are applicable to them. Where appropriate, such remuneration in kind may be received as a cash supplement in the form of social benefits. The Executive Director forms part of the group insured by the civil liability policy that covers the contractual and non-contractual liabilities that correspond to the activities undertaken in his posts. The Company shall pay the Executive Director the amounts incurred for travel, accommodation, board and other similar expenses as a result of carrying out his functions, in accordance with the expense and travel policy prevailing at the company at any given time. The Executive Director may participate in Enagás, S.A. share plans aimed at Enagás Group employees. In any case, its participation shall be conditional upon the relevant approval by the General Shareholders' Meeting.

3. REMUNERATION POLICY

3.1. EXECUTIVE DIRECTOR

III. Variable items for the performance of executive functions

Variable annual remuneration		
Maximum amount	**Metrics**	**Operation**
60% of the fixed remuneration.	Linked to the achievement of a combination of specific, predetermined and quantifiable targets, aligned with social interest and in line with Enagás' strategy. Some examples of targets that could be included, for which appropriate metrics would be selected, are listed below: • Financial, operational business and value creation targets, with the aim of aligning the remuneration of the Executive Director with the underlying financial results of Enagás: for example, net profit, regulated income, compliance with the annual budget of affiliates, obtaining public funding for specific projects, carrying out planned investments, execution of the Strategic Plan, digital transformation, etc. • Non-financial targets, primarily ESG targets, in line with Enagás' strategy: for example, reduction of emissions, compliance with quantifiable objectives associated with equity, diversity and inclusion, effectiveness of communication actions, etc. These non-financial targets shall have a minimum weight of 10%, in aggregate.	The Board, at the proposal of the RC and with the support of the Executive Committee, approves the metrics, weights, objectives and, where appropriate, the comparison group at the beginning of each year, to ensure continuous alignment with the Company's strategy. In the process of determining these elements, the RC reviews potential overlaps with the indicators to which the long-term variable remuneration is linked, in order to avoid duplication. As a general rule, for the purpose of calculating the payout ratio achieved for each level of target achievement, a scale of achievement will be determined for each of the metrics including a minimum threshold below which no incentive is paid. In case of 100% compliance with the pre-established targets, the maximum total incentive will be capped at 100%. In order to calculate the amount of the annual variable remuneration, the RC shall first consider the degree of compliance and the weighting of each of the objectives individually and, subsequently, the degree of overall achievement of the objectives as a whole. For this purpose, the internal performance evaluation rules and procedures established by the Company for its senior managers shall apply. In this evaluation work, the RC is supported by the Executive Committee, the Audit and Compliance Committee and the Sustainability and Appointments Committee, which provide information on the results. In particular, the Audit and Compliance Committee will analyse the financial results, which will be subsequently audited by both the Company's external auditor and its internal auditor. For both the setting of objectives and the assessment of their achievement, the RC also considers any associated risks. Any economic impacts, whether positive or negative, resulting from exceptional events that could influence the assessment outcomes, are excluded. Moreover, the proposal for annual variable remuneration takes into account the quality of long-term performance. The annual variable remuneration shall not be paid until the RC, the Audit and Compliance Committee and the Sustainability and Appointments Committee have taken the actions described above. The annual variable remuneration may be paid in cash and/or include the delivery of equity instruments or rights linked to their value (in which case a resolution of the General Shareholders' Meeting would be required) and/or be implemented through a long-term savings vehicle, provided that the targets set for this purpose are met. Payment shall be made in one instalment. However, the Board of Directors, at the proposal of the RC, may agree that it be made in more payments over a maximum period of 3 years from the date of completion of the measurement of targets. The amount of variable remuneration corresponding to the Executive Director, if any, will be subject to the malus and clawback clauses described in section 3.1.V. of the Policy.

3. REMUNERATION POLICY

3.1. EXECUTIVE DIRECTOR

III. Variable items for the performance of executive functions

Long-term variable remuneration		
Maximum amount	**Metrics**	**Operation**
78.75% of the fixed remuneration.	Linked to the generation of value for stakeholders. The targets are approved by the Board of Directors at the beginning of each long-term variable remuneration plan, at the proposal of the RC, which is supported by the Executive Committee. Some examples of metrics that could be included in long-term variable compensation are listed below: • Shareholder value creation, financial and operational targets: e.g. total shareholder return, funds from operations, dividends from affiliates and other businesses, etc. • Non-financial targets, primarily ESG targets, in line with Enagás' strategy: for example, investment in renewable gases, implementation of initiatives associated with digital transformation, etc. These non-financial targets shall have a minimum weight of 10%, in aggregate. Some of the metrics may be measured against a comparison group of competitor companies.	The Executive Director may, like the members of the Management Committee and the rest of the Company's management team, be the beneficiary of a long-term variable remuneration scheme, on the terms approved by the General Shareholders' Meeting of the Company. The period for measuring objectives will be at least three years. The Board, at the proposal of the RC and with the support of the Executive Committee, approves the metrics, weights, objectives and, where appropriate, the comparison group at the beginning of each Plan, to ensure continuous alignment with the Company's strategy. In the process of determining these elements, the RC will review potential overlaps with the indicators to which the annual variable remuneration is linked, in order to avoid duplication. The RC will monitor the objectives on an annual basis, and once the Plan has been finalised, it will determine the degree of achievement. To calculate the amount of long-term variable remuneration, the RC will first consider the degree of achievement and weighting of each of the objectives individually and then the overall degree of achievement of the objectives as a whole. For this purpose, the internal performance evaluation rules and procedures established by the Company for its senior managers shall apply. In this evaluation work, the RC is supported by the Executive Committee, the Audit and Compliance Committee and the Sustainability and Appointments Committee, which provide information on the results. In particular, the Audit and Compliance Committee will analyse the financial results, which will be subsequently audited by both the Company's external auditor and its internal auditor. For both the setting of objectives and the assessment of their achievement, the RC also considers any associated risks. Any economic impacts, whether positive or negative, resulting from exceptional events that could influence the assessment outcomes, are excluded. Moreover, the proposal for annual variable remuneration takes into account the quality of long-term performance. Long-term variable remuneration will not be paid until the RC, the Audit and Compliance Committee and the Sustainability and Appointments Committee have taken the actions described above. The Company intends to maintain that a substantial part of the long-term variable remuneration is settled through the delivery of Enagás, S.A. shares. In any event, when each long-term variable remuneration plan is approved, the Board of Directors may be empowered to decide, where appropriate, to agree to pay it in cash and/or to include the delivery of other equity instruments or rights linked to the value of the share (in which case a resolution of the General Shareholders' Meeting would be required) and/or to implement it through a long-term savings vehicle, provided that the objectives established for this purpose are met. The corresponding detail and its justification will be included in the corresponding Annual Report on Directors' Remuneration. Long-term variable remuneration will be settled on one or more dates, with a maximum deferral period of three years from the end of the target measurement period. The Executive Director may be entitled to receive, in the form of shares, the net dividends corresponding to the shares outstanding between the settlement dates. The amount, if any, determined will be subject to the *malus* and clawback clauses described in section 3.1.V. of the Policy. 100% of the shares, if any, delivered under the Plan may be subject to a holding period of at least 12 months, notwithstanding that this period may be three years in compliance with the requirement of permanent holding of shares set out in section 3.1.VI of the Policy. This exception shall not apply to shares that the Executive Director may need to dispose of to cover the costs related to their acquisition or to cope with extraordinary situations that require it, in this latter case depending on the favourable opinion of the RC.

3. REMUNERATION POLICY

3.1. EXECUTIVE DIRECTOR

IV. Provisions of the previous Policy that will continue to apply

The 2022 General Shareholders' Meeting approved, under item ninth on the agenda, the Long-Term Incentive Plan for the period 2022-2024, within the framework of the Directors' Remuneration Policy approved by the Enagás General Shareholders' Meeting held on March 31, 2022. This Long-Term Incentive Plan for the financial years 2022-2024 shall continue to apply for the duration of this Remuneration Policy. Details of this Plan are set out in the Remuneration Policy 2022 and in item ninth of the 2022 General Shareholders' Meeting. The amounts allocated will be broken down in the annual reports on directors' remuneration corresponding to each generation and settlement year.

V. Malus and clawback clauses

In certain circumstances, the Board of Directors, at the proposal of the RC, may cancel ("malus") any variable components of the variable remuneration that are pending payment and/or may reclaim ("clawback") part or all of the variable components of the remuneration paid, when there are certain exceptional circumstances that affect the Company's results, or that derive from inappropriate conduct by the Executive Director.

The clawback clauses shall be applicable for a period of two years from the date of payment of the variable remuneration.

Among other circumstances, the variable remuneration may be cancelled and/or its return demanded 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 Executive Director is sanctioned due to serious breach of the code of conduct and other applicable internal regulations.
- When any component of variable remuneration has been totally or partially settled and paid based on information which subsequently is 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 for any of the years of application of the clawback clauses.
- When the Company's external auditor makes qualifications in the audit report that reduce the results taken into consideration to determine the amount of variable remuneration to be paid.

VI. Minimum permanent shareholding requirement

The Executive Director is required to reach and maintain a certain number of shares in Enagás, S.A. The requirement amounts to 2 years' fixed remuneration.

The deadline for meeting this requirement is five years from approval of the Remuneration Policy. For new appointments, the period shall run from the date of appointment. During this period, the Executive Director must hold the attributed shares derived from remuneration systems, net of applicable taxes, for at least 3 years from their delivery.

In order to achieve this target, the actions of non-vested incentives plan are not considered. The RC shall periodically review compliance with this requirement.

VII. Main contractual conditions

For the purposes of Article 529 octodecies of the Corporate Enterprises Act, the main terms and conditions of the contract with the Chief Executive Officer are stated below. The relationship between Enagás and the Chief Executive Officer is governed by a "Contract for services associated with the position of Chief Executive Officer" approved by the Board of Directors.

The principal terms and conditions of the Executive Director's contract, in addition to those referred to above in the Policy, are summarised below:

Duration	The contract stipulates the period during which the Chief Executive Officer performs his duties as such.
Notice and compensation	The contract includes a minimum notice period of three (3) months in case the contractual relationship is terminated by unilateral decision of the Chief Executive Officer. In the event that he fails to comply with this obligation, he shall pay the Company an amount equivalent to the fixed remuneration corresponding to the period of notice not given. In the event that the Company freely decides to terminate the contract for whatever reason, as long as this is not due to a breach or being guilty of any actions by the Chief Executive Officer or because the Company has failed to comply with its contractual obligations, the Chief Executive Officer will be entitled to an indemnity equivalent to two years' salary of his annual remuneration, understood as that held by the Chief Executive Officer at the time of the termination of employment plus the remuneration in kind and the last annual variable remuneration received.
Post-contractual non-compete undertaking	The contract includes a non-competition arrangement after its termination, which expires two years afterwards. As compensation for this non-competition agreement, the Company shall pay the Chief Executive Officer 80% of the fixed annual remuneration for each of the years contemplated by the agreement. Nevertheless, the amount in his favour from the Directors' Pension Plan will be deducted from the resulting amount.
Exclusivity	The contract establishes an exclusivity arrangement for the Chief Executive Officer, through which he cannot provide services of any nature to third parties or participate in or form part of another company or legal entity without the Board's express authorisation. No economic compensation for the Chief Executive Officer is envisioned for this concept.
Confidentiality	The contract establishes that the Chief Executive Officer will keep secret any information, data, reports or records which he has had access to in the performance of his duties, including if he has been removed from his position, except in cases where the law permits or requires that he acts otherwise.

VIII. Other remuneration items

There are no additional remuneration items to those indicated in the previous sections. The Executive Director shall not receive the remuneration as a member of the Board of Directors, in his capacity as such, as described in section 3.2. of this Remuneration Policy.

3. REMUNERATION POLICY

3.2. DIRECTORS IN THEIR CAPACITY AS SUCH

The remuneration corresponding to the Directors in their capacity as such is structured, within the legal and statutory framework, in accordance with the criteria and items of remuneration indicated below, within the ceiling for this purpose determined by the General Shareholders' Meeting, as referred to in section 3.3. below.

In accordance with article 36 of the Articles of Association, the remuneration of the Directors in their capacity as such, that is, as members of the Board of Directors and for the performance of the supervisory function and collegiate decision of this body, shall consist of (i) a fixed allowance paid annually or for the period of time agreed by the General Meeting, (ii) an allowance for effective attendance at each meeting of the Board of Directors, (iii) an amount for sitting on the Committees of the Board of Directors and another for chairing them and, (iv) in the case of the Independent Leading Director, an additional amount that remunerates this function.

The Executive Director shall not receive the remuneration to which he would be entitled for this item as a member of the Board of Directors.

The individual remuneration of Directors, based on the positions they hold and their attendance at meetings of the Board and its Committees is as follows: (i) an annual fixed amount of €100,000 for belonging to the Board; (ii) allowances of up to €30,000 for attending Board meetings; (iii) an annual fixed amount of €600,000 for holding the position of Chairman of the Board, in addition to the amount for belonging to the Board (remuneration that is justified by the special dedication that the exercise of the functions of the position of Chairman entails, together with the institutional representation of said position); (iv) an annual fixed amount of €25,000 for belonging to one of the Board Committees; (v) allowances of up to €5,000 for attending Committee meetings; (vi) an annual fixed amount of €15,000 for holding the position of Chairman of each Committee; and (vii) an annual fixed amount of €15,000 for holding the position of Independent Leading Director.

The RC shall periodically review that Directors' remuneration is competitive with the market practices of entities comparable to Enagás, adequately rewards the effective dedication, qualifications and responsibility of the Directors and takes into account the size and complexity of Enagás' business. As a result, the amounts could be updated by the Board of Directors, which, following a report from the RC, could decide to apply variations limited to 10%, always within the maximum annual amount approved by the General Shareholders' Meeting, as referred to in section 3.3. below. This would be detailed and explained in the relevant Annual Report on Directors' Remuneration.

In addition, the Company has taken out civil liability insurance for its directors under market conditions.

There is no provision for the granting of loans, advances or guarantees provided by the Company in favour of the members of the Board of Directors. Nor does it establish the participation of non-executive directors in employee benefit systems, or indemnities for their supervisory and collegiate decision-making functions in connection with the termination of their relationship with the Company due to their status as directors, or the granting of additional remuneration other than that included above.

3.3. 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 (2025 to 2027) shall be the sum of the following items:

A. Thus, the maximum amount of annual remuneration to be paid to all the Directors in their capacity as such amounts to 3,030,000 euros. This limit would be maintained during the period of validity of this Remuneration Policy (2025-2027), notwithstanding the fact that it could be revised during its term in the event that the 10% annual variations indicated above are applied.

   In order to determine this limit, the maximum number of directors established in article 35 of the Articles of Association has been considered, which is sixteen (discounting the amount corresponding to the executive director who will not receive the remuneration that would correspond to him for this item as a member of the Board of Directors), as well as the fact that all the directors except for the Chairman and the executive director are members of one of the Committees. The number of ordinary meetings of the Board shall be eleven per year and there will be four meetings of each Committee.

B. The amount to be paid to Executive Director in application of the various remuneration items listed and explained in section 3.1 of the Policy.

C. The amount of the compensation referred to in heading 3.1.VII of this Policy in the event of termination with a right to compensation of any of the Executive Director, as well as the amounts that could be paid corresponding to compensation for post-contractual non-competition agreements during the term of the Policy.

3. REMUNERATION POLICY

3.4. NEW APPOINTMENTS

The remuneration system described above for the Executive Director shall apply to any director who may join the Board of Directors during the term of this Remuneration Policy to perform executive duties.

In determining the financial status of a new executive director, the RC and the Board of Directors will consider the experience and expertise of the new executive director, his or her background and level of remuneration prior to his or her appointment.

Section 3.1. above describes the elements to be considered when designing and establishing the remuneration system for new executive directors. Depending on the level of remuneration prior to joining the Company, the Board of Directors, at the proposal of the RC may establish a different remuneration to achieve the economic regime deemed appropriate, within the limits established in this Policy.

The Enagás Remuneration Policy does not provide for the granting of signing bonuses.

In the event that new non-executive members join the Board of Directors during the term of this Remuneration Policy, the remuneration system described in section 3.2. above shall apply to them.

3.5. TEMPORARY EXCEPTIONS TO THE POLICY

The Board of Directors, at the proposal of the RC, may approve the application of temporary exceptions to the Policy in situations where it is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

In this regard, the Board of Directors shall be required to have a prior report from the RC assessing the circumstances that make it necessary to apply the temporary exceptions and the specific remunerations that should be subject to exception or modification, within those provided for in section 3.1. The Board, after reviewing the RC's previous report, will determine whether the application of the temporary exceptions is appropriate, as well as the components that are affected by them.

In any case, the Company shall include in the Annual Report on Directors' Remuneration information on the exceptional situation that has led the Board to approve the application of the temporary exception, as well as the remuneration affected.

4. CONSIDERATIONS WHEN DETERMINING THE REMUNERATION POLICY

4.1. DETERMINATION PROCESS

The RC, whose functions are established in Articles 45 bis of the Articles of Association, 25 bis of the Rules and Regulations of the Board of Directors and 8 of the Regulations of the Remuneration Committee, plays a major role in defining the Remuneration Policy and its application, and the main decisions must be approved by the Board of Directors.

The functions performed by the various bodies of the Company involved in the determination, approval and implementation of the Policy and its terms and conditions, as well as a reference to the involvement of external advisors in this matter, are set out below:

	Determination, review and design of remuneration items	Application of the remuneration items
General Shareholders' Meeting	• Approves the Remuneration Policy at least every three years as a separate agenda item. • Directors in their capacity as such: approves the maximum amount of annual remuneration for all Directors. • Executive Director: approves variable remuneration systems that include the delivery of shares or stock options, or remuneration linked to the value of the shares. • Advisory vote on the annual report on directors' remuneration, which details the remuneration accrued during the year.	• Advisory vote on the annual report on directors' remuneration, which details the remuneration accrued during the year.
Board of Directors	• Directors in their capacity as such: approves the distribution among different items of the maximum amount approved by the General Shareholders' Meeting. • Executive Director: – Approves the fixed remuneration and the main conditions for annual and long-term variable remuneration. – Approves the contracts regulating the performance of the duties and responsibilities of the Executive Director. • Approves adaptations or updates to the Remuneration Policy. • Approves the annual report on directors' remuneration to be submitted to the Ordinary General Shareholders' Meeting for an advisory vote.	• Executive Director: – Approves the design, initial amounts, degree of achievement of the targets and amounts of incentive to be paid, where appropriate, both the annual variable remuneration and the long-term variable remuneration of the Executive Director, based on the proposal of the RC. – Evaluates whether the application of the malus and/or clawback clauses is appropriate. • Approves the annual report on directors' remuneration to be submitted to the Ordinary General Shareholders' Meeting for an advisory vote. • It is informed of the analyses and studies of Directors' remuneration carried out by the RC.
Remuneration Committee	• Directors in their capacity as such: proposes to the Board of Directors the distribution among the various items of the maximum amount approved by the General Shareholders' Meeting. It reviews Directors' remuneration on a regular basis to ensure that it is commensurate with the duties performed by the Directors. • Executive Director: – It proposes to the Board of Directors the fixed remuneration of the Executive Director. – Annually reviews the conditions of variable remuneration, including the structure, the maximum levels of remuneration, the targets established and the weighting of each of them, taking into account the Company's strategy, the needs and the business situation. These conditions are subject to the approval of the Board of Directors. – It proposes to the Board of Directors the contract regulating the performance of the duties and responsibilities of the Executive Director. • It proposes to the Board of Directors the annual report on directors' remuneration and, where appropriate, the Remuneration Policy. • It prepares an annual report on its activities, which will be published on the Company's website. • Ensures that any conflicts of interest do not impair the independence of external advisers in connection with the performance of its duties. • When carrying out these actions, the RC assesses the vote of the shareholders at the General Meetings to which remuneration policies were submitted to a binding vote and, on an advisory basis, the annual reports on directors' remuneration from previous years.	• Executive Director: – It proposes targets to the Board of Directors at the beginning of each measurement period. – It evaluates the achievement of the targets at the end of the measurement period. In order to ensure that the payment of variable remuneration is subject to sufficient verification that the targets set have actually been achieved, this assessment is based on the results audited by the Company's external and internal auditors, which are first analysed by the Audit and Compliance Committee, as well as the degree of target achievement. In this regard, to ensure that the variable remuneration is effectively related to the professional performance of the beneficiaries, any economic effects, whether positive or negative, resulting from extraordinary events that could introduce distortions in the assessment outcomes, are eliminated. – It submits a report to the Board, where appropriate, on the origin or otherwise of the application of the malus and/or clawback clauses. – It proposes to the Board of Directors the variable remuneration to be paid to the Executive Director. The proposal will also consider the quality of long-term performance and any associated risks in the variable remuneration proposal. • It proposes to the Board of Directors the annual report on directors' remuneration and, where appropriate, the Remuneration Policy. • It conducts a periodic review of Directors' remuneration. As part of this process, external competitive remuneration analyses are carried out and the remuneration policy of the organisation's management and other employees is also considered. To carry out external competitiveness analyses, comparison groups established based on objective criteria are considered, which may include the following: (i) size (e.g. turnover, assets, market capitalisation and number of employees), complexity of business and geographic scope; (ii) sector of activity*.
Audit and Compliance Committee		• Executive Director: analyses the results audited by the external and internal auditor to assess compliance with the targets of the variable remuneration.
Sustainability and Appointments Committee		• Executive Director: analyses results to assess compliance with non-financial sustainability targets for variable remuneration.
Executive Committee	• It prepares the formal documentation relating to the Remuneration Policy to be submitted to the General Shareholders' Meeting, the Board of Directors and the Advisory Committees. • It prepares the corresponding proposals for the design of the Remuneration Policy applicable to the Executive Director.	• It prepares reports in relation to the degree of achievement of operational, financial and non-financial targets, based on the results audited by the Company's internal and external auditor. • It prepares the Policy on Directors' Remuneration and the annual report on directors' remuneration.

When carrying out the functions described, the RC and the other bodies may be advised by independent external consultants and remuneration experts.

* The comparison groups considered in the determination exercise of this Policy are as follows: (i) group of comparable European utilities by size and activity: BKW, Elia Group, ERG, Italgas, Neoen, Pennon Group, Rubis, Snam, Telecom Plus, Terna, Voltalia; (ii) comparable multi-sectoral group by dimension: Acciona, Acerinox, Almirall, Endesa, Faes Farma, Fluidra, Gestamp, Indra, Inmobiliaria Colonial, Meliá, Merlin Properties, Redeia, Rovi, Sacyr and Viscofan. Both the components and the criteria for determining the comparison groups may be reviewed throughout the term of this Policy.

4. CONSIDERATIONS WHEN DETERMINING THE REMUNERATION POLICY

4.2. RELATIONSHIP OF THE POLICY TO THE CONDITIONS OF THE PEOPLE EMPLOYED AS A WHOLE AND THE PERSPECTIVE OF THE MANAGEMENT TEAM

The structure and amounts of the remuneration package for the Executive Director, senior managers and employees at Enagás is based on the principles of remuneration based on contribution to results, internal fairness and competitiveness within the sector in order to attract and retain the best talent.

There is a clear alignment between the remuneration structures of the Executive Director, including the senior management and those of other employees, in the way remuneration principles are followed, as well as in the mechanics of the pay review process and the design of incentives, which are broadly consistent across the organisation.

- The total remuneration of the Executive Director, senior managers and other employees is generally made up of transversal elements, including: fixed remuneration, remuneration in kind in accordance with the level of responsibility, annual variable remuneration and three-year variable remuneration.
- In general, a much higher proportion of the total remuneration of the Executive Director and the senior management is linked to the Company's results, compared to other employees, so that remuneration will increase or decrease in line with corporate results, thereby aligning the interests of the Executive Director and the senior management with those of Enagás' shareholders and other stakeholders.
- The type of metrics to which the annual variable remuneration and long-term incentives are linked are aligned for the Executive Director, the management team and the rest of the employees.

In terms of pay equity, Enagás adheres to the spirit and letter of the obligations and regulations of the various legal jurisdictions in which it operates, and to any others it has undertaken voluntarily. The Diversity and Inclusion Policy (approved by the Board of Directors on March 21, 2022) includes the Company's commitments, of which, in relation to pay equity, the following stand out:

- To expressly reject any discrimination for reasons of gender, age, disability, nationality or culture, race, religious beliefs, sexual thought and orientation, or for any other personal, family, economic or social condition among its professionals.
- To ensure that decisions and mechanisms for selection, recruitment, performance evaluation, personal progress and professional promotions are based on merit.

To this end, the diversity and inclusion strategy is based on six pillars (gender, functional, generational, cultural, thought, LGBTQI+) and a management model has been established based on the principle of due control, aimed at fulfilling the commitments established in the Diversity and Inclusion Policy. Elements of the management model include, for example:

- Supervision, control and monitoring by the Board of Directors, the Appointments and Sustainability Committee and the Remuneration Committee.
- Oversight through a specific Diversity and Inclusion Committee, led by the Chief Executive Officer and members of the Executive Committee, among others.
- The transparency of information supplied, to guarantee its reliability and accuracy.

4. CONSIDERATIONS WHEN DETERMINING THE REMUNERATION POLICY

4.3. CONTRIBUTION TO THE BUSINESS STRATEGY AND TO THE LONG-TERM INTERESTS AND SUSTAINABILITY OF THE COMPANY

Enagás' Policy has the following characteristics that ensure consistency with the Company's strategy, interests and long-term sustainability:

- Design of the remuneration policy in line with the Company's strategy and oriented towards the achievement of long-term results:

  a. The total remuneration of the Executive Director and the management team is composed of different remuneration elements consisting mainly of: (i) a fixed remuneration, (ii) an annual variable remuneration and (iii) a long-term variable remuneration. For the Executive Director, under normal conditions this long-term element has a weighting of no less than 25% of total remuneration in a standard target achievement scenario (fixed + annual variable + long-term variable).

  b. The metrics established for variable remuneration are linked to the achievement of a combination of economic-financial, value-creation and non-financial objectives, which may include sustainability indicators that are specific, predetermined and quantifiable, aligned with corporate interests and in line with Enagás' strategy.

  c. Long-term variable remuneration plans are set within a multi-year framework to ensure that the evaluation process is based on long-term performance and takes into account the underlying business cycle of the Company. A priori, the Board of Directors envisages that this remuneration will be granted and paid primarily in the form of shares on the basis of value creation, so that the interests of the management team are aligned with those of the shareholders.

  d. Shares, if any, delivered under the long-term variable remuneration to the Executive Director may be subject to a retention period. If the Executive Director has not reached the number of shares subject to the permanent shareholding commitment, the retention period for any shares received under any variable remuneration scheme would be three years from their delivery.

- Adequate balance between fixed and variable components of remuneration: the Executive Director has a variable remuneration system whereby a certain threshold is required to be met in order to qualify for payment of variable remuneration. The percentage of annual and long-term variable remuneration is significant in relation to total remuneration. In any case, this percentage with respect to total remuneration (considered for these purposes as fixed remuneration, annual variable remuneration and annualised long-term variable remuneration) shall be a maximum of approximately 50%.

The Remuneration Policy has the following characteristics that make it possible to reduce exposure to excessive risk:

- One of the main functions of the RC throughout the process is to analyse, select and propose the targets and metrics of the variable remuneration for the Executive Director, which:

  a) are regularly reviewed to ensure that they are sufficiently demanding;

  b) are specific, predetermined and mostly quantifiable. Their weightings and levels of achievement are approved by the RC at the beginning of the target measurement period, taking into account, among other factors, the economic environment, strategy, historical analysis, the Company's budget and the expectations or consensus of investors and analysts. In the process of determining these elements, the RC reviews potential overlaps with the indicators to which both variable remunerations are linked in order to avoid duplication;

  c) during the measurement period are monitored by the RC;

  d) at the end of the measurement period the RC assesses its final degree of compliance. For both the setting of objectives and the assessment of their achievement, the RC also considers any associated risks. Any economic impacts, whether positive or negative, resulting from exceptional events that could influence the assessment outcomes, will be eliminated. The RC will assess the degree of achievement of the established objectives and, taking into account the weightings of each established metric, will determine the amount to be paid, which has to be subsequently approved by the Board of Directors. The assessment of annual and long-term objectives and recognition of variable remuneration is based on audited financial statements.

- The Policy includes an ex-post control of variable remuneration (malus and clawback) if certain circumstances occur.

- To reinforce the Executive Director's commitment to the long-term interests of the Company and alignment with shareholders' interests, the minimum permanent shareholding requirement described above is included.

- With regard to the measures necessary to avoid conflicts of interest on the part of Directors, in line with the provisions of the Corporate Enterprises Act, the Rules and Regulations of the Enagás Board of Directors include a set of obligations derived from their duties of loyalty and to avoid situations of conflict of interest. On the other hand, the Regulation of the RC establishes that one of its functions is to ensure that any conflicts of interest do not impair the independence of external advice to the RC.

5. VALIDITY

The Remuneration Policy shall come into force on January 1, 2025, and shall remain in force until December 31, 2027, without prejudice to any adaptations or updates that may be made by the Board of Directors, as provided for in the Policy itself, and any modifications that may be approved by the Enagás General Shareholders' Meeting from time to time.

Furthermore, during the term of the Remuneration Policy, the remuneration conditions applicable to the remuneration granted under the Remuneration Policy approved by the General Shareholders' Meeting in 2022 that take effect in the years of application of this Policy shall remain in force.