



Enagás S.A.

Notice of Ordinary General Shareholders' Meeting

At its meeting of 22 February 2019, the Board of Directors of Enagás, S.A. (hereinafter, the "**Company**") agreed to call an Ordinary General Shareholders' Meeting, to be held upon first call on 28 March 2019 at 12:00 pm at Paseo de la Castellana no. 33, Madrid, (premises of Mutua Madrileña) and, if the shareholders then present fail to constitute a quorum as required by law and the company's Articles of Association, to be held **upon second call on 29 March 2019 at 12:00 pm, also at Paseo de la Castellana 33, Madrid (premises of Mutua Madrileña, calle Eduardo Dato 20)**, whereupon the cards issued for the original date and time will still be valid.

Shareholders are advised that the General Shareholders' Meeting is expected to be held upon second call. Should this not be the case, adequate advance notice will be given.

MEETING AGENDA

1. To examine and, if appropriate, approve the 2018 Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the annual accounts) and Management Report of Enagás S.A. and its Consolidated Group.
2. Approval of the consolidated non-financial information included in the Enagás Group's Management Report for 2018.
3. To approve, if appropriate, the proposed distribution of Enagás, S.A.'s profit for financial year 2018.
4. To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2018.
5. Re-election of the firm Ernst & Young, S.L. as Accounts Auditor for Enagás S.A. and its consolidated Group for 2019, 2020 and 2021.
6. Ratification and appointment of members of the Board of Directors. The following proposals shall be put to vote separately:
 - 6.1. To ratify and appoint Mr Santiago Ferrer Costa as Director for the statutory four-year period. Mr Santiago Ferrer Costa holds the status of Proprietary Director at the proposal of the Sociedad Estatal de Participaciones Industriales (SEPI).
 - 6.2. To appoint Mrs Eva Patricia Urbez Sanz as Director for the four-year period. Mrs. Eva Patricia Urbez Sanz will hold the status of Independent Director.
7. Approval of the effects of article 529 novodecies of the Corporate Enterprises Act on the director remuneration policy for 2019, 2020 and 2021.
8. Approval, of the effects of article 219 of the Corporate Enterprises Act, of a long-term incentive plan that includes delivering shares, applicable to Executive Directors,

members of the Management Committee and the management of the Company and its group.

9. To submit the annual report on directors' remuneration referred to in article 541 of the Corporate Enterprises Act to an advisory vote.

10. To delegate authorisation to supplement, develop, implement, rectify and formalise the resolutions adopted at the General Meeting.

SUPPLEMENT TO NOTICE OF GENERAL MEETING AND SUBMISSION OF NEW PROPOSALS

In accordance with article 519 of the Corporate Enterprises Act, shareholders holding at least three percent of the company's share capital are hereby advised that they may, by certified notice received at the registered office of the company (Enagás, S.A. Secretaría General, Paseo de los Olmos, 19, 28005 Madrid) within five days of publication of this Notice, require that a supplement to the Notice be published adding one or more items to the agenda, providing that the new items are accompanied by the rationale for each item or, where appropriate, by a proposed resolution and its rationale. Any such supplement to the Notice shall be published at least fifteen days in advance of the scheduled date of the General Shareholders' Meeting.

Shareholders representing at least this same percentage may, within the time limit and in the manner indicated in the foregoing paragraph, present well-founded proposals for resolutions on matters already included or that should be included on the Agenda.

PRESENCE OF A NOTARY AT THE MEETING

In accordance with Article 203 of the Corporate Enterprises Act, Article 33 of the Articles of Association and Article 14 of the Rules and Regulations of General Meetings, the Board of Directors has arranged for a civil-law notary to be present to take the minutes of the General Shareholders' Meeting.

ATTENDANCE AND VOTING RIGHTS

In accordance with article 27 of the company's Articles of Association and articles 9 and 11.1 of the Rules and Regulations of General Meetings, the right to attend and vote at a General Shareholders' Meeting rests with those shareholders who, five days prior to the meeting held upon first call, are holders of the shares registered in the corresponding accounting ledger. Notwithstanding the foregoing, the shareholders entitled to attend cannot vote on the resolutions in which they have a conflict of interest. It is considered that shareholders have a conflict of interest when the resolution is aimed at: i) releasing them from an obligation or granting them a right; ii) providing them with any type of financial assistance, including guarantees in their favour; or iii) exempting them from their obligations arising from their duty of loyalty in accordance with article 230 of the Corporate Enterprises Act. The shares held by the shareholder in a situation of conflict of interest will be deducted from the share capital for the purposes of calculating the voting quorum in each case.

Shareholders entitled to attend must prove their entitlement by any of the following forms of evidence: a) The appropriate attendance and voting card to be issued by member entities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (Spanish Central Securities Depository) or such body as may replace it in the future, properly filled out for the purpose, or b) the electronic attendance and voting certificate issued by the entity entrusted with the register of

dematerialised shares or the authorised share certificates depository entity, properly filled out for the purpose.

The share capital is divided into TWO HUNDRED AND THIRTY-EIGHT MILLION, SEVEN HUNDRED AND THIRTY-FOUR THOUSAND, TWO HUNDRED AND SIXTY voting shares of the same class and series. Pursuant to the thirty-first additional provision of the Hydrocarbons Industry Act 34/1998 of 7 October and Article 6 bis of the Articles of Association, no natural person or body corporate may hold voting rights of over 3% in Enagás, S.A., and under no circumstances may shares be syndicated. Those parties that operate within the gas sector, including those natural persons or bodies corporate that directly or indirectly possess equity holdings in the former of more than 5%, may not exercise voting rights in Enagás, S.A. in excess of 1%. These restrictions do not apply to direct or indirect interests held by public sector enterprises.

Registration of attendance and voting cards shall start at 10.00 am. Accreditations shall be accepted up to 12.00 pm, when the meeting is scheduled to begin. To ensure registration and meeting arrangements are conducted smoothly, shareholders are kindly asked to arrive well in advance.

Shareholders with the right to vote can do so in person or by proxy by any of the procedures set forth in article 11 of the Rules and Regulations of the General Shareholders' Meeting:

1.- By attending and voting at the meeting in person, with an attendance and voting card properly filled out and signed for the purpose.

2.- By postal vote, enclosing a duly signed and completed attendance and voting card, or by means of electronic communication according to the established procedures, making use of the forms available for this purpose on the company's website (www.enagas.es).

3. By voting at the Shareholder Office, submitting an attendance and voting card duly signed and filled out.

A vote cast by either of the last two procedures above will only be null and void if:

- a) It is later expressly revoked by the same means used for the originally casting the vote, within the time limit established casting votes.
- b) The shareholder casting the vote is present at the General Shareholders' Meeting in person.

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

If shareholders validly cast their vote using the same or different means of remote communication, the vote received last will prevail and override any votes received previously.

PROXY RIGHTS

Any shareholder entitled to attend the meeting may procure to be represented at the General Meeting by another person, who need not be a shareholder, provided that the established requirements and formalities are fulfilled. Representation will be valid only for the particular meeting in question, conferred in writing, by post or through electronic means, and provided that the identity of the proxy is properly assured and the security of the electronic communications is guaranteed.

Proxies must identify themselves by their Spanish national identity card (DNI) or their passport and produce a printed copy of the postal or electronic delegation, duly signed by both the proxy and the principal.

A proxy may be revoked at any time. A proxy granted will be considered to be revoked if the principal is present at the meeting in person. Any votes cast by remote means of communication will render any proxy granted electronically or by post ineffective, and the proxy will be deemed to have been revoked if granted previously, or not to have been granted at all if granted subsequently.

Shareholders who are legally under-age or incapacitated and body corporate shareholders will be represented by persons vested with duly documented powers of representation.

A shareholder may not have more than one representative at a meeting, whether as an appointed proxy or as a representative as determined by law.

If the principal has given voting instructions, the proxy will cast the principal's vote according to said instructions and will be bound to safeguard the instructions for one year starting from the date of the meeting convened. The proxy may represent more than one shareholder, and there are no restrictions on the number of shareholders that can be represented. When a proxy represents various shareholders, the proxy may vote in more than one direction based on the instructions of each shareholder.

In accordance with article 526 of the Corporate Enterprises Act concerning potential conflict of interest situations, a Director to whom a shareholder has granted proxy may not exercise the voting rights corresponding to the amount of share capital represented on items on the agenda where there exists a conflict of interest in the case of that Director, unless the Director has received specific voting instructions concerning said items from the principal.

In accordance with the provisions of Article 523 of the Corporate Enterprises Act and Article 10 of the Rules and Regulations of General Meetings, proxies must inform the respective principal in detail of any conflict of interest prior to their designation. If the conflict arises after the appointment and the proxy holder had not advised the represented shareholder of the possible existence thereof, the proxy holder must inform the shareholder immediately. In both cases, if the proxy holder does not receive new precise voting instructions for each of the matters upon which the proxy holder must vote on behalf of the shareholder, the proxy holder must abstain from casting a vote.

In accordance with the provisions of Article 524 of the Corporate Enterprises Act entities appearing as legitimated shareholders according to the register of shareholders but acting on behalf of different persons, may in all cases split the voting rights and exercise them in opposing ways in adherence to divergent voting instructions, should they have received such. These intermediary entities may grant proxy to each of the indirect shareholders or to third-parties designated by same, with no restrictions placed on the number of proxies granted.

PROXY REPRESENTATION AND VOTING BY REMOTE MEANS PRIOR TO THE GENERAL MEETING

Votes cast at the Shareholder Office

If shareholders decide to cast their vote in person or by proxy at the Shareholder Office, they shall submit an attendance and voting card clearly stating the shareholder's identity, number of shares held and vote on each item on the agenda, bearing their written signature, and shall also present their national identity card or passport, if the shareholder is a natural person. In the case of representation, the proxy must present a

document accrediting proxy representation, whether the shareholder is a body corporate or a natural person.

Proxy representation and voting by post

In order to appoint a proxy or vote by post, a duly signed and completed attendance and voting card must be sent in a sealed envelope to the company's registered office (Enagás, S.A. – Shareholder Office – Paseo de los Olmos 19, 28005 Madrid).

Proxy representation and voting by electronic means

Shareholders wishing to grant a proxy or vote electronically must do so the section devoted to the General Meeting on the "Investor relations" page of the company's website (www.enagas.es), by following the instructions provided for that purpose on each of the windows of said website and filling out the forms provided. To this end, they must provide proof of their identity using: (i) an Electronic User Certificate issued by the Spanish National Mint's Public Certification Authority (CERES) concerning which no revocation has been recorded, or (ii) the recognised electronic certificate incorporated in the Spanish national identity card issued pursuant to Royal Decree 1553/2005 of 23 December regulating the issuance of national identity cards and electronic signature certificates. The certificate must be obtained by the shareholder at no charge to the company and must be valid at the time of voting.

Common rules

For further information on the procedures and rules relating to these methods of proxy representation and voting, shareholders are referred to the document "Process for voting and appointment of proxies by remote communication for General Shareholders' Meetings", passed by the Board of Directors at its meeting held on 22 February 2019, and available in the section on the General Shareholders' Meetings on the "Investor relations" page on the company's website (www.enagas.es).

To be valid, appointment of a proxy or vote cast by the aforesaid means must be received at the company's registered offices (Enagás, S.A. – Shareholder Office – Paseo de los Olmos 19, 28005 Madrid), or through the company's website (www.enagas.es) in the case of electronic proxy appointments or votes, between the day of Notice of Meeting and no later than twenty-four hours prior to the scheduled date and time of the General Shareholders' Meeting at second call.

After this time, only proxy appointments in writing presented at the shareholder registration desks on the date and time specified for the General Meeting will be admitted.

RIGHT TO INFORMATION

Pursuant to articles 197, 287, 518 and 520 of the Corporate Enterprises Act, shareholders are advised that they may examine the following information at the registered office of Enagás, S.A. (Paseo de los Olmos, 19, 28005, Madrid), or request that said information be submitted or sent to them free of charge:

- The 2018 Annual Accounts (Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Notes to the Annual Accounts), Management Report and Audit Report for both Enagás, S.A. and its Consolidated Group. The consolidated Management Report incorporates the Annual Report 2018 that contains the non-financial information statement related to the Group in 2018, in accordance with Law 11/2018 of 28 December, concerning non-financial information and diversity.

- The full text of the Notice of General Meeting, setting out the resolutions proposed for adoption by the Board of Directors; and, if applicable, the supplement to the Notice of General Meeting and the proposals as presented by the shareholders along with any documentation attached.
- Total number of shares and voting rights at the date of the Notice.
- The attendance and voting card.
- Identity, curriculum vitae, and category of members of the Board of Directors nominated for appointment or re-election, along with the proposal and reports as referred to in Article 529 decies of the Corporate Enterprises Act.
- Director remuneration policy for the years 2019, 2020 and 2021 that is submitted for the approval of the General Meeting of Shareholders as item 7 on the agenda on the effects of article 529 novodecies of the Corporate Enterprises Act and the report of the Appointments, Remuneration and Corporate Social Responsibility Committee regarding said Policy.
- Annual Report on Director's Remuneration.
- The Annual Report 2018, which forms part of the Consolidated Management Report, considers the Group's relevant financial and non-financial information from 2018, meeting the requirements of the Law 11/2018.
- The Annual Corporate Governance Report (including the Report on the Activities of the Audit and Compliance Committee).
- The report on the activities of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- The report from the Audit and Compliance Committee on the independent of the external auditor.
- The report from the Audit and Compliance Committee on related-party transactions.
- The procedures for voting and granting proxies at the General Shareholders' Meeting by remote means of communication approved by the Board of Directors.
- The rules of use of the "Electronic Shareholder Forum" approved by the Board of Directors.

All the above information is available on the "Investor relations" page of the company's website (www.enagas.es).

In accordance with articles 197 and 520 of the Corporate Enterprises Act, shareholders are informed that up to the fifth day prior to the General Meeting, or orally during the meeting itself, they may request from the Directors any information or clarification they deem appropriate, or submit in writing the questions they judge relevant, and request any clarifications concerning any information accessible to the general public which the company has supplied to the Spanish National Securities Market Commission since the last General Meeting, and also concerning the Auditors' Report.

Pursuant to article 539 of the Corporate Enterprises Act, an "Electronic Shareholder Forum" has been created on the "Investor relations" tab of the company's website (www.enagas.es). The rules of use of the forum were approved by the Board of Directors at its meeting on 22 February 2019.

Any other information on the General Shareholders' Meeting not expressly set out in this Notice may be consulted in the Rules and Regulations of General Meetings and in

the "Process for voting and appointment of proxies by remote communication for General Shareholders' Meetings" on the "Investor relations" tab of the company's website (www.enagas.es), or by calling freephone 900 100 399, 10:00 to 14:00 and 16:00 to 18:00, Monday to Friday.

Madrid, 27 February 2019
Secretary to the Board of Directors
Rafael Piqueras Bautista
Enagás, S.A.

NOTE: Shareholders are informed that, as of **18 March and until 28 March**, both inclusive, the customary gift and the documents mentioned in this Notice of Meeting will be available from the **Shareholder Office** at the Company's registered office, Paseo de los Olmos 19, 28005 Madrid, from 10.00 am to 2.00 pm and from 4.00 pm to 6.00 pm, Monday to Friday, on presentation of the attendance and voting card.

Shuttle bus service: Enagás will provide a clearly marked complimentary shuttle bus service for shareholders on **29 March 2019**, departing from the Company's registered offices, located at Paseo de los Olmos, 19, 28005 Madrid, at 11.00 am. After the conclusion of the General Shareholders' Meeting, the shuttle bus will return to its point of departure.



**PROPOSED RESOLUTIONS FOR THE 2019 ORDINARY GENERAL
SHAREHOLDERS' MEETING**

**First call: 28 March 2019
Second call: 29 March 2019**

MEETING AGENDA

1. To examine and, if appropriate, approve the 2018 Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the annual accounts) and Management Report of Enagás S.A. and its Consolidated Group.
2. To approve the consolidated statement of non-financial reporting included in the Management Report of the Enagás Group for the 2018 financial year.
3. To approve, if appropriate, the proposed distribution of Enagás, S.A.'s profit for financial year 2018.
4. To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2018.
5. To re-elect Ernst & Young, S.L. as Accounts Auditor of Enagás, S.A. and its consolidated Group for the years 2019, 2020 and 2021.
6. Ratification and appointment of members of the Board of Directors. The following proposals shall be put to vote separately:
 - 6.1. To ratify and appoint Mr Santiago Ferrer Costa as Director for the statutory four-year period. Mr Santiago Ferrer Costa holds the status of Proprietary Director at the proposal of the Sociedad Estatal de Participaciones Industriales (SEPI).
 - 6.2. Appoint Ms Eva Patricia Urbez Sanz as Director for the four-year period. Ms Eva Patricia Urbez Sanz will be Independent Director.
7. For the purposes of article 529 novodecies of the Corporate Enterprises Act, to approve the remuneration policy of Directors for the years 2019, 2020 and 2021.
8. For the purposes of article 219 of the Corporate Enterprises Act, to approve a long-term incentive plan that includes the handover of shares, applicable to the Executive Directors, to members of the Management Committee and senior management of the Company and of its group of companies.
9. To submit the annual report on directors' remuneration referred to in article 541 of the Corporate Enterprises Act to an advisory vote.
10. To delegate authorisation to supplement, develop, implement, rectify and formalise the resolutions adopted at the General Meeting.

RESOLUTION 1

To examine and, if appropriate, approve the 2018 Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the annual accounts) and Management Report of Enagás S.A. and its Consolidated Group.

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

"To examine, and, if appropriate, approve the Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes

to the annual accounts) and Consolidated directors' report of Enagás S.A. and its Consolidated Group for the financial year starting on 1 January and closing on 31 December 2018."

RESOLUTION 2

To approve the consolidated statement of non-financial reporting included in the Management Report of the Enagás Group for the 2018 financial year.

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

"To approve the consolidated statement of non-financial reporting included in the Management Report of the Enagás Group for the 2018 financial year".

RESOLUTION 3

To approve, if appropriate, the proposed distribution of Enagás, S.A.'s profit for financial year 2018.

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

"To approve the appropriation of Enagás, S.A.'s net income for the 2018 financial year, which amounted to net profit of **371,222,273.72 euros**, in line with the following distribution proposal prepared by the Board of Directors:

- (i) Allocating an amount of 6,147,133.44 euros to the voluntary reserve.
- (ii) Payment of a dividend which was already wholly paid as an interim dividend by virtue of the Board of Directors' resolution of 19 November 2018, which is ratified for all that may be necessary, paid to shareholders on 19 December 2018, and which amounted to 0.612 euros gross per entitled share, making a total of 145,917,089.60 euros;
- (iii) Payment of a final dividend of 0.918 euros gross per entitled share; the applicable taxes will be deducted from this amount. The total amount to be distributed for the whole of the 238,734,260 shares issued at this date would amount to 219,158,050.68 euros.

The final dividend will be paid on **03 July 2019**.

The following table summarises the distribution of profit:

Distribution	Euros
Legal reserve	0.00
Voluntary reserves	6,147,133.44

To Dividends:	
Interim dividend	145,917,089.60
Final dividend (maximum amount to be distributed for a fixed dividend of 0.918 euros gross per share for the total of the 238,734,260 shares issued at that date)	219,158,050.68
Total results	371,222,273.72

Thus, together the interim dividend and the final dividend add up to a total of **1.53** euros gross per entitled share.

RESOLUTION 4

To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2018.

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

"To approve the performance of the Board of Directors of Enagás, S.A. in the 2018 financial year."

RESOLUTION 5

To re-elect Ernst & Young, S.L. as Accounts Auditor of Enagás, S.A. and its consolidated Group for the years 2019, 2020 and 2021.

Article 50 of the Articles of Association, pursuant to article 264 of the Corporate Enterprises Act, sets out that the persons who must audit the Accounts will be appointed by the General Meeting before the end of the year to be audited, for an initial period that cannot be fewer than three years or more than nine, calculated from the date on which the first year to be audited begins, and they may be re-elected by the General Meeting once the initial period has ended.

After the enactment of the Audit Act 22/2015 of 20 July, which determined the options applicable to Spain from among the provisions of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 regarding the specific requirements for the legal audit of public-interest entities, in 2015 the Audit and Compliance Committee announced a call for tenders in order to designate the Accounts Auditor for the upcoming years. The tender process, to which several reputable audit firms were invited, was carried out with complete independence so that the Committee could undertake its task. Likewise, during the process, the Committee took the necessary measures to ensure that the proposed firm met the suitability, independence and compatibility requirements imposed by the aforementioned provisions.

As a result of this process, the General Shareholders' Meeting held on 18 March 2016 agreed to designate the firm Ernst & Young, S.L. as Auditor of Enagás, S.A. and its Group for the years 2016, 2017 and 2018.

Law 22/2015, of July 20, on Accounts Auditing (article 22.1 and article 40) and EU Regulation No. 537/2014 (article 17) establish the possibility of re-electing the Auditor for three years, as the maximum period of re-election, until the accumulated period of ten years is reached. Likewise, it is established that the signing auditor must rotate every five years, and three years must elapse before this auditor can once again take part in the audit.

Following its initial mandate, the Audit and Compliance Committee and the Board of Directors propose the re-election of Ernst & Young, S.L. as Accounts Auditor of Enagás, S.A. and its Group for the years 2019, 2020 and 2021.

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

"To re-elect Ernst & Young, S.L. as Accounts Auditor of Enagás, S.A. and its consolidated Group for the years 2019, 2020 and 2021."

RESOLUTION 6

6. Ratification and appointment of members of the Board of Directors. The following proposals shall be put to vote separately:

6.1. To ratify and appoint Mr Santiago Ferrer Costa as Director for the statutory four-year period. Mr Santiago Ferrer Costa holds the status of Proprietary Director at the proposal of the Sociedad Estatal de Participaciones Industriales (SEPI).

6.2. Appoint Ms Eva Patricia Urbez Sanz as Director for the four-year period. Ms Eva Patricia Urbez Sanz will be Independent Director.

At the time of sending out the call to the Meeting, the shareholders were provided with the following reports, with detailed information on the proposals for re-election and appointment of Directors:

"REPORT PREPARED BY THE BOARD OF DIRECTORS OF ENAGÁS, S.A. PURSUANT TO ARTICLE 529 DECIES OF THE CONSOLIDATED TEXT OF THE CORPORATE ENTERPRISES ACT JUSTIFYING THE PROPOSED RATIFICATION AND APPOINTMENT OF DIRECTORS INCLUDED IN ITEM 6 ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 28 AND 29 MARCH 2019, AT FIRST AND SECOND CALL RESPECTIVELY."

"REPORT PREPARED BY THE APPOINTMENTS, REMUNERATIONS AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF ENAGÁS, S.A. PURSUANT TO ARTICLE 529 DECIES AND 529 QUINQUEDECIES OF THE CONSOLIDATED TEXT OF THE SPANISH CORPORATE ENTERPRISES ACT JUSTIFYING THE PROPOSED RATIFICATION AND APPOINTMENT OF THE DIRECTORS NAMED IN ITEM 6 OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 28 AND 29 MARCH 2019, IN FIRST AND SECOND CALL RESPECTIVELY."

Without prejudice to the express referral to such reports, their content is summarised here:

1. Proposal for ratification and appointment of Mr Santiago Ferrer Costa as Proprietary Director at the proposal of the Sociedad Estatal de Participaciones Estatales (SEPI).

In October 2018, the SEPI shareholder proposed the appointment of Mr Santiago Ferrer Costa as a Proprietary Director of SEPI, to serve as a Board Member of Enagás, S.A., replacing Mr Jesús Máximo Pedrosa, who resigned from the post.

At its meeting on 15 October 2018, the Board of Directors, following a report from the Appointments, Remuneration and Corporate Social Responsibility Committee, appointed Mr Santiago Ferrer Costa as Director to cover the vacancy left by Mr Pedrosa. Likewise, the Board appointed Mr Ferrer as a member of the Appointments, Remuneration and Corporate Social Responsibility Committee to replace Mr Pedrosa.

The Board and the Appointments, Remuneration and Social Corporate Responsibility Committee consider 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 Pedrosa - 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 eased:

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 10 January 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 7 October. There are currently very few significant shareholdings in the company's capital. The largest (5%) belongs to the Sociedad Estatal de Participaciones Industriales (SEPI), and it is the only one owned by an international mutual fund. 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.

Attendance at Board Meetings.

Mr Ferrer personally attended all meetings of the Board of Directors held since his appointment. He also personally attended all meetings of the Appointments and Remuneration Committee.

Personal information.

Mr Santiago Ferrer Costa, 47 years old, holds a degree in Economics and Business Administration from the University of the Balearic Islands (UIB), specialising in business in general.

Director of the Economic and Social Council (CES) of the Balearic Islands. Member of the Economics Committee.

He is a practising economist from the Association of Economists of the Balearic Islands. Managing Partner of Morna Assessors, associated with Grupo Tax Economistes i Advocats.

Mr Ferrer's contribution to the Board's skills matrix.

Mr Ferrer holds the status of Proprietary Director proposed by the SEPI shareholder. The trust placed in him by the proposing shareholder is very important in his designation. Nevertheless, the Committee and the Board value very highly the contribution of Mr Ferrer 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 consulting help cover the Board's needs for knowledge and experience in this field.

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 Appointments, Remuneration and Corporate Social Responsibility Committee, proposes that Mr Santiago Ferrer Costa be appointed and named as Director for the statutory four-year period.

2. Proposal for the appointment of a new Independent Director.

2.1 Vacancy resulting from the end of Mr Luis Javier Navarro Vigil's (External Director) statutory period as Director.

In accordance with article 38 of the Articles of Association, the term of office as Director for which Mr Luis Javier Navarro Vigil was re-elected by the General Shareholders' Meeting held on 27 March 2015 will expire at the time of holding the Meeting called for 28 March and 29 March 2019, on first and second call respectively.

Mr Navarro, who has been in office for 16 years, has expressed his wish not to renew his mandate as Director.

Therefore, the Appointments, Remuneration and Corporate Social Responsibility Committee does not propose his re-election but wishes to expressly record Mr Navarro's extraordinary contribution to the Board and Society during the years he has been Director. The Board endorses the Commission's statement and records in this report its gratitude to Mr Navarro for his dedication and contribution to the Company.

2.2 Proposal for the appointment of Ms Eva Patricia Urbez Sanz as Independent Director.

In order to fill the vacancy left by Mr Luis Javier Navarro Vigil, the Appointments, Remuneration and Corporate Social Responsibility Committee proposes the appointment of Ms Eva Patricia Urbez Sanz as Independent Director for the statutory term of four years.

When selecting this proposed candidate, the Committee has adopted the guidelines set out in the Director Selection Policy, approved by the Board of Directors at the behest of the Committee. In order to assess the suitability, aptitudes of the

candidate and her contribution to the Board's skills matrix, the Committee has relied on the external advice of the firm Seeliger & Conde.

As a result of the foregoing, and as provided for under article 529 decies.4 and 529 quidecies. 3 c) of the Consolidated Text of the Corporate Enterprises Act, the Committee proposes the appointment of Ms Eva Patricia Urbez Sanz as Independent Director of the Company.

Personal information.

Eva Patricia Urbez, 47, is currently Director General of the Strategic Markets Department at Fujitsu Spain and is a member of Fujitsu's Iberia Executive Committee since joining in June 2014. She is responsible for the commercial management of key clients such as the General State Administration and attached bodies, the institutions of Justice, Security, Defence and Interior and the public and private Aerospace market, as well as some of the Ibex-35 tractor companies and leaders of digital transformation in Spain with a large multidisciplinary team in charge.

She holds a degree in Telecommunications Engineering from the University of Zaragoza, complemented by several exclusive management programmes: Transformational Leadership Program, ICLD, Fundación CEDE, Spain (2016); Atos Executive GOLD (Talent Development Programme), HEC Paris, France (2014); Masters in Logistics (APICS) - CEL (Spanish Logistics Centre), Spain (2000).

With more than 23 years of professional experience in the world of Information and Communication Technologies (ICT), she has developed her professional career in multinational companies:

- Accenture (Spain), as Manager (different areas - Banking, Telecommunications, Utilities, Public Sector - and responsibilities).
- Mercedes Benz (Germany and the Netherlands), as Director of the SAP Logistics Consulting Department in the Daimler Chrysler Solution Center.
- Atos Origin (Spain) as Consulting Director and Market Director- Public Sector Spain.
- Atos Corporation (France) as VP Head of Public Sector, Health and Transport Vertical Portfolio - Worldwide
- Fujitsu Technology Solutions (Spain) where she holds her current position as Head of Strategic Markets Department at Fujitsu Spain and member of the Iberia Executive Committee.

Eva Patricia Urbez began her career as a business consultant, subsequently acquiring negotiation and sales skills complemented by business development and executive management skills. She has over 18 years of experience working for the public sector, both in Spain and internationally, in which her experience as Global Market Leader of the public sector, health and transport portfolio during her time at Atos stands out. She is a member of the AED (Spanish Association of Directors) and collaborator of the ILCD alumni group.

She actively participates in media outreach activities, being co-founder of the think-tank *#somosmujerestech* and author of numerous articles in business communication.

Contribution of Ms Eva Patricia Urbez to the Board's skills matrix.

The Appointments, Remuneration and Corporate Social Responsibility Committee selected Ms Eva Patricia Urbez as it particularly values her **vast technical training** and her **experience in business management**, in both **national a** and **international** context, in addition to her experience with **new technologies**.

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

The fact that the proposed Director is a woman means that Enagás has already reached the diversity target of at least 30% of its Board of Directors members being women by 2020 in 2019.

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 Appointments, Remuneration and Corporate Social Responsibility Committee has proposed the appointment of Ms Eva Patricia Urbez as Independent Director of the Company. The Board of Directors has adopted the Committee's proposal as its own.

3. Board structure following the appointment proposed to the Meeting.

Independence and diversity.

After the proposed appointments, most of the Board members are Independent Directors. Of its **thirteen members, eight** will be **Independent** Directors. With **four** of its board members being **women**, Enagás has already reached the **diversity target** in 2019 of at least **30%** of its Board of Directors members being **women** by 2020. Moreover, these women perform important functions within the Board: Ms Ana Palacio Vallelersundi is Lead Independent Director and Chairwoman of the Appointments, Remuneration and Corporate Social Responsibility Committee, Ms Isabel Tocino Biscarolasaga is Chairwoman of the Audit and Compliance Committee and Ms Rosa Rodríguez Díaz is a Member of the Audit and Compliance Committee.

Separation of posts.

Since 2012, the company has separated the posts of Chairman of the Board of Directors and Chief Executive Officer, and since 2010, it has had a Lead Independent Director, the post held by Ms Ana Palacio Vallelersundi, providing an additional guarantee that the Board is functioning properly. The internal structure guarantees that all the functions (Internal Audit, Legal Counsel and Compliance) 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 organically and functionally assigned to the Chairman of the Board of Directors and to the Board itself through the Secretary to the Board.

Evaluation of the Board's performance.

The Board is subject to an annual evaluation process by an independent expert. The 2018 evaluation has been carried out by the firm SODALI.

Skills matrix.

The Board's evaluation has allowed the configuration of the following skills matrix of the Board of Directors according to its composition at 31 December 2018.

Skills	1	2	3	4	5	6	7	8	9	10	11	12	13
Engineering (qualification and ample experience as a practising engineer)	x	x						x	x		x	x	
Industry / Sector (Ample experience in administration, management and control in major energy companies)	x	x	x		x		x	x	x	x	x		x
Public / Regulatory institutions (Ample experience acquired through direct exposure to regulators and related institutions)	x	x	x	x	x	x	x	x	x	x	x	x	x
Corporate Governance (Experience in positions of oversight (Chairman / Director on the board of directors of listed companies / specific management roles in large or listed companies))	x	x	x		x		x	x	x		x	x	x
Auditing / Accounting (Ample experience acquired in positions of senior management (CEO, CFO) in listed companies and/or holding management positions in an accounting firm)			x	x	x	x	x	x	x	x	x	x	x
Risk management and control (Relevant experience in related positions (risk officer, internal auditor, internal control positions, monitoring/risk/internal control committees)			x		x		x	x	x	x	x	x	x
Corporate Social Responsibility and Environment (Ample experience in administration, management and control in companies operating in sectors exposed to high environmental impact or broad experience in roles of strategic management of social and/or environmental issues. Multi-year academic experience in this field).		x			x		x	x	x	x	x		x
International expansion / Multicultural environment (Previous experience working for multinational or domestic companies in a position with significant international exposure)	x	x	x		x		x	x	x		x	x	x
Business / Management (Previous experience as a senior manager in other companies)			x		x			x	x	x	x	x	x

Implication of the Directors.

The extent of the implication of the Directors in exercising their functions is very high. The attendance of the Directors at Board meetings in 2017 was as follows:

- Mr Antonio Llardén Carratalá (Chairman) attended all the Board meetings.
- Mr Marcelino Oreja Arburúa (Chief Executive Officer) attended all the Board meetings.
- Ms Ana Palacio Vallelersundi has attended all the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Ms Isabel Tocino Biscarolasaga apologised for not attending one Board meeting for justified reasons and delegated her voting power to another

Independent Director. She has attended all meetings of the Audit and Compliance Committee.

- Mr Antonio Hernández Mancha excused his attendance at one of the Board meetings for justified reasons, delegating his representation to another Independent Director. He has attended all meetings of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Mr Luis Javier Navarro Vigil has attended all the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Mr Luis García del Río has attended all the meetings of the Appointments, Remuneration and Corporate Social Responsibility Committee and of the Audit and Compliance Committee during his time as a member of each one.
- Mr Gonzalo Solana González has attended meetings of the Board and all meetings of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- Mr Martí Parellada Sabata has attended all the meetings of the Board and of the Audit and Compliance Committee.
- Ms Rosa Rodríguez Díaz has attended all the meetings of the Board and of the Audit and Compliance Committee.
- Mr Ignacio Grangel Vicente has attended all the meetings of the Board and of the Audit and Compliance Committee.
- Sociedad Estatal de Participaciones Industriales (SEPI), represented by Mr Bartolomé Lora Toro, has excused its absence from two Board meetings for justified reasons, having delegated its representation to the other proprietary Director. He has attended all meetings of the Audit and Compliance Committee.

Accordingly,

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

6. Ratification and appointment of members of the Board of Directors. The following proposals shall be put to vote separately:

6.1. To ratify and appoint Mr Santiago Ferrer Costa as Director for the statutory four-year period. Mr Santiago Ferrer Costa holds the status of Proprietary Director at the proposal of the Sociedad Estatal de Participaciones Industriales (SEPI).

6.2. Appoint Ms Eva Patricia Urbez Sanz as Director for the four-year period. Ms Eva Patricia Urbez Sanz will be Independent Director.

Following these appointments, the number of Directors remains at thirteen.

RESOLUTION 7

For the purposes of article 529 novodecies of the Corporate Enterprises Act, to approve the remuneration policy of Directors for the years 2019, 2020 and 2021.

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

The General Shareholders' Meeting held on 18 March 2016 approved the Director Remuneration Policy for the 2016-2018 period, as item 7 of its Agenda, with a percentage of votes in favour of 83.53 %. The Policy included a Long Term Incentive for the same period that, voted on separately as item 8 of the Agenda, was approved with 87.30% of votes in favour.

On completion of the effective period of that Policy and of the Long Term Incentive included therein, the Board submits the Director remuneration policy for 2019, 2020 and 2021 to the Meeting for its binding approval (hereinafter, the "Director Remuneration Policy" or the "Policy"), which includes a long-term remuneration incentive for that period. The Policy has been proposed to the Board by the Appointments, Remuneration and Corporate Social Responsibility Committee, which dedicated specific meetings to this Policy on 11 January, 21 January, 23 January, 31 January, and 5 February, 11 February, 14 February and 22 February 2019. The Committee approved the proposal at the meeting on 22 February 2019, pursuant to article 529 quindecies of the Corporate Enterprises Act and article 45 of the Articles of Association. The Committee has hired independent external advisory firm Willis Towers Watson, which analysed the current remuneration positioning of the company's directors and managers and submitted several options on how to update this positioning. The Committee also hired Garrigues, which provided advice about the legal factors of this policy. The Committee drafted the specific report referred to in article 529 novodecies of the Corporate Enterprises Act and was made available to shareholders in the way envisaged therein.

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

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

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

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

With regard to the remuneration of Directors for sitting on the Board, the market from 2014 (taken as reference in the 2016-2018 Policy) to the present has remained stable; accordingly, the remuneration of Enagás Directors in their status as such remains aligned to the objective positioning (90% of the 2018 median) of the energy market considered. For this reason, the proposal is to maintain the amounts received by Directors in 2018, with regard to the different elements of compensation, for 2019, 2020 and 2021, so that there will be no increase in remuneration for directors in respect of such matters during the three years of this Policy.

With regard to remuneration of the Executive Directors for the performance of their duties, the fixed remuneration for 2019 will remain unchanged with respect to that established for 2018. For 2020 and 2021, the Board is granted the possibility, at the behest of the Appointments and Remuneration Committee, of agreeing on specific increases in the fixed remuneration of the executive directors. The increases agreed must 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 and market references. These potential increases related to the years 2020 and 2021 may not exceed 10% of the fixed annual remuneration for the Executive Chairman and the Executive Director. In addition, an attempt will be made to adapt the potential increases that are carried out, adjusting the relativity of the remuneration of the Executive Chairman and Chief Executive Officer to 55%. These increases in remuneration shall be duly broken down in the Annual Directors' Remuneration Report, which is submitted annually to an advisory vote by the General Shareholders' Meeting.

For the purposes envisaged in article 529 septedecies of the Spanish Corporate Enterprises Act, the policy submitted for the Shareholders' Meeting's approval includes the maximum annual remuneration amount to be paid to all the directors in their status as such during the years in which the policy is applied. Likewise, for the purposes envisaged in article 529 octodecies of the Corporate Enterprises Act, the policy approved by the Shareholders' Meeting's approval includes, regarding the directors with executive functions, the amount of the fixed annual remuneration and the variation therein in the period, the different parameters for setting the variable components and the main conditions of directors' contracts and, in particular, the length of their contracts, compensation for early removal or termination of the contractual relationship, and exclusivity, post-contractual non-competition and seniority or loyalty arrangements. For the purposes set out in article 529 novodecies of the Consolidated Text of the Corporate Enterprises Act, and in article 36 of the Articles of Association, the Board of Directors has agreed to submit the proposal for the "Director Remuneration Policy for 2019, 2020 and 2021" to the approval of the General Meeting. This policy is described in the document made available to shareholders for that purpose and which includes those elements that the aforementioned precepts require. Attached to this proposal of resolutions and forming an integral part of the same, the following are placed at the disposal of shareholders: (i) the Director Remuneration Policy for 2019, 2020 and 2021 that is submitted to the General Shareholders' Meeting for approval as item 7 of the Agenda, for the purposes of article 529 novodecies of the Corporate Enterprises Act and article 36 of the Articles of Association, and (ii) the report of

the Appointments, Remuneration and Corporate Social Responsibility Committee on said Policy.

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

"To approve, for the purposes set out in article 529 novodecies of the Consolidated Text of the Corporate Enterprises Act, and in article 36 of the Articles of Association, the Director remuneration policy for 2019, 2020 and 2021".

RESOLUTION 8

For the purposes of article 219 of the Corporate Enterprises Act, to approve a long-term incentive plan that includes the handover of shares, applicable to the Executive Directors, to members of the Management Committee and senior management of the Company and of its group of companies.

The Director Remuneration Policy for 2019, 2020 and 2021, the approval of which for the purposes of article 529 novodecies of the Corporate Enterprises Act is submitted to the Board in the previous item, implies the inclusion in the remuneration structure for Executive Directors and the management team of long-term incentives. Accordingly, a new programme of this nature is established for the 2019-2021 period in the terms and for the reasons broadly described in said Policy and in the report from the Appointments, Remuneration and Corporate Social Responsibility Committee that have been made available to shareholders at the time of the call to meeting as established by the aforementioned precept. For its part, article 219 of the Corporate Enterprises Act sets out that when the director remuneration system includes the handover of shares or stock options, or remuneration pegged to the share value, it must be expressly provided for in the articles of association and its application will require a resolution from the general shareholders' meeting. The resolution of the general shareholders' meeting must include the maximum number of shares that may be assigned each year to this remuneration system, the strike price or the calculation system of the strike price of stock options, the value of the shares that, where appropriate, are taken as a reference and the term of the plan. Along the same lines, article 36 of the Articles of Association sets out that Directors may receive additional remuneration in the form of company shares, option rights over shares or other securities that give the right to obtain shares, or through remuneration systems pegged to the share price. The General Shareholders' Meeting must resolve to apply such systems, and it will determine the maximum number of shares that may be allocated each year to this remuneration system, the exercise price or the system for calculating the exercise price of the stock options, the value of the shares taken as a reference, if any, and the duration of the plan. Accordingly,

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

"To approve, pursuant to the provisions set out in article 219 of the Corporate Enterprises Act, as well as in article 36 of the Articles of Association, a 2019-2021 Long-Term Incentive Plan (hereinafter, the "**Plan**", or the "**LTIP**") targeted at executive directors or members of the management team (hereinafter, the "**Beneficiaries**") of Enagás, S.A (hereinafter, "**Enagás**" or the "**Company**") and of its group of companies (hereinafter, the "**Group**").

The plan is approved in accordance with the following basic features, which will be the object of implementation in the 2019-2021 Long Term Incentive Plan

Regulation (hereinafter, the "**Regulation**") to be approved by the Board of Directors (hereinafter, the "**Board of Directors**");

(1) Description of the purpose of the Plan

The Plan will allow Beneficiaries of the same to receive, after a certain period of time, an incentive payable in Enagás shares and in cash, provided that certain strategic targets of the Company are met and the prerequisites set out in the Plan Regulations are satisfied.

The objective of the Plan is to (i) encourage the sustainable achievement of the objectives of the Company's Strategic Plan, (ii) give the opportunity to share the creation of value with participants, (iii) foster a sense of belonging to the Company and shared destiny, (iv) be competitive, and (v) align with the requirements of institutional investors, proxy advisors, and best Corporate Governance practices and, especially, those resulting from the recommendations of the CNMV's Good Governance Code.

The Plan is instrumented by providing each Beneficiary with: (i) a specific number of Performance Shares (hereinafter, the "**Performance Shares**"); and (ii) cash target incentive (hereinafter, the "**Cash Target Incentive**") which will serve as the basis to determine, respectively, depending on compliance with certain targets (hereinafter, the "**Level of Attainment of the Targets**"), and if there is compliance with the requirements set out in the Plan: (i) the number of Enagás shares to be handed over; and (ii) the gross amount of cash payable, if applicable, to each Plan Beneficiary (hereinafter, the shares and the gross amount of cash will be referred to as the "**Incentive**").

Until the handover of the Company shares, the Plan does not attribute beneficiaries with the status of Company shareholders. In any case, the Performance Shares do not imply the granting of economic or voting rights over the Company shares or any other right related to the status of shareholder. The Beneficiaries will become shareholders of the Company upon the settlement of the Plan and the handover, where appropriate, of the corresponding Enagás shares, which will be made, in accordance with the provisions of section 3 hereunder, on two dates.

(2) Plan Beneficiaries

Plan Beneficiaries will be considered to be those members of the Board of Directors that have executive duties (hereinafter, the "**Executive Directors**") and members of the Management Committee and the rest of the management team of Enagás and of its group of companies that are expressly invited by the Board of Directors of Enagás (hereinafter, the "**members of the Management Committee**" and the "**Directors**"), at the proposal of the Appointments, Remuneration and Corporate Social Responsibility Committee (hereinafter, the "**Committee**"). The invitation to participate in the Plan will be made by the Company sending the corresponding letter of invitation (hereinafter, the "**Letter of Invitation**").

The estimated number of Plan Beneficiaries amounts to 48 people, without prejudice to possible new incorporations of Plan Beneficiaries.

For these purposes, the Enagás General Shareholders' Meeting designates the following Executive Directors as Plan Beneficiaries:

Mr Antonio Llardén Carratalá, Chairman of the Board of Directors.

Mr Marcelino Oreja Arburúa, CEO of the Board of Directors.

It is expressly stated that the Company's Board of Directors, at the proposal of the Committee, may agree to include new Beneficiaries not initially foreseen in the Plan.

(3) Duration and settlement of the Plan

The period for measuring Plan targets (hereinafter, the "**Period for Measuring Targets**") will begin on 1 January 2019 (hereinafter, the "**Commencement Date of the Period for Measuring Targets**") and will end on 31 December 2021 (hereinafter, the "**Finalisation Date of the Period for Measuring Targets**") for all Beneficiaries, without prejudice to the specific cases regulated in the Plan Regulations.

The Plan will formally commence when the Plan is approved by the General Shareholders' Meeting (hereinafter, the "**Plan Approval Date**"). In the case of Beneficiaries incorporated into the Plan after said date, another commencement date after 1 January 2019 may be established in the Letter of Invitation.

The effective settlement of the Plan will occur on the following dates (hereinafter, the "**Payment Dates**"):

- The Beneficiary will receive 50% of the Incentive within thirty (30) days following approval of the 2021 annual accounts by the General Shareholders' Meeting (hereinafter, the "**First Payment Date**"). This 50% would apply to the assets part of the Incentive as well as the cash part of the Incentive.
- The Beneficiary will receive the remaining 50% of the Incentive once a period of one year has elapsed from the First Payment Date (hereinafter, the "**Second Payment Date**").

Accordingly, the full amount of the Incentive payable will be received by Plan Beneficiaries before 30 July 2023.

(4) Determination of the number of Performance Shares and of the Cash Incentive Target to be allocated to each Beneficiary

In the Letter of Invitation, the Company will establish the Initial Incentive (hereinafter, the "**Initial Incentive**") granted to each Beneficiary. The Initial Incentive will be the sum of a certain number of Performance Shares and a Cash Incentive Target.

The Initial Incentive allocated to Beneficiaries under the Plan will be determined, therefore, according to the following formula:

$$I_I = Nps + ITm$$

Where:

- **I_I** = Initial Incentive to be allocated to each Beneficiary in accordance with their professional level, and which will be defined as a percentage of their fixed remuneration.

- **Nps** = Number of Performance Shares to be allocated to each Beneficiary, rounded up to the next whole number.
- **ITm** = Cash Incentive Target to be allocated to the Beneficiary in accordance with their professional level.

The number of Performance Shares will be obtained by applying the following formula:

$$\text{Nps} = \text{ITps} / \text{PMA}$$

Where:

- **ITps** = Incentive Target to be allocated to each Beneficiary by the Company to determine the number of Performance Shares in accordance with their professional level.
- **PMA** = Arithmetic Mean Price rounded up to the second decimal of the Enagás share closing price on 31 December 2018 and the 20 sessions both before and after this date (24,60 euros per share).

At the proposal of the Committee, the Company's Board of Directors may assign new Performance Shares and a new Cash Incentive Target incorporating new Beneficiaries, or increase the number of Performance Shares and Cash Incentive Target initially allocated to Beneficiaries, except in the case of Executive Directors, for whom the General Shareholders' Meeting will be responsible for agreeing such allocation. In these cases, the Company will use the Performance Shares reserve that, if applicable, is set up for these purposes.

The Initial Incentive for Executive Directors is set at 1,875,000 euros for Mr Antonio Llardén Carratalá and 937,500 euros for Mr Marcelino Oreja Arburúa.

The allocation of the Initial Incentive must comply with the following rules:

- In the case of Executive Directors, 100% of the Initial Incentive will be implemented through the granting of the Performance Shares.
- In the case of members of the Management Committee, 80% of the Initial Incentive will be implemented through the granting of the Performance Shares and 20% through the Cash Incentive Target.
- In the case of Directors, 60% of the Initial Incentive will be implemented through the granting of the Performance Shares and 40% through the Cash Incentive Target.

(5) **Determination of the number of shares and gross amount in cash to be paid on settlement of the Plan**

The total number of shares to be delivered and the gross cash amount to be paid to each Plan Beneficiary on the Payment Dates (the shares and the gross amount in cash, hereinafter, the "**Final Incentive**") will be determined in accordance with the following formula:

$$I_F = (Nps \times GCI) + (ITm \times GCI)$$

Where:

- **I_F** = Final Incentive, corresponding to the number of Company shares to be handed over, rounded up by default to the closest whole number, and the gross amount in cash to be paid to each Beneficiary on the Plan Payment Dates.
- **Nps** = Number of Performance Shares allocated to the Beneficiary through the Letter of Invitation.
- **GCI** = Level of Attainment of the Incentive, according to the Level of Attainment of the Targets to which the Plan is linked and which will be determined in accordance with the provisions of section 8 below.
- **ITm** = Cash Incentive Target allocated to the Beneficiary through the Letter of Invitation.

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

In any case, on each Plan Payment Date, the Company will deduct from the shares that must be handed over to Beneficiaries (from the Performance Shares), the number of shares required so that, with the earnings from the sale thereof, the Company makes the corresponding interim payment of personal income tax or tax that, where appropriate, will be payable by the Beneficiary. Likewise, the Company will deduct the corresponding withholding at source from the gross amounts of cash payable, for interim payment of Personal Income Tax or tax that, where appropriate, will be payable by the Beneficiary.

The maximum amount of shares authorised by the General Shareholders' Meeting also takes into account the shares necessary so that new Performance Shares can be granted to new Beneficiaries, or for the granting of new Performance Shares to pre-existing Beneficiaries (hereinafter, the "**Performance Shares Reserve**"). In this event, it will be necessary for the Company's Board of Directors to agree on this, following a favourable report from the Committee, except in the case of Executive Directors, whose allocation must be approved by the General Shareholders' Meeting.

(6) Maximum number of shares to be handed over

In accordance with the provisions of the previous sections, the maximum number of shares to be handed over as a result of the initial allocation of Performance Shares to all the Beneficiaries is 431,674, of which 79,090 correspond to Mr Antonio Llardén Carratalá and 39,545 to Mr Marcelino Oreja Arburúa.

This number of shares includes the maximum number of shares equivalent to the dividend estimated to be paid during the Deferral Period.

Furthermore, this number of shares contains the potential number of shares to be handed over, without deducting the shares to be used for payment of the corresponding withholding at source of Personal Income Tax in the event of applying the maximum rates when meeting the scheduled targets.

In addition, the Plan contemplates 70,272 shares that could be handed over to Beneficiaries as a consequence of the granting of new Performance Shares (Performance Shares Reserve).

The total maximum shares of the Plan therefore amounts to 501,946.

Among other means, the Company may allocate the shares that make up or comprise its treasury stock to Plan coverage or resort to the financial instrument that in each case is more advisable.

(7) Value of the shares to be taken as reference

The value of the shares that will be used as the reference for the Plan will be the arithmetic mean price rounded up to the second decimal of the Enagás share closing price on 31 December 2018 and the 20 sessions both before and after this date (24.60 euros per share).

(8) Metrics

The Level of Attainment of the Incentive will depend on the Level of Attainment of the Targets to which the Plan is linked.

The specific number of Enagás shares and the gross cash amount to be handed over to each Beneficiary on the Payment Dates, if the conditions established for this are met, will be established in accordance with the Level of Attainment of the following targets during the Period for Measuring Targets:

- Objective 1. Total shareholder return (hereinafter, "**TSR**"). This shows that it ensures appropriate, competitive shareholder remuneration. It takes into account share evolution and the dividend policy. The Objective will have two components: The Absolute TSR and the Relative TSR, with each have a relative importance of 15% each, meaning that the effect of important projects (e.g GSP) is more relevant.

The absolute TSR is measured as obtaining a target share price in 2021. The target price has been established by reinvesting the expected share dividends based on profitability and market parameters.

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

- Objective 2. Funds from Operations (hereinafter, "**FFO**"). This shows the financial soundness and net profit growth, which are the cornerstones of the Strategic Plan. This takes into account both the EBITDA of the regulated business and the dividends received from the affiliates that are not controlled by Enagás. It is a primary indicator for investors. By meeting this objective, the company's projections for the Group's dividend pay-out, investment and debt redemption are met. It accounts for 25% of the total objectives.
- Objective 3. Accumulated cash flows received from affiliates (hereinafter, "**Dividend**"). This shows the focus on international growth and a realistic and profitable investment plan as the cornerstones of the Strategic Plan. It measures the profitability of the international business compared with the annual remuneration objective which measures the year's international investment volume. It accounts for 35% of the total objectives.
- Objective 4. (hereinafter, "**Sustainability Plan**"). It reflects the company's commitment to creating long-term value in a responsible way, both socially and environmentally. The objective consists of three indicators:
 - a) Reduction in average CO₂ emissions in the period 2019-2021 vs. 2018.
 - b) Increase the percentage of women on the Board, management team and in the workforce.
 - c) Investment associated with increasing the presence of renewable gases in the energy mix.
 It accounts for 10% of the total objectives

The Board of Directors will determine the weighting of the previous metrics for determination of the Final Incentive to be paid, on a case-by-case basis and depending on the levels of Beneficiaries.

For each of the foregoing indicators, a Level of Attainment of the Incentive will be established, associated with each indicator, which may range between 0 per 100 and 125 per 100 of the assigned Performance Shares and of the Cash Incentive Target associated with each indicator. The Level of Attainment will be calculated through linear interpolation.

Notwithstanding the foregoing, failure to meet the absolute TSR target may not be compensated with completing the remaining indicators above 100%, so that the maximum Final Incentive would go from 125% to 85% of the sum of the Performance Shares and Target Incentive in Cash allocated to the Beneficiary.

For the relative TSR indicator, a Level of Attainment will be established based on the position held by Enagás in the ranking of the 16 companies (hereinafter, "**Comparison Group**"). The ranking will be as follows:

Relative TSR target (Position in the ranking)	Level of Attainment of the Targets (GCOTSR _{relative tsr}) (%)
1 ^a – 4 ^a	125%
5 ^a	104%
6 ^a	83%
7 ^a	61%

The reference companies taken into consideration, in relation to the relative TSR, for the purposes of the Plan are the following:

COMPARISON GROUP 15 COMPANIES	
CÉNTRICA	RED ELÉCTRICA
ENEL	REN
ENGIE	RWE
E.ON	SEVERN TRENT
IBERDROLA	SNAM
NATURGY	TERNA
NATIONAL GRID	UNITED UTILITIES
PENNON GROUP	

For determination of the relative and absolute TSR, and to avoid atypical movements in the indicator, the arithmetic mean price rounded up to the second decimal of the closing prices of the shares of 20 sessions before and after the session, as the case may be, of 31 December, will be taken into account as reference values, both on the date immediately prior to commencement of the Period for Measuring Targets (31 December 2018) and the Finalisation Date of the Period for Measuring Targets (31 December 2021).

(9) Requirements to obtain the Final Incentive

The requirements for the Beneficiary to receive the Final Incentive resulting from this Plan are the following:

1. The targets to which the Plan is linked in the terms and conditions established in its Regulations must be met.
2. The Beneficiary must remain in the Company or its Group of companies until the First Plan Payment Date to receive 50% of the Incentive, and until the Second Payment Date to receive the remaining 50%, except in special circumstances such as death, permanent disability, and other circumstances established in the Regulations and that must be approved by the Company's Board of Directors. In the event of voluntary resignation, fair dismissal or termination on righteous grounds, the Beneficiary will therefore forfeit the right to receive the Incentive that had not been received at the time of the cessation. This is without prejudice to the possible additional application of the reduction and clawback clauses set out in section 12 hereunder.

(10) Handover of shares and the system of availability

The shares which, as applicable, result from settlement of the Plan will be provided to the Beneficiary through book entries, or the applicable stock market procedure, into their corresponding securities account.

The shares received through this Plan will be fully paid up, accepted for trading and free from any lien or encumbrance.

Notwithstanding the foregoing, Beneficiaries will be subject to the obligation to maintain ownership of the shares (net of the corresponding withholding at source of Personal Income Tax) for two (2) years for those shares received under the Plan on the First Payment Date and for one (1) year for net shares received under the Plan on the Second Payment Date. Once said periods have elapsed, the shares will be freely available.

(11) Events of early settlement of the Plan

The Plan may provide for early settlement events in cases of taking or changing control of the Company or a corporate event or transaction that, in the opinion of the Board of Directors, would significantly affect the Plan.

(12) Reduction and clawback clauses

The Plan will consider the corresponding reduction ("*malus*" clause) and clawback clauses that will be included in the Plan Regulations. The Board of Directors will determine, if applicable, whether the circumstances that should trigger the application of these clauses have concurred, and the part of the Final Incentive that, if applicable, should be cancelled or clawed back.

(13) Management and administration of the Plan

The Enagás Board of Directors, at the proposal of the Committee, will take, in each case, the appropriate decisions for the proper management and administration of the Plan. Specifically, the Board of Directors is empowered, in the broadest terms, and such powers may be delegated by the Board of Directors to the Committee, the Executive Chairman of the Board of Directors, the Chief Executive Officer, or to any other person that the Board

of Directors expressly authorises to this end, for the enforcement of this resolution and for the implementation, development, formalisation, execution and settlement of the Plan when and as it deems appropriate, adopting as many resolutions and signing whatsoever public or private documents as required or appropriate for its full effects, with the power to rectify, redress, modify or supplement this resolution.

And, in general, to adopt resolutions and perform as many actions as are necessary or merely appropriate for the success of this resolution and the implementation, execution and settlement of the Plan, including, but not limited to, and always within the framework of the terms and conditions provided for in this resolution, the following powers:

- (i) Implement and execute the Plan when it deems it convenient and in the specific way it deems appropriate.
- (ii) Develop and set the specific conditions of the Plan for everything not provided for in this resolution.
- (iii) To the extent that the legal regime applicable to some of the Beneficiaries of Enagás so requires or advises, or if necessary or appropriate for legal, regulatory, operational or other reasons of a similar nature, to adapt the basic conditions indicated, whether general or specific, including, for merely illustrative purposes, the possibility of adapting the handover mechanisms of the shares, without altering the maximum number of shares linked to the Plan and foreseeing and executing the total or partial settlement of the Plan in cash.
- (iv) Decide not to execute or totally or partially cancel the Plan, as well as to exclude certain groups of potential Enagás Beneficiaries when the circumstances so require.

- (v) Draft, sign and submit as many communications and supplementary documents as necessary or appropriate with any public or private body for the purposes of the implementation, execution or settlement of the Plan, including, if necessary, the corresponding prior communications and prospectuses.
- (vi) Carry out any action, declaration or procedure with any body or entity or public or private registry, to obtain any authorisation or verification necessary for the implementation, execution or settlement of the Plan and handover of the Enagás shares.
- (vii) Negotiate, agree and sign contracts of any kind with financial institutions or entities of any other kind that it freely designates, under the terms and conditions that it deems appropriate and which are necessary or convenient for the best implementation, execution or settlement of the Plan. This includes, whenever necessary or suitable for the legal regime applicable to some of the Beneficiaries or if necessary or convenient for legal, regulatory, operational or other reasons of a similar nature, the establishment of any legal status or reaching of agreements with any type of entities for the deposit, custody, holding and/or administration of the shares and/or their subsequent handover to the Beneficiaries within the framework of the Plan.
- (viii) Draft and publish whichever announcements that are necessary or convenient.
- (ix) Draft, sign, confer and, where appropriate, certify, any type of Plan-related document.
- (x) Adapt the content of the Plan to the corporate circumstances and operations that may occur during the Period for Measuring Targets, both referring to Enagás and the companies that are part of the Comparison Group at any time, under the terms and conditions deemed necessary or appropriate at all times to maintain the purpose of the Plan, including early settlement. Specifically, modify the composition of the Comparison Group of companies as a result of corporate operations that involve modifications or disappearances of such companies, set the references for determination of the Performance Shares to be allocated, and establish and adjust the metrics and their corresponding weightings and scales of reaching targets according to the Company's situation at any given time. All of this, within the limits of the approval of the Plan by the General Shareholders' Meeting.
- (xi) And, in general, perform as many actions, adopt whatsoever decisions and sign as many documents as necessary or merely convenient for the validity, effectiveness, implementation, development, execution, settlement and success of the Plan and the previously adopted resolutions.

RESOLUTION 9

To submit the Annual Directors' Remuneration Report referred to in article 541 of the Consolidated text of the Corporate Enterprises Act to an advisory vote.

Article 541 of Consolidated Text of the Corporate Enterprises Act stipulates that boards of listed societies must draw up and publish a report on directors' remuneration, including remuneration they receive or must receive in their capacity as directors and, where applicable, remuneration for carrying out executive functions. The Annual Report on Directors' Remuneration shall be submitted to an advisory vote as a separate item on the agenda of the Ordinary General Shareholders' Meeting.

Article 529 novodecies of Consolidated Text of the Corporate Enterprises Act stipulates that the policy for directors' remuneration shall be as per the remuneration system provided for in the company' Articles of Association, and shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the agenda. The Directors' remuneration policy, approved as set forth above, will remain valid for three fiscal years after being approved by the General Meeting. Any remuneration paid to directors for holding or being removed from their positions and for performing executive functions must be consistent with the director remuneration policy in effect at any given time, except for any remuneration expressly approved by the General Shareholders' Meeting.

The General Shareholders' Meeting held on 18 March 2016 approved the "Director Remuneration Policy for 2016, 2017 and 2018", including a long-term incentive plan which was also approved by the same Shareholders' Meeting. The Annual Directors' Remuneration Report which is now put forward for the advisory vote refers to the aforementioned Policy approved by the Board.

This report is in keeping with the provisions of Article 541 of the Consolidated Text of the Corporate Enterprises Act, which includes the remuneration of directors, including remuneration they receive or must receive in their capacity as directors and, where applicable, remuneration for carrying out executive functions. The report is in keeping with the contents and structure determined by the Spanish Ministry of Finance and Competitiveness and the National Securities Market Commission (CNMV), and includes (i) clear, comprehensive and comprehensible information concerning the remuneration of directors applicable to the current year; (ii) a global overview of application of the Director Remuneration Policy during the preceding year; (iii) in addition to details of the individual remuneration packages accruing for all concepts and for each of the directors during that year.

By way of attachment to these proposed resolutions and forming an integral part of them, the Annual Report on Directors' Remuneration is placed at the shareholders' disposal.

Accordingly,

The proposed advisory vote on the Annual Report on Directors' Remuneration, made available to shareholders, is laid before the General Meeting for the purposes of article 541 of the Consolidated Text of the Corporate Enterprises Act.

RESOLUTION 10

To delegate authorisation to supplement, develop, implement, rectify and formalise the resolutions adopted at the General Meeting.

The following proposed resolution is laid before the Ordinary General Shareholders' Meeting:

- "One.- To delegate to the Board of Directors the broadest powers required to supplement, develop, implement and rectify any of the resolutions adopted at the General Meeting. The power to rectify shall include the power to make any required or advisable modifications, amendments and additions arising from any objections or remarks made by the regulatory bodies of securities markets, stock exchanges, the Companies Register or any other public authority with powers relating to the resolutions adopted.
- Two.- To delegate indistinctly to the Chairman of the Board of Directors, Mr Antonio Llardén Carratalá, and the Secretary, Mr Rafael Piqueras Bautista, and to each of the Board members, the powers required formally to draw up the resolutions adopted by the General Meeting and register those so requiring, in full or in part, with powers to that end to draw up all manner of notarised and non-notarised instruments, including those supplementing or rectifying those resolutions."

These draft resolutions were approved by the Board of Directors at its meeting on 22 February 2019.

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



PROCEDURE FOR VOTING AND APPOINTING PROXIES AT A GENERAL SHAREHOLDER'S MEETING BY REMOTE MEANS OF COMMUNICATION

Pursuant to articles 189, 190.1 and 521 of the Corporate Enterprise Act, article 27 of the Articles of Association and articles 1, 10, 11.1 and 11.2 (B) of the Rules and Regulations of General Meetings, all the company shareholders entitled to attend may vote and appoint proxies by remote means of communication, except on resolutions in which they have a conflict of interest, in accordance with the Corporate Enterprise Act, the Articles of Association and the Rules and Regulations of General Shareholders' Meetings, by i) post and ii) electronic communication, or submit their vote at the Shareholder Office.

For these purposes, the aforementioned articles of the company's Articles of Association and the Rules and Regulations of General Meetings confer on the Board of Directors the powers necessary to implement specific rules and regulate the exercise of voting and proxy rights by means of remote communication, and to decide on the electronic or remote means that may be used at each Meeting to appoint proxies and cast votes, having regard to the state of the art.

By virtue of this delegation of authority, at its meeting on 22 February 2019 the Board of Directors of Enagás, S.A. agreed that at the next General Meeting, scheduled to be held upon first call in Madrid on 28 March 2019 at 12.00 pm at Paseo de la Castellana 33, Madrid (premises of Mutua Madrileña) and, if the Shareholders then present fail to constitute a quorum as required by law and the Articles of Association, to be held upon second call on 29 March 2019 at 12.00 pm, also at Paseo de la Castellana 33, Madrid (premises of Mutua Madrileña, access from 20 calle Eduardo Dato), the following rules concerning voting and appointment of proxies by remote means of communication will apply.

1.- VOTING BY MEANS OF REMOTE COMMUNICATION.

Pursuant to article 27 of the Articles of Association and articles 1, 11.1 and 11.2 (B) of the Rules and Regulations of General Meetings, voting on resolutions on items of business on the agenda may be exercised by the shareholders by i) post and ii) electronic communication, or iii) at the Shareholder Office in accordance with the following instructions.

1.1.- Voting by post.

Shareholders wishing to vote by post must send the company (Enagás, S.A. – Shareholder Office – Paseo de los Olmos 19, 28005 Madrid) the attendance and voting card issued by entities that are members of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (IBERCLEAR, the Spanish Central Securities Depository), setting out the identity of the shareholder, the number of shares they hold, and how they wish to vote on each item of business on the agenda, bearing a handwritten signature. If shareholders are bodies corporate, in addition to the handwritten signature of the representative they must also provide a document that constitutes a legal accreditation of representation.

1. 2.- Voting by electronic means of communication.

Shareholders wishing to vote electronically must do so via in the section devoted to the General Shareholders' Meeting on the "Investor Relations" page on the company's website (www.enagas.es), following the instructions given for the purpose on each of the windows of the website and filling out the forms provided. To do this, they will provide proof of identity via an electronic certificate and voting certificate with a legally recognised electronic signature endorsed by the guarantees stipulated below, stating the number of shares owned and how they intend to vote on each item on the agenda.

Pursuant to article 27 of the Articles of Association and 11.1 and 11.2 (B) of the Rules and Regulations of General Meetings, the guarantees that the Board of Directors considers appropriate to ensure the authenticity and identification of a shareholder exercising voting rights is the electronic signature recognised pursuant to the terms of the Law 59/2003 of 19 December on electronic signatures, provided the signature is based on (i) an Electronic User Certificate issued by the Spanish National Mint's Public Certification Authority (CERES) concerning which no revocation has been recorded, or (ii) the recognised electronic certificate incorporated in the Spanish National Identity Card issued pursuant to Royal Decree 1553/2005 of 23 December regulating the issuance of the Spanish National Identity Card and electronic signature certificates. The certificate must be obtained by the shareholder at no charge to the company and must be valid at the time of voting.

1. 3.- Votes cast at the Shareholder Office.

If Shareholders decide to cast their vote in person or by proxy at the Shareholder Office, they shall submit an attendance and voting card clearly stating the Shareholder's identity, number of shares held and vote on each item on the agenda, bearing their written signature, and shall also present their national identity card or passport, if the Shareholder is a natural person. In the case of representation, the proxy must present a document accrediting proxy representation, whether the shareholder is a body corporate or a natural person.

1.4.- Specific rules on the casting of votes.

If a Shareholder voting by remote means fails to mark any of the boxes provided for the purpose in relation to any item of business on the agenda, he/she will be deemed to have voted in favour of the respective resolution proposed by the Board of Directors.

2.- APPOINTMENT OF PROXIES USING REMOTE MEANS OF COMMUNICATION.

Pursuant to article 27 of the company's Articles of Association and article 10 of the Rules and Regulations of General Meetings, a shareholder may appoint a proxy for a General Meeting by post or electronic communication in accordance with the following instructions.

2.1.- Appointment of proxies by post.

A shareholder wishing to appoint a proxy by post must fill in the attendance and voting card issued by entities that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (IBERCLEAR, the Spanish Central Securities Depository), in the "Appointment of Proxy" section, with his/her handwritten signature, attaching his/her national identity card or passport, and send it to the company (Enagás, S.A. – Shareholder Office – Paseo de los Olmos 19, 28005 Madrid)

2.2.- Appointment of proxies by electronic communication

Shareholders wishing to appoint a proxy electronically may do so through the "Investor relations" section of the website (www.enagas.es), following the instructions given to this end on the website and filling out the forms provided. To do this, they will provide proof of identity via an electronic certificate and voting certificate with a legally recognised electronic signature endorsed by the guarantees stipulated below, stating the number of shares owned and the proxy appointed.

Pursuant to article 27 of the company's Articles of Association and article 10 of the Rules and Regulations of General Meetings, the guarantees that the Board of Directors considers appropriate to ensure the authenticity and identification of a Shareholder exercising the right to appoint proxies is the electronic signature pursuant to the terms of Law 59/2003 of 19 December on electronic signatures, provided the signature is based on (i) an Electronic User Certificate issued by the Spanish National Mint's Public Certification Authority (CERES) concerning which no revocation has been recorded, or (ii) the recognised electronic certificate included in the Spanish national identity card issued pursuant to Royal Decree 1553/2005 of 23 December regulating the issuance of national identity cards and electronic signature certificates. The certificate will be obtained by the shareholder at no charge to the company, and must be valid at the time of appointment of the proxy.

2.3.-General provisions for appointment of proxies by remote means of communication.

Shareholders appointing a proxy by remote means must notify the designated proxy of the power of representation that has been granted. For this purpose, on the date and at the time of the General Meeting, proxies must identify themselves by their National Identity Card or passport and produce a printed copy of the postal or electronic delegation, duly signed by both the proxy and by the principal.

If the Chairman or any other member of the Board of Directors is appointed as a proxy, including the Secretary or, where applicable, the Vice-Secretary, even if he/she is not a Director, this notice will be deemed to have been given upon receipt by the company of the proxy letter.

No shareholder may be represented by more than one proxy.

3.- GENERALLY APPLICABLE RULES.

3.1.- Time frame for voting and appointing proxies by remote means of communication.

For proxy appointments and votes cast by any of the aforesaid means to be valid, they must be received by the company at the Shareholder Office (Paseo de los Olmos, 19, Madrid) or via the company website, www.enagas.es, as applicable, between the date of publication of Notice of the General Meeting and no later than 24 hours prior to the date and time of the scheduled second call for the General Meeting, i.e., no later than 28 March 2019 at 12.00 pm. For the purposes of electronic communication the company will deploy an electronic time-stamping system based on an objective time source, in order to accredit the time at which proxy appointments or electronic votes arrive.

After this time, only proxy appointments in writing presented at the shareholder registration desks on the date and time specified for the General Meeting will be admitted.

3.2.- Order of priority in attendance, voting and proxy appointment by remote communication.

3.2.1. Priority of personal attendance.

Pursuant to articles 27 of the company's Articles of Association and 10 and 11.5(B) of the Rules and Regulations of General Meetings, personal attendance at a General Meeting revokes proxy appointments and votes cast by remote means of communication.

3.2.2. Priority of remote voting over proxy appointment.

Any votes cast by remote means of communication will render any proxy granted electronically or by post ineffective, and the proxy will be deemed to have been revoked if granted previously, or not to have been granted at all if granted subsequently.

3.2.3. Priority in events of several proxy appointments and/or votes by means of remote communication.

If a Shareholder validly makes more than one proxy appointment or validly casts more than one vote by different forms of remote communication, the proxy appointment or vote received last prevails, and those received earlier are void.

3.3.- Confirmation of remote vote or proxy appointments.

The validity of votes cast and proxy appointments made by remote means of communication is subject to cross-checking of the information provided by the Shareholder against the file furnished by IBERCLEAR.

3.4.- Co-ownership.

In the event of co-ownership of shares, for the purposes of article 126 of the Corporate Enterprise Act a co-owner voting or appointing a proxy remotely is presumed to have been appointed by the other co-owners to exercise the rights arising from the shares.

3.5.- Custody of electronic signatures.

The custody of electronic signatures for voting or appointing proxies by electronic means is the sole responsibility of Shareholders.

3.6.- Bodies corporate and non-residents.

Shareholders that are bodies corporate or are not resident in Spain must contact the Shareholder Office regarding possible use or adaptation of the mechanisms for voting and appointing proxies via remote communication to their specific requirements.

Furthermore, if the Shareholder is a body corporate it must notify the company, via the General Secretariat and the Board of Directors, of any modification or revocation of the powers vested in the proxy. The company rejects any liability that may arise prior to such notice.

4.- TECHNICAL INCIDENTS.

The company reserves the right to modify, suspend, cancel or restrict the mechanisms for electronic voting and appointment of proxies where technical or security reasons so require

or demand. Any such circumstance will be made public as soon as practicable by any medium the company thinks appropriate.

The company accepts no liability for any damages to any Shareholder as a result of breakdowns, overloads, line failures, connection faults, postal service malfunctioning or any other eventuality of the same or a similar nature beyond the control of the Company that prevents the use of electronic voting and proxy appointment mechanisms.

22 February 2019
Secretary to the Board of Directors
Rafael Piqueras Bautista



RULES OF USE OF THE SHAREHOLDERS' ELECTRONIC FORUM

I. Introduction

Pursuant to the provisions of article 539.2 of the Consolidated Text of the Corporate Enterprises Act (Ley de Sociedades de Capital) enacted by Royal Legislative Decree 1/2010 of 2 July, Enagás, S.A. (hereinafter "Enagás", the "Company" or the "Administrator") has approved these Rules of Use of the Forum (hereinafter the "Rules"), which form part of the Company's Corporate Governance System, relating to the Enagás Shareholders' Electronic Forum (hereinafter the "Forum") to be created on the Company's website (www.enagas.es) when each General Shareholders' Meeting is called and until it is held.

II. Forum Rules

These Rules govern the creation and provision of the Forum by Enagás and the guarantees, terms and conditions for access to and use of the Forum by the shareholders of Enagás and such voluntary associations as the shareholders may create in accordance with prevailing legislation.

With regard to the Forum, these Rules complement the Conditions for Access to and Use of the Enagás website www.enagas.es, which will apply in full to access to and use of the Forum provided no modifications are made and no conflicts arise with the provisions of the Rules.

Enagás reserves the right to modify, at any time and with no prior warning, the presentation, configuration, functioning and content of the Forum, the conditions of access and use and these Rules, without prejudice to the legal provisions relating thereto.

III. Acceptance of the Forum Rules

Registering as a user of the Forum ("Registered User") and accessing and/or using the Forum entails full and unreserved acceptance of the terms and conditions of the Rules and of the Conditions for Access to and Use of the Enagás website www.enagas.es.

Enagás will be deemed to be the Administrator of the Forum under the conditions and with the powers provided in these Rules. It reserves the right of interpretation in the event of any doubts or discrepancies as to use of the Forum.

IV. Purpose and aim of the Forum

The Forum will be created for the exclusive purpose of facilitating communication with the shareholders of Enagás, and any voluntary associations that may be established, as of the time of notice of each General Meeting until the latter is held, as applicable.

Accordingly, Registered Users may send communications to be posted on the Forum the purpose of which is exclusively as follows:

- Propose resolutions to be submitted as a supplement to the agenda set out in the notice of the General Meeting.
- Requests for adherence to these proposed resolutions.
- Initiatives to achieve a sufficient percentage to exercise a statutory minority-interest right.
- Offers and requests for voluntary representation by proxy.

It is stipulated that, in accordance with article 22 of the Company's Articles of Association and article 519 of Royal Legislative Decree 1/2010 of 2 July enacting the Consolidated text of the Corporate Enterprises Act, shareholders requesting that a supplement to the Notice of the General Meeting be published, adding one or more items to the agenda, must hold at least 3% of the Company's share capital. This right must be exercised within five days from the publication of the Notice of the General Meeting, by certified notice received at the following address:

Enagás, S.A.
General Secretary
Paseo de los Olmos, 19
28005. Madrid

Shareholders representing this percentage may, within the deadline and in the manner indicated, present well-founded proposals of resolutions on matters already included or that should be included on the agenda.

V. Registered users

Access to and use of the Forum is reserved exclusively for individual Shareholders of Enagás, in addition to validly created voluntary associations of Shareholders of the Company that are listed on the special register created by the CNMV [the Spanish securities market regulator], in accordance with article 539.4 of the Consolidated text of the Corporate Enterprises Act.

To be able to access and use the Forum, the Shareholders and voluntary associations of shareholders must register as "Registered Users" by filling in the Registered User registration form, demonstrating their status as an Enagás shareholder, or as a validly created voluntary association of Shareholders registered at the CNMV, as indicated on the form.

In the case of body corporate shareholders and voluntary associations of shareholders, power of attorney of the person wishing to access the Forum on behalf of them must be duly documented in the manner indicated on the registration form.

For subsequent Forum access and communications, completion of a special usage form may be required.

Access to and use of the Forum by the Registered Users is conditional upon retention of their status as Shareholders of Enagás in accordance with applicable legislation or as a validly created and registered voluntary association of shareholders.

If, in its capacity as Forum Administrator, Enagás should have at any time reasonable doubts as to a Registered User's compliance with these conditions, it may require the User to substantiate their compliance with said conditions and may request the User to provide it with whatever information or documents it deems appropriate to verify the matters considered here.

The Administrator may request additional information from or cancel the registration of the Registered Users who do not duly substantiate their compliance with the aforementioned conditions.

Communications made by Shareholders who lose this status before the General Meeting concerned is held will be removed automatically, as will communications related or linked to the previous communications.

VI. Access to the Forum and publication of communications

1. Access to the Forum

All Registered Users will have access to the Forum and may consult the communications made by other registered users.

The sole purpose of the Forum is to publish the communications made by Registered Users that relate to the matters stated in section IV. The Forum is not a means for electronic conversations between Registered Users, or a place for virtual debates. Therefore, the Administrator will only post on the Forum those communications that are authorised under the law and under the Enagás Corporate Governance System, and other comments on said communications will not be posted on the Forum.

2. Publication of communications on the Forum

All Registered Users may submit communications concerning any of the matters indicated in section IV above.

The communications will be submitted exclusively in text format and, when posted, will be made available to any other Registered User.

Communications prepared by the Registered Users are written by them personally. With the exception of associations of shareholders that are duly authorised under the law and these Rules, communications received from representatives of Shareholders, shareholder groups and agreements, depository institutions, financial intermediaries and other persons acting on behalf of or in the interests of the Shareholders will not be published.

Applications to publish communications must be made in accordance with the forms available on the Forum for this purpose, which will include:

- Identification of the Registered User issuing the communication.
- Title of the communication, indicating the content of the initiative in a precise manner.
- Brief rationale of the communication.

All communications posted on the Forum will include the identity (name and surnames in the case of natural persons, corporate name in the case of legal persons, and the name and registration number from the CNMV register in the case of shareholder associations, and also, in the latter two cases, the identity of their respective representatives) of the Registered User issuing the communication, and will show the date and time of posting.

By making a communication, it is understood that the Registered User responsible for the communication declares and guarantees that the content thereof is lawful and in accordance with the law, with the Rules and with the requirements of good faith, that they have all the authorisations and permissions necessary to issue the communication concerned and that it does not infringe any third-party rights.

The Administrator may ascertain that the communications which users wish to issue comply with the law, these Rules and the requirements of good faith, and may refuse to post on the Forum, or remove from the Forum, any communication which it deems does not comply with these conditions. It may also answer any communication issued by Registered Users through the e-mail address provided by the Registered User or through any other means of communication that it deems appropriate.

3. Content of communications

Any use of the Forum by the Registered Users will be made with all due respect for prevailing legislation, in accordance with these Rules and with regard to the requirements of good faith. The following are therefore expressly forbidden:

- Infringing the rights, assets and lawful interests of Enagás, of other Registered Users and of third parties, such as their intellectual and industrial property rights, religious freedom, honour, reputation and privacy, protection of personal data and any other legal rights, rights or interests that are protected by law.
- Entering information or personal data concerning third parties without the informed consent of their holder or usurping identities.
- Including contents or expressions that are discriminatory, racist, sexist, violent, xenophobic or in any other way degrading or offensive.
- Including any manner of inappropriate material or material that is contrary to the requirements of good faith.
- Supplying information of any type aimed at committing unlawful criminal, civil or administrative acts.
- Taking any action (or supplying information to third parties) which avoids the technical restrictions that the different media or

programmes of the Forum may entail with the purpose of preventing unauthorised use.

- Including content or material without due authorisation from the holders of the intellectual or industrial property rights.
- Damaging, disabling, overloading or causing the deterioration of the working of the Forum or the IT equipment of Enagás, of other Registered Users or of third parties, in addition to the documents, files and all manner of contents stored on such IT equipment (hacking) and preventing normal use and enjoyment of the Forum by other Registered Users.

The insertion of any kind of publicity or advertising by the Registered Users is strictly prohibited.

Any Registered User that becomes aware that any type of content on the Forum or provided through it is contrary to the law, to these Rules or to the requirements of good faith, may notify the Administrator of this circumstance through the contact mailbox referred to below, with no liability in this regard for Enagás, even if no measures are adopted in this respect.

The Registered Users undertake to make proper and appropriate use of the Forum and a use in accordance with the laws, these Rules and the requirements of good faith, in accordance with its purpose pursuant to section IV above.

4. Elimination of communications after the General Meeting

After the General Shareholders' Meeting, the Administrator reserves the right to eliminate and delete all communications referring to the meeting.

VII. Scope of the Forum

The Forum is not a channel for communication between Enagás and the Registered Users.

Accordingly, no post written or published in the Forum may be understood in any case as notice to Enagás for any purpose and, in particular, for the exercise of any rights that the Registered Users, individually or collectively, may have, nor does it replace the necessary requirements in accordance with the law and Enagás' Corporate Governance System for the exercise of any such rights or to develop the initiatives and actions of the Shareholders.

All rights and powers that shareholders wish to exercise must go through the legally established channels, in accordance with the provisions of the law and the Corporate Governance System of Enagás, and the Forum may not at any time constitute a valid channel for this purpose.

VIII. Responsibility of the Administrator

1. Scope of the responsibility of Enagás

Enagás takes no responsibility for the accuracy, truthfulness, validity, lawfulness or relevance of the communications sent by the Registered Users or for the opinions stated by them.

Enagás will only take responsibility for its own services and contents directly originated by it and identified with its copyright, such as a trademark or the intellectual or industrial property of Enagás.

By virtue of their access to and/or use of the Forum, all Registered Users declare that they are aware and accept that the use of the Forum is, in all cases, on their sole and exclusive responsibility.

2. Contents

All Registered Users may submit communications concerning any of the matters indicated in section IV above.

The Administrator expressly reserves the right to refuse access to and/or the use of the Forum and to not publish or to withdraw the communications written by those Registered Users that breach current laws and regulations, these Rules or the requirements of good faith.

The Administrator has the power, although it does not have the obligation, to monitor the use of the Forum and its contents, which are the exclusive responsibility of the Registered Users who produce them. In any event, the Administrator may establish tools to filter and moderate the content of the communications, and may withdraw contents when it considers that these may be unlawful or contrary to these Rules or the requirements of good faith.

Registered Users will be responsible for any damages that may be sustained by Enagás, another Registered User or any other third party as a consequence of access to and/or use of the Forum (including, in particular, the production of communications) that fails to comply with any provision of the legal regulations in force, of these Rules and of the requirements of good faith.

IX. Absence of licence

Enagás authorises Registered Users to use the intellectual and industrial property rights relating to the computer application installed in the server of Enagás or a third party that runs the Forum services solely for the purposes stipulated in section IV above and according to the terms and conditions established in these Rules. Registered Users must abstain from securing, or attempting to secure, access to and use of the Forum and its contents by means or procedures other than those that in each case have been placed at their disposal or indicated for the purpose.

Enagás does not grant any type of licence for or authorisation for use in connection with its intellectual and industrial property rights, or with any other ownership title or right in connection with the Forum other than that provided in the previous paragraph.

X. Cost of use

Access to and the use of the Forum by Registered Users is free, apart from the cost relating to the connection through the telecommunications network supplied by the access provider detailed to do so by each Registered User.

XI. Security and personal data protection

The provisions relating to security and personal data protection in the "Conditions for access and use" of the Enagás website (www.enagas.es) will apply to the Forum. In particular, personal data provided by Registered Users or that are generated as a result of their use of the Forum will be processed by the Company to establish, manage and supervise operation of the Forum in accordance with the provisions of these Rules and applicable laws and regulations.

Registered Users accept and expressly authorise that their personal details may be posted on the Forum.

Registered Users may exercise their rights to access, rectify, cancel and challenge data through the contact mailbox stipulated.

XII. Contact mailbox

Registered Users who have suggestions or proposals to improve the Forum, who require technical assistance, who wish to make complaints about contents that do not comply with these Rules or who wish to exercise the rights recognised in the regulations governing personal data protection may write to the e-mail address of the Company, which will be expressly stated for such purposes on the Forum. The purpose of this electronic mailbox is to provide the Registered User with assistance and to improve the quality of the Forum, without entailing any type of control or responsibility on the part of the Administrator.

These Rules of Use of the Electronic Forum were approved by the Board of Directors at its meeting on 22 February 2019.

Secretary of the Board of Directors
Rafael Piqueras Bautista