PROPOSED RESOLUTIONS LAID BEFORE THE 2010 GENERAL SHAREHOLDERS' MEETING

First call: 29 April 2010
Second call: 30 April 2010

AGENDA

1. To examine, and if appropriate, approve the 2009 Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements) and Management Report of Enagás S.A. and its Consolidated Group.

2. To approve, if applicable, the proposed distribution of Enagás, S.A.'s profit for the financial year 2009.

3. To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2009.

4. To re-appoint Deloitte S.L. as Auditor of Enagás, S.A. and its Consolidated Group for 2010.

5. To amend article 2 of the company's bylaws ("Corporate Purpose") to include activities of transport and storage of carbon dioxide, hydrogen, biogas and other energy fluids, heat and cooling capture and usage of energy linked to its core businesses or resulting therefrom, as well as the possibility of involvement in natural gas market management activities.

6. Amendment of article 45 of the Company's bylaws ("Appointments and Remuneration Committee") in order to grant expressly to this committee powers and responsibilities in respect to Corporate Social Responsibility.

7. To amend article 49 of the Company's bylaws ("Preparation of the annual accounts") to adapt this article to the text of Article 172 of the revised text of the Spanish Companies Act.

8. To ratify, appoint, renew or re-elect members of the Board of Directors.

    8.1.- To re-appoint Antonio Llardén Carratalá as a director for the statutory four-year period. Mr. Llardén shall serve as executive director.

    8.2.- To re-appoint Miguel Angel Lasheras Merino as a director for the statutory four-year period. Mr. Lasheras shall serve as independent director.

    8.3.- To re-appoint Dionisio Martínez Martínez as a director for the statutory four-year period. Mr. Martínez shall serve as independent director.

    8.4.- To re-appoint José Riva Francos as a director for the statutory four-year period. Mr. Riva shall serve as independent director.

    8.5.- To re-appoint Teresa García-Milá Lloveras as a director for the statutory four-year period . Ms. García-Milá shall serve as independent director.

    8.6.- To ratify and appoint Said Mohamed Abdullah Al Masoudi for the four-year statutory period. Mr. Al Masoudi shall serve as proprietary director proposed by the shareholder Oman Oil Holdings Spain, SLU.

8.7.- To ratify and appoint a representative of Sagane Inversiones S.L. for the statutory four-year period. The representative of Sagane Inversiones S.L. shall serve as proprietary director proposed by the shareholder Sagane Inversiones S.L.

8.8.- To re-appoint Isabel Sánchez García as a director for the statutory four-year period. Ms. Sánchez García shall serve as independent director.

8.9.- To establish the number of directors at sixteen (16), which is within the limits established by the Company's bylaws.

9. To approve directors' remuneration for 2010.

10. To authorise the acquisition of treasury shares, pursuant to Article 172 of the revised text of the Spanish Companies Act.

11. To present the explanatory report on the items stipulated under article 116 bis of the Securities Market Act.

12. To delegate powers to supplement, implement, perform, rectify and formalise the resolutions adopted at the General Shareholders' Meeting.

PROPOSED RESOLUTION 1

To examine, and if appropriate, approve the 2009 Annual Accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements) and Management Report of Enagás S.A. and its Consolidated Group.

The following proposed resolution is laid before the 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 financial statements) and Management Report of Enagás S.A. and its Consolidated Group for the year ending 31 December 2009.

PROPOSED RESOLUTION 2

To approve, if appropriate, the proposed distribution of Enagás, S.A.'s. profit for financial year 2009.

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

To approve, if appropriate, the proposed distribution of Enagás, S.A.'s. profit for financial year 2009.

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

- To approve the distribution of Enagás, S.A. profit for financial year 2009, which included net profit of €**297,271,191.22**, in line with the following distribution proposal prepared by the Board of Directors:

Distribution	**Euro**
Legal Reserves	**0.00**
Voluntary Reserve	**118,452,784.65**
Dividend	**178,818,406.57**
Total	**297,271,191.22**

- To pay out an additional dividend to the value of **€111,256,610.99.** This amount is the result of deducting from the financial year's total dividend, **€178,818,406.57**, the interim dividend of **€67,561,795.58** that was agreed by the Board of Directors on **30 November 2009**, and paid to shareholders on **22 December 2009**.

  The final dividend will be paid on **5 July 2010**.

  The total dividend for the financial year being proposed for approval in accordance with the previous paragraph equates to a gross payment of **€0.749027** per share.

Once the interim dividend already paid **(€0.283** gross per share) is deducted, the remaining payment will be for **€0**.**466027** per share, before tax deductions."

PROPOSED RESOLUTION 3

To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2009.

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

- "To approve the performance of the Board of Directors of Enagás, S.A. in 2009."

PROPOSED RESOLUTION 4

To re-appoint Deloitte S.L. as Auditor of Enagás, S.A. and its Consolidated Group for 2010.

Article 50 of the Company's bylaws, pursuant to article 204 of the revised text of the Spanish Companies Act states that the auditors of the Company's accounts shall be appointed by the General Shareholders' Meeting prior to the end of the year to

be audited, for an initial period of time no less than three years nor in excess of nine, as of the date of commencement of the first year audited, who may be re-appointed by the General Shareholders' Meeting annually once the initial period has expired.

Deloitte was appointed as auditor of the accounts of Enagás, S.A. and its Consolidated Group at the General Shareholders' Meeting held in 2004 for a period of three years. And re-appointed at the General Shareholders' Meetings held in 2007, 2008 and 2009 for those years. It is now proposed that the company be re-appointed for a further year in accordance with previously established terms and conditions.

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

- "To re-appoint "Deloitte S.L." as auditor of Enagás, S.A. and its Consolidated Group for a legally established period of one year. The company shall also be placed in charge of providing any other auditing services required by law that are specified by the Company until the next Ordinary General Shareholders' Meeting is held."

PROPOSED RESOLUTION 5

To amend article 2 of the Company's bylaws ("Corporate Purpose") to include activities of transport and storage of carbon dioxide, hydrogen, biogas and other energy fluids, heat and cooling capture and the usage of energy linked to its core businesses or resulting therefrom, as well as the possibility of involvement in natural gas market management activities.

In accordance with article 144(1)(a) of the revised text of the Spanish Companies Act, the Board of Directors has issued a written statement of the reasons for this proposed resolution. The statement will be made available to shareholders on the day the meeting notice is published.

Over the last century, economic development has been linked to an increase in energy consumption based on the use of fossil fuels and the subsequent environmental problems this has caused. Regardless of the measures put forward to contain demand or foment the use of alternative energy sources, measures are also required to reduced carbon dioxide emissions by limiting emission volumes and developing new technologies to reduce the environmental impact of CO_2. One of these alternative technologies is carbon capture and geological storage. This involves the capture of carbon dioxide produced by industrial plants, transporting this to a site and lastly injecting or confining it within an appropriate underground geological formation, with a view to permanent storage.

Carbon dioxide transport and storage is addressed by Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide, and the Spanish government has started working on a law to transpose this directive into national law.

Carbon dioxide transport and storage technology –currently at research and development phase- has a great deal in common with the technology used by Enagás in its transport and storage of natural gas. Therefore, the Company is being asked to participate in trial CO_2 confinement projects by public bodies and the private sector.

Similar technology and opportunities may arise for hydrogen, biogas and other energy fluids which are therefore also included in the proposal, as well as for heat and cooling capture and the usage of energies associated with the Company's core businesses or resulting therefrom.

Furthermore, the development and good operation of the common transport networks enables gas purchase transactions among the various system agents empowered in this connection to be conducted in markets created for this purpose, matching gas supply and demand as occurs with other types of energy. It may be advisable, or even necessary in accordance with legislation and rules governing these markets, for transport network operators to participate in managing these markets, as they do in other countries. Accordingly, the Company proposes to include in its corporate purpose the possibility of involvement in natural gas management activities.

These new activities will be carried out without detriment to Company's regulated activities and "always within the scope and limits legally established in relation to hydrocarbons" as stipulated by article 2 of the Company's bylaws.

At the same time, a proposal is being submitted to eliminate, for official reasons, section b) of article 2 of the Company's bylaws which currently includes "the purchase and sale of natural gas, and other complementary activities as may be necessary, to supply the tariff market". Law 12/2007, of 2 July, amending Law 34/1998, of 7 October, governing the hydrocarbons sector, to adapt this to the provisions of Directive 2003/55/CE of the European Parliament and of the Council of 26 June 2003, concerning common rules for the internal market in natural gas, eliminated activities "to supply the tariff market" and as a result Enagás no longer carries out these activities now that the transition period for the elimination of this market has ended. Therefore, it is expedient to eliminate from the bylaws all references to an activity that, as a result of the afore-mentioned changes, the Company no longer carries out.

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

To amend article 2 of the Company's bylaws: "CORPORATE PURPOSE", the full text of which shall now read:

Article 2. – CORPORATE PURPOSE**.**

The Company's Corporate Purpose is:

a) Activities specific to the regasification, basic and secondary transport and storage of natural gas, using the corresponding infrastructure or gas installations, owned by the Company or by a third party, and activities similar or linked to the above.

b) The design, construction, start up, operation and maintenance of all types of gas infrastructure and supporting installations, including telecommunications networks, remote and control systems of any nature and electricity networks owned by the Company or by third parties.

c) Carrying out all tasks relating to the technical management of the gas system.

d) The transport and storage of carbon dioxide, hydrogen, biogas and other energy fluids, via proprietary or third-party facilities, and the design, construction, launch, usage, operation and maintenance of all kinds of complementary infrastructure and facilities necessary to carry out these activities.

e) Heat and cooling capture activities and the usage of energies associated with core activities or resulting therefrom.

f) Rendering of various types of services including engineering, construction, advisory and consultancy services relating to the activities making up its corporate purpose and involvement in natural gas market management activities, provided these are compatible with the activities attributed to the Company by law.

The activities stated above may be carried out by the Company itself or through companies with a similar or identical purpose in which the Company holds a stake and always within the scope and limits legally established in relation to the hydrocarbons business.

PROPOSED RESOLUTION 6

Amendment of article 45 of the Company's bylaws ("Appointments and Remuneration Committee") in order to grant expressly to this committee powers and responsibilities in respect to Corporate Social Responsibility.

Enagás considers that the business success the Company is seeking requires a balance between economic growth, social cohesion and environmental protection, while at the same time taking the expectations of its stakeholders (customers, shareholders, employees, regulatory bodies, etc.) into account.

Enagás has been working for several years to improve its position in the area of Corporate Responsibility and as a result since 2008 the Company has been a member of the Dow Jones Sustainability World index (DJSI).

In September 2006 Enagás was admitted to the FTSE4Good**,** and in September 2009 jointed the Ebithel Excellence Investment Register, both of which include companies that set the benchmarks in best CSR practice. For a company to be admitted to these indices criteria such as human resources, the environment, code of ethics, corporate governance, contribution to society, human rights and relations with stakeholders are assessed.

Furthermore, Enagás has been a member of the United Nations Global Compact since 2003. This is an ethical commitment initiative which encourages companies worldwide to incorporate within their strategy and operations ten universal principles concerning human rights, work, the environment and the fight against corruption. Enagás provides a public and transparent record of the progress it has made in this field in an annual report. Additionally, in honour of the 60th anniversary of the Universal Declaration of Human Rights, Enagás, along with 250 other companies from across the globe, has joined an initiative promoted by the Global Compact to encourage respect for human rights

The above achievements, in addition to the Enagás' recently defined "Position on Corporate Social Responsibility", approved by the Board of Directors at its meeting on 25 May 2009, underpin the Company's commitment to making the principles and actions of corporate responsibility an integral part of its management system. Enagás will therefore base its strategy around the following corporate challenges:

- Service, reliability and accessibility.
- Transparency, ethics and integrity,
- Human capital development,
- Safety
- Biodiversity
- Climate change
- Helping the community.

To ensure these principles and strategies are developed effectively over the medium and long term, a Sustainability Committee has been created, made up by representatives of all the key business areas and departments in the area of CSR, and a Quality, Excellence and Sustainability Master Plan for 2009-2012, to allow the company to achieve its stated goals.

Enagás also presents its 2009 Annual Report, prepared according to the principles and content established by the Global Reporting Initiative (GRI) in its G3 guidance, having obtained, as in 2008, the highest rating granted by this institution (A+), including an external assurance report from KPMG.

Enagás has established a set of Business Principles which, as well as taking into account strict compliance with applicable legislation and our internal rules, are based on the Company's Mission and Values. They are guidelines to ensure correct professional conduct on the part of employees. The Enagás Business Principles aim to set standards to guide the conduct of its employees in their daily work, with regard to their relations with other employees, interaction with customers, suppliers and external partners, with public and private institutions and with society as a whole.

The Board of Directors is playing an increasingly important role in CSR and Corporate Governance issues and therefore the number of actions carried out by the Company in this area make it necessary to endow the Appointments and Remuneration Committee, comprised mainly of Independent Directors, with additional responsibilities, at the same time changing its name to the Appointments, Remuneration and CSR Committee. This requires an amendment of article 45 of the Company's bylaws.

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

To amend article 45 of the Company's bylaws: "APPOINTMENTS AND REMUNERATION COMMITTEE", the text of which now reads as follows:

"ARTICLE 45.- APPOINTMENTS, REMUNERATION AND CSR COMMITTEE".

The Board of Directors shall appoint from among its members an Appointments, Remuneration and CSR Committee that shall be comprised of a minimum of three and a maximum of five Directors. A majority of Committee members must be Independent Directors and no Executive Directors may be included among its number. The Board of Directors shall elect a Chairman from among the Committee members, but the Chairman shall not have the casting vote.

The Committee shall have powers and responsibilities in respect of the following matters:

- To establish payment criteria for the Company's Directors, in accordance with the stipulations of the bylaws and in line with resolutions passed at the

Ordinary General Shareholders' Meeting, and to ensure that payments are transparent.

- To establish a general remuneration policy for Enagás, S.A. management personnel and guidelines relating to the appointment, selection, promotion and dismissal of senior managers, in order to ensure that the company has the appropriate highly qualified staff for administering its business at all times.
- To revise the structure of the Board of Directors, the criteria for the re-appointment of Directors pursuant to the Company's bylaws, the incorporation of new members and any other aspects relating to its composition that it deems appropriate.
- To report to the Board on transactions that entail or could entail a conflict of interest.
- To establish a general CSR and Corporate Governance policy, ensuring the adoption and effective application of best practices, both those which are compulsory and in line with generally-accepted recommendations. To do this, the Committee may submit to the Board the initiatives and proposals it deems appropriate and shall provide information on proposals submitted to the Board and information the Company releases to shareholders annually regarding these issues.

The Committee shall meet at least four times a year, with meetings being called by the Chairman. The Committee may seek advice both internally and externally and request the attendance of senior management personnel, as deemed necessary in the execution of its duties."

PROPOSED RESOLUTION 7

To amend article 49 of the Company's bylaws ("Preparation of the annual accounts") to adapt this article to the text of article 172 of the revised text of the Spanish Companies Act.

Law 16/2007, of 4 July, reforming and amending accounting legislation to bring it into line with International standards and EU legislation resulted in new wording for article 172 of the revised text of the Spanish Companies Act approved by Royal Decree 1564/1989, of 22 December, including among the documents making up the annual accounts, in addition to the balance sheet, income statement and notes to the financial statements, a statement of changes in equity for the year and a cash flow statement.

Even though this legal requirement is the Company's preferred application, as stipulated in the bylaws, and therefore the 2008 annual accounts included, for approval by the Shareholders' Meeting, the two new documents, it is still appropriate to update the wording of article 49 of the Company's bylaws to bring it into line with the aforementioned article 172 of the revised Spanish Companies Act.

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

To amend article 49 of the Company's bylaws: "PREPARATION OF THE ANNUAL ACCOUNTS", the text of which now reads as follows:

"ARTICLE 49. – PREPARATION OF THE ANNUAL ACCOUNTS.

The Board of Directors must prepare, within three months of the close of the Company's financial year, its annual accounts, Management Report and proposed

distribution of profit, and, where appropriate, the accounts and Management Report of the consolidated group.

The annual accounts shall comprise the income statement, the statement of changes in equity, the cash flow statement and notes to the financial statements. These documents, which together make one unit, shall be clearly and concisely written and provide a true and fair view of the Company's equity, financial situation and earnings.

The annual accounts and Management Report must be signed by all directors and if the signature of any director is missing, this must be indicated in all the documents, clearly indicating the reason."

PROPOSED RESOLUTION 8

Given that their term of office as stipulated by the Company's bylaws has expired, the following directors shall be re-appointed: Antonio Llardén Carratalá, who will continue to serve as executive director, Miguel Angel Lasheras Merino, Dionisio Martínez Martínez, José Riva Francos, and Teresa García-Milá Lloveras, all of whom will continue to serve as independent directors.

At the same time, a proposal has been submitted to ratify the appointment of Said Mohamed Abdullah Al Masoudi, co-opted to the Board on 27 July 2009 to cover the vacancy left by Salvador Gabarró Serra, and his appointment as director for the by-law stipulated term of office. Mr Al Masoudi shall serve as proprietary director proposed by the shareholder Oman Oil Holdings Spain, SLU. Said Al Masoudi holds a degree in Energy Studies from Dundee University (Scotland, UK) and is a graduate in Oil and Mineral Engineering from the Sultán Qaboos university in Oman.

He is currently head of business development for infrastructure, electricity and maritime transport at the *Oman Oil Company (OOC).* As such he is responsible for the development and start up of large strategic projects in the raw materials and energy sectors both in Oman and in other countries.

Said Al Masoudi sits on the Boards of Directors of several OOC investees, such as *Aromatics Oman LLC*, *Orient Power Co, Oiltanking Odjfell Terminals LLC. Salaha Methanol Company LLC; Gulf Energy Maritime PJSC* and *GS EPS*. He represents OOC on various committees, including the Management Committee of the *Sohar Aluminium* and *Salalah Methanol projects.*

Before joining OOC, Mr. Al Masoudi was head of development for the materials and energy sector at the Omani Economics Ministry, responsible for planning and developing oil, natural gas and mineral projects in collaboration with other ministries and companies such as the Ministry of Oil and Gas, the Finance Ministry, the Ministry of Trade and Industry, the Ministry of Housing, Electricity and Water and *Petroleum Development Oman*. He was involved in the development of strategic industrial projects such as *Sohar Industrial Port* and *Qalhat Industrial Area*.

At the same time, a proposal has been submitted to ratify the appointment of a representative of Sagane Inversiones, S.L., co-opted to the Board on 27 April 2009 to cover the vacancy left by Carlos Egea Krauel, and his appointment as director for the four-year by-law stipulated term of office. A representative of Sagane Inversiones S.L. shall serve as proprietary director proposed by Sagane Inversiones

S.L. itself. Sagane Inversiones S.L. has appointed Carlos Egea Krauel as its board representative.

At the same time, a proposal has been submitted to appoint Isabel Sánchez García as director for the statutory four-year period. Ms. Sánchez García, who will serve as independent director, holds a degree in Economics and Business Administration from Madrid's Universidad Autónoma, and Master of Arts and Doctor in Economics (PhD) from the University of California, San Diego, USA. During her career, she has held the following posts, among others: Assistant Professor, Economics Department, University of Rochester, New York; Tenured Professor, Quantitative Economics Department, Universidad Complutense, Madrid; Tenured Professor, Area of Fundamentals of Economic Analysis, Economics Department, Universidad Carlos III, Madrid; Deputy Director of Prices/Regulated Systems for the Spanish National Energy Commission (CNE); Director of the Office of the Secretary of State for Scientific and Technological Policy, Spanish Ministry of Science and Technology; Long-Term Consultant, Private Sector and Energy Development, Latin America and the Caribbean, World Bank, Washington DC; Deputy Director General of Reports, Spanish Anti-Trust Tribunal and Director of the Chairman's Office and Director of Competition Development at the Spanish Anti-Trust Regulator.

Coinciding with the meeting, the term of office as a director of Antonio Téllez de Peralta reaches its statutory end.

As a result of the aforementioned appointments, re-appointments and ends of terms of office, the number of directors is established at sixteen (16), which is within the statutory limits.

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

8. To ratify, appoint, renew or re-elect members of the Board of Directors.

    8.1.- To re-appoint Antonio Llardén Carratalá as a director for the statutory four-year period. Mr. Llardén shall serve as executive director.

    8.2.- To re-appoint Miguel Angel Lasheras Merino as a director for the statutory four-year period. Mr. Lasheras shall serve as independent director.

    8.3.- To re-appoint Dionisio Martínez Martínez as a director for the statutory four-year period. Mr. Martínez shall serve as independent director.

    8.4.- To re-appoint José Riva Francos as a director for the statutory four-year period. Mr. Riva shall serve as independent director.

    8.5.- To re-appoint Teresa García-Milá Lloveras as a director for the statutory four-year period. Ms. García-Milá shall serve as independent director.

    8.6.- To ratify and appoint Said Mohamed Abdullah Al Masoudi for the four-year statutory period. Mr. Al Masoudi shall serve as proprietary director proposed by the shareholder Oman Oil Holdings Spain, SLU.

    8.7.- To ratify and appoint a representative of Sagane Inversiones S.L. for the statutory four-year period. The representative of Sagane Inversiones S.L. shall serve as proprietary director proposed by the shareholder Sagane Inversiones S.L.

8.8.- To re-appoint Isabel Sánchez García as a director for the statutory four-year period. Ms. Sánchez García shall serve as independent director.

8.9.- To establish the number of directors at sixteen (16) which is within the limits established by the Company's bylaws.

PROPOSED RESOLUTION 9

To approve directors' remuneration for 2010.

Article 36 of the Company's bylaws provides that the shareholders in general meeting shall establish the maximum total compensation due to directors, which shall be a lump sum in cash, on an annual basis or for such interval as the shareholders shall decide on. When setting pay, the shareholders in general meeting may resolve that part of such pay remunerate the office of director itself, equally for all directors, and another part be apportioned by the Board on such basis as may be determined at the General Meeting.

Remuneration to be paid to members of the Board of Directors in 2010 has been approved and is the same amount as that approved in 2008 and 2009.

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

- "The General Shareholders' Meeting, in accordance with the second paragraph of article 36 of the Company bylaws, agrees to set the figure of €1,249,733 as the maximum payment level for members of the Board of Directors for 2009, to be paid in accordance with the following method and criteria:

  - Each Board member attending a minimum of two meetings during the year will be entitled to a payment of €22,050.

  - In addition, effective attendance at meetings will entitle each director to a maximum payment of €42,446. The Board of Directors shall establish the amount paid for attending each meeting, in person or by means of a delegated representative.

  - Additionally, Board committee members shall be entitled to the sum of €1,025 per annum, with chairmanship of the same entitling them to an additional €5,513 per annum.

  - The post of vice chairman of the Board of Directors shall be remunerated by the additional amount of €32,025 per annum.

  The aforementioned sums are separate from remuneration or salary payments which may be additionally paid for work done or services provided by Board members, and also from the right to payment or reimbursement of expenses incurred in the course of their duties."

PROPOSED RESOLUTION 10

To authorise the acquisition of treasury shares, pursuant to article 172 of the revised text of the Spanish Companies Act.

The legal provisions governing the acquisition of treasury shares by corporations are clearly specified in article 74 et seq. of the revised Spanish Companies Act. The first legal requirement in this connection is that the acquisition must be authorised by agreement at the General Shareholders' Meeting, which must establish the acquisition method, maximum number of shares to be acquired, minimum and maximum consideration when acquired for consideration, and the duration of the authorisation, which may not exceed five years.
In order for the Company to be able to acquire treasury shares in the terms provided by law, should the opportunity arise at any time, said authorisation is requested from the Shareholders' Meeting.

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

- "In accordance with the provisions of articles 75 et seq. of the Spanish Companies Act, to authorise and empower the Board of Directors with the faculty of substitution, to use derivatives to acquire treasury shares, either directly or via any of the Group companies, in the following terms:

  1.- The acquisition may be performed via sale-purchase or any other business method for consideration.

  2.- The authorisation pertains to shares which, together with those already held, do not exceed 10% of the Company's share capital.

  3.- The purchase price shall not exceed by 50% or fall short by 50% of the average trading price of the seven sessions previous to the purchase date.

  4.- The authorisation is extended for a five-year period, as from the date of this agreement.

  Acquisition of treasury shares must enable the Company, at all events, to provision the reserve stipulated in article 79.3 of the Companies Act, without diminishing either the share capital or the unavailable reserves. The shares to be acquired must be fully paid in.

  The shares acquired may be conveyed, entirely or in part, to employees, management or directors of the Company, or of Group companies, in accordance with the provisions of article 75.1 of the Spanish Companies Act.

  This authorisation for the acquisition of treasury shares shall, as appropriate, replace all authorisations previously granted by the General Shareholders' Meeting".

PROPOSED RESOLUTION 11

Presentation of the explanatory report on the items stipulated under article 116 bis of the Securities Market Act.

PROPOSED RESOLUTION 12

To delegate powers to supplement, implement, perform, rectify and formalise the resolutions adopted at the General Shareholders' Meeting.

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

- One.- To delegate to the Board of Directors the broadest powers to powers to supplement, implement, perform, rectify and formalise the resolutions adopted at the General Shareholders' Meeting. The power to rectify shall encompass the power to make any required or advisable modifications, amendments or additions arising from any objections or remarks made by the regulatory bodies of securities markets, stock markets, the Commercial Registry or any other public authority with competencies relating to the resolutions adopted.

- TWO. To delegate indistinctly to the Chairman of the Board of Directors, Antonio Llardén Carratalá, and the Secretary, Rafael Piqueras Bautista, the powers required to formalise the resolutions adopted by the General Shareholders' Meeting and record those so required, in full or in part, thus allowing public or private documents of any kind to be signed, even those supplementing or rectifying such resolutions."

REPORT OF THE BOARD OF DIRECTORS ON THE RATIONALE FOR THE PROPOSED RESOLUTION TO AMEND ARTICLES 2, 45 AND 49 OF THE COMPANY'S BYLAWS

At its meeting of 22 March 2010 and in compliance with the provisions of article 144(1)(a) of the Spanish Companies Act, the Board of Directors have prepared the following rationale for the proposed resolution to amend articles 2, 45 and 49 of the Company bylaws, to be laid before its shareholders at the next General Shareholders' Meeting as items 5, 6 and 7 of the agenda respectively. This report shall be made available to shareholders.

ONE: To amend Article 2 of the company's bylaws ("Corporate Purpose") to include activities of transport and storage of carbon dioxide, hydrogen, biogas and other energy fluids, heat and cooling capture and the usage of energy linked to its core businesses or resulting therefrom, as well as the possibility of involvement in natural gas market management activities.

Over the last century, economic development has been linked to an increase in energy consumption based on the use of fossil fuels and the subsequent environmental problems this has caused. Regardless of the measures put forward to contain demand or foment the use of alternative energy sources, measures are also required to reduced carbon dioxide emissions by limiting emission volumes and developing new technologies to reduce the environmental impact of CO_2. One of these alternative technologies is carbon capture and geological storage. This involves the capture of carbon dioxide produced by industrial plants, transporting this to a site and lastly injecting or confining it within an appropriate underground geological formation, with a view to permanent storage.

Carbon dioxide transport and storage is addressed by Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide, and the Spanish government has started working on a law to transpose this directive into national law.

Carbon dioxide transport and storage technology –currently at research and development phase- has a great deal in common with the technology used by Enagás in its transport and storage of natural gas. Therefore, the Company is being asked to participate in trial CO_2 confinement projects by public bodies and the private sector.

Similar technology and opportunities may arise for hydrogen, biogas and other energy fluids which are therefore also included in the proposal, as well as for heat and cooling capture and the usage of energies associated with the Company's core businesses or resulting therefrom.

Furthermore, the development and good operation of the common transport networks enables gas purchase transactions among the various system agents empowered in this connection to be conducted in markets created for this purpose, matching gas supply and demand as occurs with other types of energy. It may be advisable, even necessary in accordance with legislation and rules governing these markets, for transport network operators to participate in managing these markets, as they do in other countries. Accordingly, the Company proposes to include as part of its corporate purpose the possibility of involvement in natural gas management activities.

These new activities will be carried out without detriment to regulated activities and "always within the scope and limits legally established in relation to hydrocarbons" as stipulated by article 2 of the Company's bylaws.

At the same time, a proposal is being submitted to eliminate, for official reasons, section b) of article 2 of the Company's bylaws which currently includes "the purchase and sale of natural gas, and other complementary activities as may be necessary, to supply the tariff market". Law 12/2007, of 2 July, amending Law 34/1998, of 7 October, governing the hydrocarbons sector, to adapt this to the provisions of Directive 2003/55/CE of the European Parliament and of the Council of 26 June 2003, concerning common rules for the internal market in natural gas, eliminated activities "to supply the tariff market" and as a result Enagás no longer carries out said activities now that the transition period for the elimination of this market has ended. Therefore, it is expedient to eliminate from the bylaws all references to an activity that, as a result of the afore-mentioned changes, the Company no longer carries out.

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

To amend article 2 of the Company's bylaws: "CORPORATE PURPOSE", the full text of which shall now read:

Article 2.** – CORPORATE PURPOSE**.

The Company's Corporate Purpose is:

a) Activities specific to the regasification, basic and secondary transport and storage of natural gas, using the corresponding infrastructure or gas installations, owned by the Company or by a third party, and activities similar or linked to the above.

b) The design, construction, start up, operation and maintenance of all types of gas infrastructure and supporting installations, including telecommunications networks, remote and control systems of any nature and electricity networks owned by the Company or by third parties.

c) Carrying out all tasks relating to the technical management of the gas system.

d) Transport and storage of carbon dioxide, hydrogen, biogas and other energy fluids, via proprietary or third-party facilities, and the design, construction, launch, usage, operation and maintenance of all kinds of complementary infrastructure and facilities necessary for said activities.

e) Heat and cooling capture activities and the usage of energies associated with core activities or resulting therefrom.

f) Rendering of various types of services including engineering, construction, advisory and consultancy services relating to the activities making up its corporate purpose and involvement in natural gas market management activities, provided these are compatible with the activities attributed to the Company by law.

The activities stated above may be carried out by the Company itself or through companies with a similar or identical purpose in which the Company holds

a stake and always within the scope and limits legally established in relation to the hydrocarbons business".

TWO. Amendment of article 45 of the Company's bylaws ("Appointments and Remuneration Committee") in order to grant expressly to this committee powers and responsibilities in respect to Corporate Social Responsibility.

Enagás considers that the business success the Company is seeking requires a balance between economic growth, social cohesion and environmental protection, while at the same time taking the expectations of its stakeholders (customers, shareholders, employees, regulatory bodies, etc.) into account.

Enagás has been working for several years to improve its position in the area of Corporate Responsibility and, as a result, since 2008 the Company has been a member of the Dow Jones Sustainability World index (DJSI).

In September 2006 Enagás was admitted to the FTSE4Good**,** and in September 2009 jointed the Ebithel Excellence Investment Register, both of which include companies that set the benchmarks in best CSR practice. For a company to be admitted to these indices criteria such as human resources, the environment, code of ethics, corporate governance, contribution to society, human rights and relations with stakeholders are assessed.

Furthermore, Enagás has been a member of the United Nations Global Compact since 2003. This is an ethical commitment initiative which encourages companies worldwide to incorporate within their strategy and operations ten universal principles concerning human rights, work, the environment and the fight against corruption. Enagás provides a public and transparent record of the progress it has made in this field in an annual report. Additionally, in honour of the 60th anniversary of the Universal Declaration of Human Rights, Enagás, along with 250 other companies from across the globe, has joined an initiative promoted by the Global Compact to encourage respect for human rights

The above achievements, in addition to the Enagás' recently defined "Position on Corporate Responsibility", approved by the Board of Directors at its meeting on 25 May 2009, underpin the Company's commitment to making the principles and lines of corporate responsibility part of its management system. Enagás will therefore base its strategy around the following corporate challenges:

- Service, reliability and accessibility.
- Transparency, ethics and integrity,
- Human capital development,
- Safety
- Biodiversity
- Climate change
- Helping the community.

To ensure these principles and strategies are developed effectively over the medium and long term, a Sustainability Committee has been created, made up by representatives of all the key business areas and departments in the area of CSR, and a Quality, Excellence and Sustainability Master Plan for 2009-2012 has been drafted, to allow the company to achieve its stated goals.

Enagás also presents its 2009 Annual Report, prepared according to the principles and content established by the Global Reporting Initiative (GRI) in its G3 guidance,

having obtained, as in 2008, the highest rating granted by this institution (A+), including an external assurance report from KPMG.

Enagás has established a set of Business Principles which, as well as taking into account strict compliance with applicable legislation and our internal rules, are based on the Company's Mission and Values. These are guidelines to ensure correct professional conduct on the part of employees. The Enagás Business Principles aim to set standards to guide the conduct of its employees in their daily work, with regard to their relations with other employees, interaction with customers, suppliers and external partners, with public and private institutions and with society as a whole.

The Board of Director is playing an increasingly important role in CSR and Corporate Governance issues and therefore the number of actions carried out by the Company in this area make it necessary to endow the Appointments and Remuneration Committee, comprised mainly of Independent Directors, with additional responsibilities, at the same time changing its name to the Appointments, Remuneration and CSR Committee. This requires an amendment of article 45 of the Company's bylaws.

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

To amend article 45 of the Company's bylaws: "APPOINTMENTS AND REMUNERATION COMMITTEE", the text of which now reads as follows:

ARTICLE 45.- APPOINTMENTS, REMUNERATION AND CSR COMMITTEE".

The Board of Directors shall appoint from among its members an Appointments, Remuneration and CSR Committee that shall be comprised of a minimum of three and a maximum of five Directors. A majority of Committee members must be Independent Directors and no Executive Directors may be included among its number. The Board of Directors shall elect a Chairman from among the Committee members, but the Chairman shall not have the casting vote.

The Committee shall have powers and responsibilities in respect of the following matters:

- *To establish payment criteria for the Company's Directors, in accordance with the stipulations of the bylaws and in line with resolutions passed at the Ordinary General Shareholders' Meeting, and to ensure that payments are transparent.*
- *To establish a general remuneration policy for Enagás, S.A. management personnel and guidelines relating to the appointment, selection, promotion and dismissal of senior managers, in order to ensure that the company has the appropriate highly qualified staff for administering its business at all times.*
- *To revise the structure of the Board of Directors, the criteria for the re-appointment of Directors pursuant to the Company's bylaws, the incorporation of new members and any other aspects relating to its composition that it deems appropriate.*
- *To report to the Board on transactions that entail or could entail a conflict of interest.*
- *To establish a general CSR and Corporate Governance policy, ensuring the adoption and effective application of best practices, both those*

which are compulsory and in line with generally-accepted recommendations. To do this, the Committee may submit to the Board the initiatives and proposals it deems appropriate and shall provide information on proposals submitted to the Board and information the Company releases to shareholders annually regarding these issues.

The Committee shall meet at least four times a year, with meetings being called by the Chairman. The Committee may seek advice both internally and externally and request the attendance of senior management personnel, as deemed necessary in the execution of its duties."

Three. To amend Article 49 of the Company's bylaws ("Preparation of the annual accounts") to adapt this article to the text of Article 172 of the revised text of the Spanish Companies Act.

Law 16/2007, of 4 July, reforming and amending accounting legislation to bring it into line with International standards and EU legislation resulted in new wording for article 172 of the revised text of the Spanish Companies Act approved by Royal Decree 1564/1989, of 22 December, including among the documents making up the annual accounts, in addition to the balance sheet, income statement and notes to the financial statements, a statement of changes in equity for the year and a cash flow statement.

Even though this legal requirement is the Company's preferred application, as stipulated in the bylaws, and therefore the 2008 annual accounts included, for approval by the Shareholders' Meeting, the two new documents, it is still appropriate to update the wording of article 49 of the Company's bylaws to bring it into line with the aforementioned article 172 of the revised Spanish Companies Act.

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

To amend article 49 of the Company's bylaws: "PREPARATION OF THE ANNUAL ACCOUNTS", the text of which now reads as follows:

ARTICLE 49. – PREPARATION OF THE ANNUAL ACCOUNTS.

The Board of Directors must prepare, within three months of the close of the Company's financial year, its annual accounts, Management Report and proposed distribution of profit, and, where appropriate, the accounts and Management Report of the consolidated group.

The annual accounts shall comprise the income statement, the statement of changes in equity, the cash flow statement and notes to the financial statements. These documents, which together make one unit, shall be clearly and concisely written and provide a true and fair view of the Company's equity, financial situation and earnings.

The annual accounts and Management Report must be signed by all directors and if the signature of any director is missing, this must be indicated in all the documents his/her signature is required, clearly indicating the reason.

Madrid, 22 March, 2010

Report presented by the Board of Directors to the General Shareholders' Meeting for the purposes stipulated under article 116 bis of Law 24/1988 of 28 July of the Securities Market Act.

Article 116 bis of the Securities Market Act states that the Board of Directors of listed corporations must furnish an annual explanatory report to the General Shareholders' Meeting on the following aspects:

a) The capital structure, including securities that are not traded on a EU-regulated market, noting, if applicable, the various share classes held and the rights and obligations conferred, in addition to the percentage of share capital represented, by each.

Share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
03-05-2002	358,101,390.00	238,734,260	238,734,260

All shares belong to a single class.

b) Any restrictions on the transferability of shares.

No restrictions on the transferability of shares exist.

c) Significant shareholdings, both direct and indirect.

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
OMAN OIL COMPANY, S.A.O.C.	0	11,936,703	5.000
ATALAYA INVERSIONES, S.R.L.	0	11,936,714	5.000
CAJASTUR (CAJA DE AHORROS DE ASTURIAS)	0	11,937,395	5.000

(*) Through:

Name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
OMAN OIL HOLDINGS SPAIN S.L.U.	11,936,703	5.000
SAGANE INVERSIONES S.L.	11,936,714	5.000
CANTÁBRICA DE INVERSIONES DE CARTERA, S.L.	11,937,395	5.000
Total:	35,810,812	15.000

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
SAGANE INVERSIONES S.L.	11,936,714	0	5.000

SEPI (SPANISH STATE HOLDING COMPANY)	11,936,703	0	5.000
ANTONIO LLARDÉN CARRATALÁ	38,316	0	0.016
BANCAJA (CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE)	0	11,936,713	5.000
BBK (BILBAO BIZKAIA KUTXA)	0	11,936,713	5.000
TERESA GARCÍA-MILÁ LLOVERAS	1500	0	0.001
DIONISIO MARTÍNEZ MARTÍNEZ	2,010	0	0.001
LUIS JAVIER NAVARRO VIGIL	10	3,986	0.002
MARTÍ PARELLADA SABATA	910	0	0.000
RAMÓN PÉREZ SIMARRO	100	0	0.000
ANTONIO TÉLLEZ DE PERALTA	400	0	0.000

(*) Through:

name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
BANCAJA INVERSIONES, S.A.	11,936,713	5.000
KARTERA 1, S.L.	11,936,713	5.000
NEWCOMER 2000, S.L.U.	3,986	0.002
Total:	23,877,412	10.002

d) Any restriction on voting rights.

Article 6a ("Limitation of interest in share capital and of the exercise of voting rights") of the Company bylaws was amended at the Extraordinary General Shareholders' Meeting held on 31 October 2007 to bring it in line with provisions of Law 12/2007 of 2 July.

Act 12/2007 of 2 July, amending the Hydrocarbons Industry Act (Act 34/1998 of 7 October) in accordance with Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas, provides new wording for the 20th Additional Provision of the Hydrocarbons Industry Act, which vests in Enagás, S.A. the capacity of "technical system operator" and sets ceilings on shareholdings in the Company. The wording of the 20th Additional Provision now stands as follows:

> "Twentieth additional provision. Technical System Operator.
>
> ENAGÁS, Sociedad Anónima, shall undertake the duties, rights and obligations of technical system operator. (...)
>
> No natural person or legal entity may directly or indirectly hold an interest in the company responsible for the technical management of the system

representing more than 5% of the share capital, or exercise more than 3% of its voting rights. Such shares may under no circumstances by syndicated. Parties that operate within the gas sector, including those natural persons or legal entities that directly or indirectly own equity holdings in the former of more than 5%, may not exercise voting rights in the System Technical Manager of over 1%. These restrictions will not apply to direct or indirect equity interests. Under no circumstances may share capital be syndicated.
Likewise, the combined total of direct or indirect holdings owned by parties that operate within the natural gas sector may not exceed 40%.
For the purposes of calculating the stake in that shareholding structure, in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined by article 4 of Act 24/1988, dated 28 July, on the Securities Market stakes shall be attributed to one and the same individual or body corporate when they are owned by:
a) Those parties who act in their own name but on behalf of that individual or body corporate in a concerted fashion or forming a decision-making unit with them. Unless proven otherwise, it shall be deemed that the members of the Board of Directors of a body corporate act on its behalf or in a concerted fashion with it.
b) The partners together with whom that individual or body corporate exercises control over a controlled entity under the provisions of article 4 of Act 24/1988, dated 28 July, governing the Securities Market.
Nonetheless, both the actual ownership of the shares and other securities and the voting rights held through any certificate shall be taken into account.
Non-compliance with the limitation on a stake in the capital referred to in this article shall be deemed an extremely serious breach in accordance with the terms set out in article 109 of this Act. Responsibility shall lie with the individuals or bodies corporate that end up as owners of the securities or whoever the excess stake in the capital or in the voting rights can be attributed to, pursuant to the provisions of the preceding paragraphs. At all events, there shall apply the regime of penalties laid down in the Act."

The 6th Transitional Provision of Law 12/2007 of 2 July provides that within four months of its coming into force, Enagás, S.A. shall bring its bylaws into line with the 20th Additional Provision of Law 34/1998 of 7 October, including the 2nd Transitional Provision of Act 12/2007 of 2 July:

"Second Transitional Provision. Technical system operator.

Any voting rights attaching to shares and other securities held by persons with an ownership interest in the share capital of Enagás, S.A in excess of the ceilings set forth in the 20th Additional Provision of the Hydrocarbons Industry Act shall be suspended as from the date this provision comes into force.

The National Energy Commission (CNE) shall have the standing to bring legal action to give effect to the restrictions imposed by this provision."

In accordance with the aforementioned legal provision, article 6 bis ("Limitation of interest in share capital and of the exercise of voting rights") of Enagás, S.A.'s bylaws sets forth the following:

"No natural person or body corporate may directly or indirectly hold an interest in the company greater than 5% of the share capital, or exercise voting rights above 3%. Such shares may in no event be syndicated. Any party operating within the gas sector, including natural persons or bodies corporate that directly or indirectly own equity holdings in the former of

more than 5%, may not exercise voting rights over 1%. These restrictions will not apply to direct or indirect interests held by public sector enterprises. Under no circumstances may share capital be syndicated.

The sum of direct and indirect shares held by individuals or legal entities operating in the natural gas industry may not exceed 40%.

For the purposes of calculating holdings in the Company's share capital the provisions of the 20th Additional Provision of Law 34/1998 of 7 October governing the hydrocarbons industry shall apply.

e) Shareholders' agreements.

There are no records of any agreements among the Company's shareholders.

f) Regulations governing the appointment and replacement of members of the management body and modification of Company bylaws.

Bylaw provisions affecting the appointment and replacement of members of the management body:

ARTICLE 35. COMPOSITION OF THE BOARD.

The Company shall be governed and managed by the Board of Directors, which shall represent the Company as a collegiate body, both in and out of court. Its representation shall extend, with no limitation of powers, to all acts embodied in the corporate purpose.

The Board of Directors shall be composed of a minimum of six members and a maximum of sixteen, appointed by the General Shareholders' Meeting.

Directors shall be elected by vote. For this purpose, the shares that are voluntarily pooled, to make a share capital that is equal to or greater than the result of dividing the latter by the number of directors, shall be entitled to appoint a number of directors equal to the integer number resulting from that proportion. If this power is exercised, the shares pooled in this way shall not take part in the voting for the appointment of the remaining directors.

The office of director, for those for which shareholder status is not a requirement, may be waived, revoked or re-elected for one or more terms.

Appointment as director shall take effect upon acceptance of the post.

Any person in any of the situations referred to under article 124 of the revised text of the Spanish Companies Act may not serve as director.

ARTICLE 37. POSTS.

The Board of Directors shall appoint a Chairman, and if applicable, a Deputy Chairman, who in the Chairman's absence shall act as Chairman. In lieu of a Deputy Chairman, the most senior director in age shall substitute the Chairman.

The appointment of a Secretary is also incumbent on the Board of Directors, which may appoint, in addition to a Deputy Secretary, who in the Secretary's absence shall act as Secretary. These posts may be filled by

non-directors. In lieu of a Deputy Secretary, the most senior director in age shall substitute the Secretary.

Provisions of the organisational and operational Regulations of the Board of Directors (adopted by the Board of Directors on 29 March 2007)

ARTICLE 3. QUANTITATIVE AND QUALITATIVE COMPOSITION.

1.- Within the minimum and maximum limits set forth under article 35 of the Company's current bylaws, notwithstanding the powers of proposal enjoyed by shareholders, the Board of Directors shall submit to the General Shareholders' Meeting the number of directors that it deems appropriate in the interest of the Company at all times. The General Shareholders' Meeting shall decide on the final number.

2.- The Board of Directors shall be composed of directors that belong to the categories stated below:

a) Internal or Executive Directors: These Directors perform senior management functions or are employed by the Company or its Group. If a director performs senior management functions and, at the same time, is or represents a significant shareholder or one that is represented on the Board of Directors, he/she shall be considered internal or executive for purposes of these regulations.

No more than 20% of the total number of members of the Board of Directors may belong to this category.

b) External Directors: These Directors shall in turn fall into three categories:

b1) Proprietary Directors: Directors holding an interest equal to or greater than that which is considered as significant under the law or have been appointed on account of their status as shareholders, even if their interest is less than said amount, and directors representing said shareholders.

b2) Independent Directors: Directors of acknowledged professional prestige able to contribute their experience and knowledge to corporate governance and, since they do not belong to either of the two preceding categories, meet the conditions set forth under article 9 of these regulations. Independent Directors shall represent at least one third of the total number of directors.

b3) Other External Directors: External directors who, as proprietary directors, cannot be classified as independent directors, pursuant to article 9 of these regulations.

In exercising its powers of co-option and proposal to the General Shareholders' Meeting to fill vacancies, the Board of Directors shall endeavour to ensure that, within the composition of the body, independent Directors represent a broad majority over executive Directors and that among external Directors, the ratio of proprietary to independent directors reflects the existing ratio of share capital held by proprietary directors to all other capital.

ARTICLE 8. APPOINTMENT OF DIRECTORS.

1.- Directors shall be appointed by the General Shareholders' Meeting or by the Board of Directors in conformity with the provisions established in the Spanish Companies Act and the Company's bylaws.

2.- Appointees for directorships must be persons who, in addition to meeting the legal and by-law stipulated requirements, have recognised prestige and the appropriate professional knowledge and experience to ably perform his/her duties.

Before the Board can exercise its co-opting powers, a new director must be nominated by the Appointments and Remunerations Committee. Board decisions to co-opt new directors are then submitted to the General Shareholders' Meeting for approval. When the Board of Directors does not agree with the Committee's recommendations, it must explain the reasons for this and these reasons must be duly recorded in the minutes.

3.- The process of filling board vacancies has no implicit bias against female candidates; The Company shall seek out and include women with the target profile among the candidates for Board places."

ARTICLE 9. APPOINTMENT OF INDEPENDENT DIRECTORS.

"Independent directors shall be defined as those who, appointed based on their personal and professional attributes, may perform their duties without being affected by dealings with the company, its significant shareholders or its executives. Under no circumstances may the following be classified as Independent Directors:

a) Persons who have been employed by or served as Executive Directors of group companies, unless three or five years, respectively, have lapsed since the termination of said relationship.

b) Persons who receive any sum or benefit other than Director's compensation from the Company or its Group, unless this is not significant. Dividends and pension supplements received by a director on account of his/her prior professional or employment relationship shall not be taken into account for purposes of this section provided that such supplements are unconditional and, consequently, the company providing them may not, on a discretionary basis, suspend, modify or revoke any disbursement thereof, without incurring a breach of obligations.

c) Persons who are, or have been during the past three years, a partner of the external auditor or party responsible for the auditor's report reviewing the accounts of Enagás, S.A. or any other Group company for said period.

d) Persons who are executive directors or senior managers of another company where an executive Director or Senior Manager of Enagás, S.A. is an external director.

e) Persons who maintain, or have maintained in the last year, a significant business relationship with Enagás, S.A. or any other Group company, whether on his/her own behalf or as a significant shareholder, director or senior manager of any company that maintains or has maintained said relationship. Business relationships shall be defined as relationships whereby the Company serves as a provider of goods or services, including those of a financial nature, or as an advisor or consultant.

f) Those who are significant shareholders, executive directors or senior managers of any entity that receives, or has received during the past three years, significant donations from Enagás, S.A. or its Group. Patrons of any foundation that receives donations shall not be included under this section.

g) Spouses, partners or relatives up to the second degree of any of the Company's executive directors or senior managers.

h) Persons who have not been nominated, whether for appointment or renewal, by the Appointments and Remuneration Committee.

i) Persons who, in respect of a significant shareholder or one represented on the Board, find themselves in any of the circumstances described under sections a), e), f) or g). In the event of kinship as described under letter g), this limitation shall apply not only in respect of the shareholder, but also in respect of its controlling directors in the investee. Proprietary directors who lose their status as such as a result of the sale of their interest by the shareholder that they represented may only be re-elected as independent directors if the shareholder that they represented until that time has sold all of its shares in the Company.

Any director holding an interest in the Company may hold the status of independent director provided that he/she meets all of the conditions established under this article and, further, that his/her interest is not significant.

ARTICLE 10. DURATION OF POST AND CO-OPTATION.

Directors may hold their post for a period of four years, and may be re-elected. Directors who are co-opted shall hold their post until the date of the first subsequent General Shareholders' Meeting.

ARTICLE 11. RE-ELECTION OF DIRECTORS.

The Appointments and Remuneration Committee, responsible for evaluating the quality of work and dedication to the post of the Directors proposed during the previous term of office, shall provide information required to assess proposal for re-election of Directors presented by the Board of Directors to the General Shareholders' Meeting.

As a general rule, an appropriate rotation of Independent Directors should be sought. For this reason, when an Independent Director is proposed for re-election, the circumstances making this director's continuity in the post advisable must be justified. Independent Directors shall not remain as such for a period in excess of twelve consecutive years."

ARTICLE 12. REMOVAL OF DIRECTORS.

1.- Directors shall leave their post after the first General Shareholders' Meeting following the end of their term of appointment and in all other cases in accordance with the Law, Company bylaws and these regulations.

2.- Directors must place their offices at the Board of Directors' disposal, and tender their resignation, if the Board deems this appropriate, in the following cases:

a) When they are involved in any of the legally stipulated circumstances of incompatibility or prohibition.

b) When they are in serious breach of their obligations as Directors.

c) When they may put the interests of the company at risk or damage its credibility and reputation. The moment a Director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Act, the Board should examine the matter and, in view of the particular

circumstances and potential harm to the Company's name and reputation, decide whether or not the director should be called on to resign.

d) When the reason for which they were appointed as directors is no longer valid.

e) When Independent Directors cease to meet the conditions required under article 9.

f) When the shareholder represented by a proprietary Director sells its interest in its entirety. They shall also do so, in the appropriate number, when said shareholder reduces its stake to a level requiring a reduction in the number of its proprietary directors.

Should the Board of Directors not deem it advisable to have a director tender his/her resignation in the cases specified in points d), e) and f), the latter must be included in the category that, in accordance with the present Regulations, is most appropriate based on his/her new circumstances.

3.- The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by Company bylaws, except where just cause is found by the board, based on a proposal from the Appointments Committee.

4.- After a director resigns from his/her post, he/she may not work for a competitor for a period of two years, unless exempted from this obligation or its duration is shortened by the Board of Directors."

By-law provisions affecting bylaw modifications:

ARTICLE 26. - SPECIAL QUORUM.

In the event the Ordinary or Extraordinary Shareholders' Meeting at first call wishes to validly resolve the issue of bonds, the increase or reduction of share capital, the transformation, merger or spin-off of the Company, and in general, to amend the Company bylaws, shareholders holding at least 50% of the subscribed paid up company share capital with voting rights must be present or by proxy.

At second call, attendance of at least 25% of the paid up share capital with voting rights shall be sufficient.

g) The powers of members of the Board of Directors and, in particular, those relating to the ability to issue and buy back shares.

The only member of the Board of Directors who has the power to represent the Company is its Chairman, Antonio Llardén Carratalá. The Board of Directors granted him the powers that appear in the deed executed on 9 February 2007 before the Madrid Notary Pedro de la Herrán Matorras under number 324 of his protocol and as filed with the Madrid registrar of companies at Volume 20,090, Book 0, Folio 172, Section 8, Page M-6113, entry 668. Although such powers encompass broad authorisations of representation, they do not include the ability to issue or buy back shares of the Company.

In a separate matter, the agreement adopted by the General Shareholders' Meeting held on 11 May 2007 with the following terms is now in force:

"To empower the Board of Directors, as broadly as is legally necessary, so that, in accordance with article 153 b) of the Spanish Companies Act, it may, at any time, increase share capital one or more times within a period of five years as of the date of the present Meeting, by a maximum amount of €179 million through the issuance of new shares, with or without voting rights or an issue premium, being the value of which based on monetary contributions, with the power to set the terms and conditions of the capital increase and the characteristics of the shares, as well as to freely offer the new unsubscribed shares with a period or periods of preferred subscription, establish that, in the event of incomplete subscription, the capital shall be increased only in the amount of the subscriptions made and provide new wording for the article of the Company Bylaws governing share capital. The Board of Directors is also empowered to exclude the right of first refusal under the terms of article 159 of the Spanish Companies Act."

h) Any significant agreements that have been entered into by the company that are coming into force, have been modified or are terminating in the event of a change in control of the company due to a public tender offer, and the effects thereof, except when disclosure thereof is seriously detrimental to the company. This exception shall not apply if the company is legally required to publish this information.

No agreements of this kind exist.

i) Any agreements between the Company and its directors and managers or employees that provide for severance pay should they resign or be unfairly dismissed or if the employment relationship concludes on account of a public tender offer.

The Company has an agreement with the Chief Executive Officer and ten of its managers that include express severance pay clauses.

The clauses in each case are applicable in cases of unfair disciplinary dismissal, dismissal for the reasons outlined under article 52 of the Workers' Statute or as decided by the manager citing one of the reasons outlined under article 50 of the Workers' Statute provided the resolution is declared justified by means of conciliation between the parties, legal judgment, arbitration award, or resolution by a competent administrative body. They are not applicable if termination is due to a unilateral decision of the executive employee for no stated reason.

All such contracts have been approved by the Board of Directors.

Madrid, 22 March 2010