



**PROPOSED RESOLUTIONS LAID BEFORE THE 2011 ANNUAL GENERAL
MEETING**

**First call: 24 March 2011
Adjourned meeting: 25 March 2011**

AGENDA

1. To examine, and if appropriate, approve the 2010 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 2010.
3. To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2010.
4. To re-appoint Deloitte S.L. as Auditor of Enagás, S.A. and its Consolidated Group for 2011.
5. To amend the following Articles of the Company's Articles of Association:
 - 5.1.- Article 1 ("Name").
 - 5.2.- Article 8 ("Shareholders' rights").
 - 5.3.- Article 10 ("Usufruct of shares").
 - 5.4.- Article 11 ("Pledging of shares").
 - 5.5.- Article 14 ("Pre-emptive subscription rights").
 - 5.6.- Article 15 ("Capital reduction by purchase of treasury shares").
 - 5.7.- Article 16 ("Bond issues").
 - 5.8.- Article 18 ("General Meeting").
 - 5.9.- Article 21 ("Extraordinary General Meetings").
 - 5.10.- Article 22 ("Convening the General Meeting").
 - 5.11.- Article 23 ("Exceptional convening of the General Meeting").
 - 5.12.- Article 26 ("Special quorum").
 - 5.13.- Article 27 ("Attendance, proxies and voting at General Meetings").
 - 5.14.- Article 32 ("Minutes of proceedings").
 - 5.15.- Article 33 ("Notarised minutes").
 - 5.16.- Article 34 ("Challenging the resolutions of the General Meeting").
 - 5.17.- Article 35. ("Composition of the Board").
 - 5.18.- Article 42 ("Challenges to resolutions").
 - 5.19.- Article 44 ("Audit and Compliance Committee").
 - 5.20.- Article 47 ("Employees").
 - 5.21.- Article 50 ("Appointment of auditors").
 - 5.22.- Article 52. ("Appropriation of profit or loss").
 - 5.23.- Article 54 ("Restitution of dividends").
6. To amend the following Articles of the Regulations of the General Meeting.
 - 6.1.- Article 4 ("Powers of the General Meeting").
 - 6.2.- Article 5 ("Convening the General Meeting").
 - 6.3.- Article 7 ("Shareholders' right to information").
 - 6.4 Article 9 ("Right of attendance").
 - 6.5.- Article 10 ("Proxy rights").
 - 6.6.- Article 11 ("Voting rights").
 - 6.7.- Article 12 ("Organisation and Constitution of the General Meeting").
 - 6.8.- Article 13 ("Proceedings of the General Meeting").
 - 6.9.- Article 14 ("Attendance and intervention of other persons").
 - 6.10.- Article 15 ("Minutes of the General Meeting").

7. To ratify, appoint, renew or re-elect members of the Board of Directors.
 - 7.1.- To re-appoint Mr. Jesús David Álvarez Mezquíriz as director for the four-year term stipulated by the Articles of Association. Mr. Álvarez Mezquíriz shall serve as an independent director.
 - 7.2.- To re-appoint Mr. Luis Javier Navarro Vigil as director for the four-year term stipulated by the Articles of Association. Mr. Navarro shall serve as an External Director.
 - 7.3.- To re-appoint CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE (BANCAJA) as director for the four-year term stipulated by the Articles of Association. BANCAJA shall serve as proprietary director proposed by the shareholder Bancaja Inversiones, S.A.
 - 7.4.- To ratify and appoint Sultan Hamed Khamis Al Burtamani for the four-year statutory period. Mr. Al Burtamani shall serve as proprietary director proposed by the shareholder Oman Oil Holdings Spain, SLU.
8. To approve directors' remuneration for 2011.
9. To authorise the Board of Directors to issue bonds or other fixed income instruments, convertible or not convertible into shares of the Company and/or exchanged for shares in the Company or in other companies, for the total amount of four thousand million euros (€4,000,000,000) within a five year period starting from the date of the resolution; to set the bases and terms for the share conversion or exchange and for any required capital increase, invalidating the resolution passed by the General Meeting on 27 March 2009.
10. To present the explanatory report on the items stipulated under article 116 bis of the *Ley del Mercado de Valores* (Securities Market Act, "LMV").
11. To delegate powers to supplement, implement, perform, rectify and formalise the resolutions adopted at the General Meeting.

RESOLUTION 1

To examine, and if appropriate, approve the 2010 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 Meeting:

"To examine, and, if appropriate, adopt the Financial Statements (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements) and Directors' Report of Enagás S.A. and its Consolidated Group for the year ending 31 December 2010.

RESOLUTION 2

To approve, if appropriate, the proposed distribution of Enagás, S.A.'s. profit for financial year 2010.

The following proposed resolution is laid before the General Meeting:

- "To approve the distribution of Enagás, S.A. profit for financial year 2010, which included net profits of **€327,065,448.74**, in line with the following distribution proposal prepared by the Board of Directors:

Appropriation	Euro
Legal reserve	0,00
To voluntary reserves	126.976.715,31
To dividends	200.088.733,43
Total	327.065.448,74

To pay out an additional dividend to the value of **€125,603,644.31**. Said amount is the result of deducting from the financial year's total dividend, **€200,088,733.43**, the interim dividend of **€74,485,089.12** that was agreed by the Board of Directors on 22 November 2010 and paid to shareholders on 21 December 2010.

The final dividend will be paid on **5 July 2011**.

The total dividend for the financial year being proposed for approval in accordance with the previous paragraph equates to a gross payment of **0.83812325** euros per share.

Once the interim dividend already paid (**0.312** euros gross per share) is deducted, the remaining payment will be for **0.52612325** euros per share, before tax deductions."

RESOLUTION 3

To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2010.

The following proposed resolution is laid before the General Meeting:

"To approve the performance of the Board of Directors of Enagás, S.A. in 2010."

PROPOSED RESOLUTION 4

To re-appoint Deloitte S.L. as Auditor of Enagás, S.A. and its Consolidated Group for 2011.

Article 50 of the Company's Articles of Association, pursuant to article 264 of the Spanish Enterprise Act 2010 (*Ley de Sociedades de Capital*, or LSC) states that the auditors of the Company's accounts shall be appointed by the General 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 Meeting 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 Meeting held in 2004 for a period of three years. The General Meeting resolved to re-elect the firm in subsequent years. The Company asked several reputable audit firms to make bids for audit services in 2011; the Audit and Compliance Committee took the view that, on balance, the best offer was tabled by Deloitte. Therefore, it is now proposed that the company be re-appointed for a further year in accordance with item 50 of the Articles of Association.

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 the period of one year. The firm shall also be placed in charge of providing any other mandatory auditing services that are required by the Company until the next Ordinary General Meeting is held."

RESOLUTION 5

To amend the following Articles of the Company's Articles of Association: 1 ("Name"), 8 ("Shareholders' Rights"), 10 ("Usufruct of Shares"), 11 ("Pledging of Shares"), 14 ("Pre-emptive Subscription Right"), 15 ("Capital Reduction by Purchase of Treasury Shares"), 16 ("Bond Issues"), 18 ("General Meeting"), 21 ("Extraordinary General Meetings"), 22 ("Convening the General Meeting"), 23 ("Exceptional Convening of a General Meeting"), 26 ("Special Quorum"), 27 ("Attendance, Proxies and Voting at General Meetings"), 32 ("Minutes of Proceedings"), 33 ("Notarised Minutes"), 34 ("Challenging Resolutions of the General Meeting"), 35 ("Composition of the Board"), 42 ("Challenging Resolutions"), 44 ("Audit and Compliance Committee"), 47 ("Employees"), 50 ("Appointment of Auditors"), 52 ("Appropriation of Profit or Loss") and 54 ("Restitution of Dividends").

Recent legislative changes have affected the law on *sociedades anónimas* (public limited companies). Relevant enactments include:

- a) The *Ley 16/2007* (a statute bringing Spanish accounting law into line with international accounting standards under European Union law), which amended article 204 of the *Ley de Sociedades Anónimas* (Companies Act, "LSA") (now article 264 of the LSC). The new statute allows the General Meeting to re-elect the auditors for a maximum term of three years.
- b) The *Ley 3/2009* (a statute on company restructuring), which, among other things:
 - Amended article 103 of the LSA (now article 194 of the LSC) to bring it into line to the restructuring arrangements governed by the *Ley 3/2009*.

- Amended articles 158 and 293 of the LSA (now articles 304 and 416 of the LSC) to bring the rules on pre-emptive subscription rights and convertible bonds into line with the decision of the European Court of Justice (First Division) of 18 December 2008.
 - Introduced a new article 50 *bis* (now article 97 of the LSC) on equal treatment of shareholders.
- c) The *Ley 12/2010* (a company law reform statute amending the *Ley 19/1988* (Audit Act), the LMV) and the Restated LSA enacted by Royal Legislative Decree 1564/1989 for statutory adaptation to EU law), which:
- Amended article 117 of the LMV (now article 528 of the LSC) to introduce, inter alia, the institution of the electronic shareholders forum.
 - Amended additional provision 18 of the LMV as regards the composition and powers of the Audit Committee.
- d) Royal Legislative Decree 1/2010 enacting the Restated LSC, which, in short, by virtue of the mandate under final provision seven of the *Ley 3/2009*, restated, consolidated, clarified and harmonized the LSA, the *Ley de Sociedades de Responsabilidad Limitada* (Limited Liability Companies Act), title X of the LMV and the items of the Commercial Code (*Código de Comercio*) on limited partnerships, so creating a need to undertake a general review of the references, terminology and overall appropriateness of the Company's Articles of Association in the light of the new statutory provisions governing its corporate form.
- e) Royal Decree-Law 13/2010 concerning the tax and labour spheres and liberalization measures to encourage investment and job creation amended the LSC to lighten the administrative burden associated with corporate acts, in particular, in connection with the manner of publication of certain notices.

The proposed change is intended to accommodate the new rules introduced by the statutory provisions referred to above in the manner which the Board of Directors thinks most appropriate for the Articles of Association to be fully up to date.

This review has provided the opportunity to propose further enhancements to the Articles of Association and the Rules and Regulations of the General Meeting in the form of a number of clarifications and stylistic improvements.

Finally, it has been thought appropriate to propose that the General Meeting alter item 27 of the Articles of Association to remove the requirement that a shareholder own at least 100 shares to be entitled to attend and vote at a General Meeting. The purpose of this change is to remove any distinction among Company shareholders based on the number of shares they hold and so enable all shareholders to take part in General Meetings.

In pursuance of article 286 of the LSC, the Board has produced a written explanation of the nature and scope of the proposed changes. The report is provided to shareholders as a part of these proposed resolutions. The proposed changes are to:

1. Amendment to article 1, titled "Name", the aim being to change existing references to the LSA to their equivalents in the LSC.
2. Amendment to article 8, titled "Shareholders' Rights", with the aim of:

- a. Embracing the principle of equal treatment for shareholders, as envisaged in art. 97 LSC, deriving from art. 50 bis LSA and ushered in by *Ley 3/2009*.
 - b. Updating the old name of "capital calls" to "outstanding payments" pursuant to the new LSC.
3. Amendment to article 10, titled "Usufruct of Shares", with the aim of:
 - a. Updating the old name of "capital calls" to "outstanding payments" pursuant to the new LSC.
 - b. Updating references to articles of the LSA to the corresponding articles of the LSC.
4. Amendment to article 11, titled "Pledging of Shares", with the aim of updating all references to "calls upon shares" to the new name of "outstanding payments" pursuant to the LSC.
5. Amendment to article 14, titled "Pre-emptive Subscription Right", the aim being to reflect the new drafting of art. 304 LSC, deriving from art. 158 LSA, following its enactment through *Ley 3/2009*.
6. Amendment to article 15, titled "Capital reduction by purchase of treasury shares", the aim being to change all references to articles of the LSA to articles of the LSC instead.
7. Amendment to article 16, titled "Bond Issues", the aim being to reflect the new drafting of art. 416 LSC, deriving from art. 293 LSA, following its enactment through *Ley 3/2009*.
8. Amendment to article 18, titled "General Meeting", the aim being to introduce the host of competencies afforded to the General Meeting of Spanish companies limited by shares as ushered in by art. 160 LSC.
9. Amendment to article 21, titled "Extraordinary General Meetings", the aim being to bring it in line with the wording of article 168 LSC.
10. Amendment to article 22, titled "Convening the General Meeting", with the aim of:
 - a. Introducing the new announcement procedure through the Company's website as envisaged under art. 173 LSC, in accordance with the drafting given by RDL 13/2010, this without prejudice to the obligation to publish the announcement in a daily newspaper up to the date in question, so as to ensure better awareness by shareholders.
 - b. Adapt it to the wording of article 174 LSC as regards the content of the notice of meeting.
11. Amendment to article 23, titled "Exceptional convening of the General Meeting", the aim being to bring it in line with the wording of article 169 LSC relating to the competent court.
12. Amendment to article 26, titled "Special quorum", the aim being to bring it in line with the wording of article 194 LSC (deriving from art. 103 LSA, pursuant to the drafting given by *Ley 3/2009*) relating to qualified quorums.

13. Amendment to article 27, titled "Attendance, proxies and voting at General Meetings", the aim being to change all references to articles of the LSA to articles of the LSC. We likewise propose to remove the requirement that a shareholder own at least 100 shares to be entitled to attend and vote at a General Meeting. The purpose of this change is to remove any distinction among Company shareholders based on the number of shares they hold and so enable all shareholders to take part in General Meetings.
14. Amendment to article 32, titled "Minutes of proceedings", with the aim of:
 - a. Bringing it in line with the amendments made to art. 22 of the Articles of Association, pursuant to art. 173 LSC (reflecting the new drafting given by RDL 13/2010), relating to the publication of the Notice of Meeting on the Company's website.
 - b. Amend the wording relating to the enforceability of corporate resolutions to mirror the provisions of art. 202 LSC.
15. Amendment to article 33, titled "Notarised minutes", the aim being to adjust the wording to reflect the provisions of art. 203 LSC.
16. Amendment to article 34, titled "Challenging the resolutions of the General Meeting", the aim being to change all references to articles of the LSA to articles of the LSC.
17. Amendment to article 35, titled "Composition of the Board", the aim being to change all references to articles of the LSA to articles of the LSC.
18. Amendment to article 42, titled "Challenges to resolutions", the aim being to change all references to articles of the LSA to articles of the LSC.
19. Amendment to article 44, titled "Audit and Compliance Committee", in order to introduce a number of statutory changes relating to its composition and responsibilities stemming from Additional Provision Eighteen of the Securities Market Act (LMV), pursuant to the wording given to such provision by *Ley 12/2010*. Intended as a technical improvement, the provision now expressly dictates that the Chairman must be replaced every four years, but may be re-elected once the term of one year has elapsed from his or her removal, in accordance with the aforementioned Additional Provision Eighteen of the LMV.
20. Amendment to article 47, titled "Employees", the aim being to change all references to the LSA to the LSC.
21. Amendment to article 50, titled "Appointment of auditors", with the aim of:
 - a. Amending the wording to reflect the provisions of art. 264 LSC, deriving from art. 204 LSA (in accordance with the drafting given by *Ley 16/2007*), in relation to the term for re-electing auditors.
 - b. Changing the wording to reflect the provisions of art. 266 LSC in relation to competent court and, in general, to bring the wording in line with the provisions of such article.
22. Amendment to article 52, titled "Appropriation of profit or loss", the aim being to change all references to the LSA to the LSC.

23. Amendment to article 54, titled "Restitution of dividends", the aim being to change all references to the LSA to the LSC.

For this reason, we propose to the General Meeting that the items of the Articles of Association referred to above be entirely redrafted. The proposed alterations and new wording of each article is laid before the General Meeting for deliberation and voting on a separate and independent basis.

The following proposed resolutions are laid before the Ordinary General Meeting:

- 5.1.-** To redraft article 1 ("Name") of the Articles of Association as follows:

"Article 1. - NAME.

This instrument records the incorporation of a *sociedad anónima* [Spanish company limited by shares] under the name Enagás, S.A. (hereinafter the "Company"), to be governed by this Memorandum and Articles of Association, by Royal Legislative Decree 1/2010, of 2 July, enacting the Amended Consolidated Text of the *Ley de Sociedades de Capital* [LSC], and by the rest of general statutory provisions applicable to it.

- 5.2. To redraft article 8 ("Shareholders' rights") of the Articles of Association as follows:

"Article 8. - SHAREHOLDERS' RIGHTS.

A share confers on its lawful holder the status of shareholder, and gives the following rights:

- a) The right to a share in Company earnings and in the equity resulting from liquidation of the Company.
- b) The right of pre-emptive subscription in the issue of new shares or bonds convertible into shares.
- c) The right to attend and vote at General Meetings and to challenge Company resolutions.
- d) The right to information.

The company must afford equal treatment to shareholders that find themselves in the same conditions.

The right to vote may not be exercised by a shareholder in default of outstanding calls upon shares. The right to vote may not be exercised by a shareholder in breach of the limitation set out at article 6a of the Memorandum and Articles of Association, but here the deprivation of rights shall apply only to shares beyond that limit. The amount of such shares shall be deducted from the Company's share capital for the purposes of computing a quorum.

A shareholder in default of his payment obligations to the Company shall not be entitled to receive dividends or exercise pre-emptive subscription rights in respect of new shares or convertible bonds; however, after having paid the amount due for any outstanding items together with any interest owed,

that shareholder may claim any dividends not forfeited by operation of a time bar, but may not exercise pre-emptive subscription rights if the time limit for such exercise has expired.

5.3. To redraft article 10 ("Usufruct of shares") of the Articles of Association as follows:

"ARTICLE 10. - USUFRUCT OF SHARES.

In the event of a usufruct of shares, the status of shareholder rests with the naked owner, but the usufructuary shall be entitled to any dividend declared by the Company during the usufruct. The exercise of the rest of shareholder rights shall rest with the naked owner.

If a usufruct attaches to shares that have not been fully paid up, the debtor liable to the Company for payment of outstanding items shall be the naked owner. The usufructuary may make such payment if the naked owner has not discharged such obligation five days before expiry of the relevant time limit.

In matters relating to usufruct of shares in respect of which this article is silent, there shall apply articles 127 to 131 of the Amended Consolidated Text of the LSC."

5.4. To redraft article 11 ("Pledging of shares") of the Articles of Association as follows:

"ARTICLE 11. - PLEDGING OF SHARES.

In the event of a pledge of shares, the owner shall retain the exercise of shareholder rights. The pledgee shall be under a duty to facilitate the exercise of such rights.

If the shareholder fails to discharge the obligation to make payment for outstanding items, the pledgee may either discharge such obligation itself or enforce the pledge.

These same provisions shall apply in the event of attachment of shares, provided that they are consistent with the specifically applicable attachment regime."

5.5. To redraft article 14 ("Pre-emptive subscription right") of the Articles of Association as follows:

"ARTICLE 14. - PRE-EMPTIVE SUBSCRIPTION RIGHT.

Upon an increase of capital involving the issue of new shares, be they ordinary or privileged, through monetary contributions, an existing shareholder may, within the time limit allowed for such purpose by the Directors of the Company, which time limit may not be less than the threshold prescribed in current laws and regulations, exercise a right to subscribe a number of shares pro rata the nominal value of the shares already held.

However, the right of pre-emption may not be exercised in those circumstances in which current laws and regulations determine otherwise, or if such right is excluded by the General Meeting or, by delegation from the General Meeting, by the Board of Directors, the formalities required by current laws and regulations having been satisfied.

Pre-emptive subscription rights shall be transferable on the same terms as the shares from which they arise. In the event of an increase of capital charged against reserves [scrip issue], these same rules shall apply to rights of gratuitous allotment of new shares."

5.6. To redraft article 15 ("Capital Reduction by Purchase of Treasury Shares") of the Articles of Association as follows:

"ARTICLE 15. - CAPITAL REDUCTION BY PURCHASE OF TREASURY SHARES.

Upon a reduction of capital by the repurchase and subsequent redemption of the Company's own shares, the purchase bid shall be addressed to all shareholders.

If the resolution to reduce capital relates to one class of shares only, there shall apply article 293 of the Amended Consolidated Text of the LSC.

If the shares offered for sale exceed the number stipulated in the Company's bid, the number of shares offered by each shareholder shall be reduced pro rata the number of shares held.

However, unless the resolution of the General Meeting or the bid terms stipulate otherwise, if the shares offered for sale are fewer than the number stipulated in the bid, capital shall be reduced only by the amount of the shares actually acquired.

The shares acquired by the Company must be redeemed no later than one month following the end of the time limit for acceptance of the bid."

5.7. To redraft article 16 ("Bond issues") of the Articles of Association as follows:

"ARTICLE 16. - BOND ISSUES.

Upon the issuance of bonds convertible into shares, Company shareholders shall have a pre-emptive right to purchase the convertible bonds.

The right of pre-emption may be excluded in the circumstances and subject to the requirements prescribed by current laws and regulations."

5.8. To redraft article 18 ("General Meeting") of the Articles of Association as follows:

"ARTICLE 18. - GENERAL MEETING.

The shareholders, when constituted as a duly summoned General Meeting, shall by a majority of votes decide upon the matters that fall within the powers of the General Meeting.

The General Meeting is responsible for addressing and agreeing upon the following issues:

- a) Approval of the annual accounts, the appropriation of earnings, and approval of company management.
- b) The appointment and removal of directors, liquidators, or, where applicable, account auditors, and likewise the institution of liability actions against any of them.
- c) Amendments to the Articles of Association.
- d) To effect capital increases and reductions.
- e) To suspend or restrict the pre-emptive subscription right.
- f) To restructure, merge, or split the company, or fully transfer the assets and liabilities thereof, and to agree to move the registered office outside Spain.
- g) To dissolve the Company.
- h) To approve the final balance sheet for liquidation purposes.
- i) Any other affairs prescribed by law or the Articles of Association.

All shareholders, including those absent or dissentient, are bound by resolutions of the General Meeting.”

5.9. To redraft article 21 ("Extraordinary General Meetings") of the Articles of Association as follows:

“ARTICLE 21. - EXTRAORDINARY GENERAL MEETINGS.

Any General Meeting other than as stipulated in the preceding article shall be an extraordinary General Meeting.

The Board of Directors may convene an extraordinary General Meeting if it thinks fit in the Company's interests, and is under a duty to call such meeting upon the requisition of shareholders holding at least 5% of capital, such requisition to specify the business to be transacted at the General Meeting. In this event, the General Meeting must be summoned for a date within the month following the day on which the Board of Directors was requisitioned via a notary.

The agenda must specify the business that is the subject matter of the requisition.”

5.10. To redraft article 22 ("Convening the General Meeting") of the Articles of Association as follows:

“ARTICLE 22. - CONVENING THE GENERAL MEETING.

Ordinary General Meetings shall be convened by the placing of a notice in the *Boletín Oficial del Registro Mercantil* [Registrar of Companies Gazette], on the Company's website and in a daily newspaper with one of the broadest circulations in the province at least one month prior to the date scheduled for the meeting.

The Notice of Meeting shall give the name of the Company, the original date and time scheduled for the meeting on first call, as well as the agenda, listing all matters to be dealt with at the meeting. In addition, the date shall be specified for the holding of the General Meeting if adjourned for lack of quorum.

There must be an interval of at least twenty-four hours between the first and second meetings.

Shareholders representing at least five per cent of share capital may request publication of a supplement to the notice convening the General Meeting that lists one or more of the items on the agenda. In order to exercise this right, shareholders must submit their request by certified notice received at the registered office of the Company within five days from the publication of the Notice of Meeting.

Any such supplement to the Notice of Meeting shall be published at least fifteen days in advance of the scheduled date of the General Meeting.

Failure to publish the supplement to the Notice of Meeting by the statutory deadline shall render the Meeting void."

5.11. To redraft article 23 ("Exceptional Convening of a General Meeting") of the Articles of Association as follows:

"ARTICLE 23. - EXCEPTIONAL CONVENING OF THE GENERAL MEETING.

If the ordinary General Meeting is not summoned within the statutory time limit, it may be convened on the motion of shareholders, a hearing having been granted to the Board of Directors, by the commercial court with jurisdiction at the registered office, which court shall appoint the Chairman of the General Meeting so convened.

This same mode of summoning the General Meeting shall be carried out with respect to the extraordinary General Meeting when so demanded by shareholders holding at least 5% of capital if the time limit referred to at article 21(2) expires."

5.12. To redraft article 26 ("Special Quorum") of the Articles of Association as follows:

"ARTICLE 26. - SPECIAL QUORUM.

An ordinary or extraordinary General Meeting may validly resolve to increase or reduce capital, make any other alterations to the Memorandum and Articles of Association, issue bonds, remove or restrict the pre-emptive subscription right for new shares, and restructure, merge or split the company, transfer all the assets and liabilities thereof, or move the registered office to outside Spain, if, at the original date and time specified in the notice of meeting, there are present, in person or by proxy, shareholders representing at least fifty percent of voting subscribed capital.

At second call, attendance of least twenty-five percent of the paid up share capital with voting rights shall be sufficient.

5.13. To redraft article 27 ("Attendance, proxies and voting at General Meetings") of the Articles of Association as follows:

"ARTICLE 27. - ATTENDANCE, PROXIES AND VOTING AT GENERAL MEETINGS.

Shareholders owning shares, registered at least five days prior to the date scheduled for the General Meeting with the corresponding registers of any of the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores [securities clearing and settlement entity], or the entity replacing it, may attend and vote at General Meetings.

Any shareholder having attendance and voting rights under this article may exercise such rights to vote on motions on the business on the agenda at any class of General Meeting by attending such meeting and voting in person or by post, by recognised electronic signature or other electronic means, or by any other medium of remote communication satisfying the requirements prescribed by laws and regulations, provided that the identity of the person exercising voting rights is properly assured.

A shareholder having attendance rights may have himself represented by proxy at a General Meeting by another person, who need not be a shareholder. Proxies must be conferred in writing, by post, a recognised electronic signature, or any of the other legally permitted electronic or remote communication methods. The identity of the representative must be duly guaranteed, and shall be valid only for the particular meeting in question.

In the event of a call for proxies, there shall apply articles 186 and 514 of the LSC.

A granted proxy shall always be revocable, and personal attendance at a General Meeting by the principal shall operate as a revocation.

The Rules and Regulations of the General Meeting shall implement the means and requirements for the proper exercise of rights of attendance, voting and representation by proxy and the procedures in place for those purposes.

Subject to the relevant provisions of the Rules and Regulations of the General Meeting, and at all events in fulfilment of statutory requirements, the Board of Directors shall be competent to determine the time as from which shareholders may cast their votes or grant proxies by electronic or other remote communication means, having regard to the state of the art of the technical means required.

A shareholder casting his/her votes remotely shall for the purposes of constitution of any General Meeting count as being present."

5.14. To redraft article 32 ("Minutes of proceedings") of the Articles of Association as follows:

"ARTICLE 32. - MINUTES OF PROCEEDINGS.

The General Meeting shall adopt its resolutions by a majority of votes. Each share carries one vote.

For each session of the General Meeting the respective minutes shall be written in the book of proceedings, stating the following particulars: date and venue of the meeting; date and manner in which the notice of meeting was given, except in the case of a universal General Meeting, citation of the *Boletín Oficial del Registro Mercantil* [registrar of companies gazette] and the daily newspaper(s) in which the notice of meeting was published, and confirmation of publication on the Company's website; full text of the notice of meeting, or, if the General Meeting is universal, the items of business accepted on the agenda for the session; the shareholders present at the meeting, in the manner set forth in article 30, and, if the General Meeting is universal, the names of those present, followed by the signature of each; a summary of the matters discussed and of the speeches for which a record was requested; the content of any resolutions passed, stating the outcome of any voting procedure, specifying the majority by which each resolution was carried, and noting the opposition to a Company resolution if so requested by the dissentients.

Minutes may be adopted by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman and two Referees, one representing the majority and the other the minority.

A Company resolution may be put into practice as from the day of adoption of the minutes of proceedings in which it appears."

5.15. To redraft article 33 ("Notarised minutes") of the Articles of Association as follows:

"ARTICLE 33. NOTARISED MINUTES.

The Board of Directors may procure that a notary be in attendance to take the minutes of the meeting, and the Board of Directors shall be under a duty so to engage a notary if at least five days in advance of the intended date of the Meeting notarisation is requested by shareholders representing at least 1% of capital. In that event, a resolution is effective only if recorded in a notarial instrument. The notary's fees shall be to the account of the Company.

The notarised minutes shall not be subject to approval, shall be effective as the minutes of the General Meeting and, as such, shall be transcribed in the respective book of minutes of the Company. A resolution recorded in a notarial instrument may be put into practice as from the closing date of the instrument."

5.16. To redraft article 34 ("Challenging resolutions of the General Meeting") of the Articles of Association as follows:

"ARTICLE 34. CHALLENGES TO RESOLUTIONS OF THE GENERAL MEETING.

A resolution of the General Meeting may be challenged in the manner prescribed in Chapter IX, Title V of the Amended Consolidated Text of the LSC.

5.17. To redraft article 35 ("Composition of the Board") of the Articles of Association as follows:

"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 Company's objects.

The Board of Directors shall be composed of a minimum of six members and a maximum of seventeen, appointed by the General 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.

A director need not be a shareholder, may step down from office, may have his appointment revoked, and may be re-elected on one or more occasions.

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

No person in any of the situations referred to under article 213 of the revised text of the LSA may serve as director."

5.18. To redraft article 42 ("Challenging resolutions") of the Articles of Association as follows:

"ARTICLE 42. - CHALLENGING RESOLUTIONS.

The Directors may challenge a void or voidable resolution of the Board of Directors within a period of thirty days from its adoption. Furthermore, such resolution may be challenged by shareholders representing 5% of capital within thirty days from such resolution becoming known to them, provided that one year has not elapsed since its adoption.

A challenge to a resolution shall follow the procedure prescribed in Chapter IV of Section V of the Amended Consolidated Text of the LSC.

5.19. To redraft article 44 ("Audit and Compliance Committee") of the Articles of Association as follows:

"ARTICLE 44. - AUDIT AND COMPLIANCE COMMITTEE.

The Board of Directors shall appoint from among its members an Audit and Compliance Committee that shall comprise a minimum of three and a maximum of five Directors.

No Executive Directors may be included among the members of the Committee. At least one member of the Committee must be independent and will be appointed in light of his knowledge and track record in matters of accountancy, auditing, or both. The Board of Directors shall elect a Chairman from amongst the Committee members, but the Chairman shall not have the casting vote. The Chairman must be replaced every four years, and may be re-elected after the lapse of one year from his departure from office.

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

- Providing information at General Meetings on issues raised by shareholders that fall within the scope of its powers.
- To see to the proper operation of the Company's internal control, its internal audit function, if applicable, and risk management systems, and discuss with the auditors any significant weaknesses in the internal control system detected in the course of audit.
- To oversee the process of preparation and presentation of statutory financial reporting.
- Proposing to the Board of Directors, for submission to the General Meeting, the appointment of the external accounts auditor, in accordance with article 264 of the LSC, and the fees payable to the auditor.
- Liaising with the account auditors to obtain information on any issues that could compromise the latter's independence for appraisal by the Committee or any other subjects related to the auditing process, and on any other disclosure obligations established in legislation on the annual audit process and in auditing standards. At all events, they must annually receive from the auditors a written confirmation of their being independent from the Company and any entity directly or indirectly related to it, and a disclosure of any manner of additional services provided to such entities by the auditors or persons or entities related to them in accordance with the *Ley 19/1988* (Audit Act 1988).
- To issue annually, prior to the issue of the audit report, a report giving an opinion on the independence of the auditors or audit firms. The report must at all events make reference to the provision of additional services referred to in the above sub-section.

Committee meetings shall be called by the Chairman and shall take place at least four times a year. The company's external auditor may attend Committee meetings and the Finance Director, head of the Enagás Internal Audit Unit or any other Director that the Committee deems appropriate, may also be asked to give account at meetings. The Committee may obtain support and assistance from the aforesaid executives in the execution of its duties."

5.20. To redraft article 47 (" Employees") of the Articles of Association as follows:

"ARTICLE 47. - EMPLOYEES.

The Board of Directors may use incentive schemes consisting of the transfer of Company shares, options over Company shares, other securities entitling the holder to obtain shares, or schemes tied to the share price quoted on a public exchange, to reward Company employees, or some such employees, as the Board sees fit, provided that the requirements are satisfied of the LSC, the LMV and the rest of applicable laws and regulations, in particular, prior approval by the General Meeting wherever mandatory."

5.21. To redraft article 50 ("Appointment of auditors") of the Articles of Association as follows:

"ARTICLE 50. - APPOINTMENT OF AUDITORS.

The financial statements and Directors' report must be reviewed by accounts auditors appointed by the General Meeting before the end of the financial period to be audited, for a defined period of engagement not shorter than three or longer than nine years from the first day of the first financial period

to be audited. Accounts auditors may be re-elected by the General Meeting for maximum terms of three years after the end of the original period of engagement.

The General Meeting may appoint as auditors one or more natural or juristic persons, who shall act jointly. If the appointed auditor(s) is(are) (a) natural person(s), the General Meeting must appoint a substitute auditor for each incumbent auditor.

The General Meeting may not revoke an auditor's appointment before the end of the period for which he was appointed, or before the end of each of the jobs for which he was engaged once the initial period has expired, except on justified grounds.

If the General Meeting fails to abide by the provisions of this article where such provisions are mandatory, or if the appointees do not accept office or are unable to perform their functions, the Board of Directors, the trustee [*comisario*] acting for the syndicate of bondholders, or any shareholder may apply to the registrar of companies with jurisdiction at the registered office to appoint one or more persons to conduct the audit, in pursuance of the *Reglamento del Registro Mercantil* [registrar of companies regulations].

The Directors of the Company and persons having standing to seek the appointment of an auditor may, on reasonable grounds, apply to the court to revoke the appointment of the auditor appointed by the General Meeting or by the registrar of companies and appoint another auditor in his/her stead."

5.22. To redraft article 52 ("Appropriation of Profit or Loss") of the Articles of Association as follows:

"ARTICLE 52. -APPROPRIATION OF PROFIT OR LOSS.

The General Meeting shall decide upon the appropriation of the profit or loss for the year as shown by the adopted financial statements.

Dividends shall be apportioned to ordinary shareholders pro rata the capital they have paid up, at such time and by such means as the General Meeting shall determine, and, in the absence of such determination, dividends shall be paid at the registered office as from the day after the date of the resolution.

Dividends may be paid out of profits for the year or unrestricted reserves if the book value of equity would not fall below the value of capital as a result of such payment out.

If losses carried forward from previous years operate to bring the value of the Company's net equity below the value of capital, profits shall first be allocated to set off such losses.

Moreover, no profits may be distributed until start-up costs, research and development costs and goodwill appearing on the asset side of the balance sheet have been fully amortised, unless the amount of disposable reserves is at least equal to the amount of non-amortised costs.

In addition, a figure equal to 10% of profit for the year shall be allocated to the legal reserve until such reserve reaches at least 20% of capital. Until that threshold is exceeded, the legal reserve may be used only to offset losses in the absence of disposable reserves sufficient for the purpose. The

foregoing is subject to the provisions of article 303 of the Amended Consolidated Text of the LSC.

Finally, the General Meeting may allocate out of profits for the year such sum as it sees fit to voluntary reserves and provisions for new construction and investments and contingent liabilities.

The above requirements having been satisfied and the rest of allocations required by law having been covered, a resolution may be passed to pay dividends out of profits for the year or unrestricted reserves in such amount as the General Meeting may determine; any remainder of profit shall be carried forward to the following year."

5.23. To redraft article 54 ("Restitution of dividends") of the Articles of Association as follows:

"ARTICLE 54. - RESTITUTION OF DIVIDENDS.

Any payment of dividends or interim dividends contrary to the Amended Consolidated Text of the LSC must be disgorged by shareholders in receipt of such payment, together with appropriate interest at the statutory rate, provided that the Company proves that the recipients knew, or, having regard to all the circumstances, ought to have known, that such distribution was unlawful.

RESOLUTION 6

To amend the following Articles of the Regulations of the General Meeting: 4 ("Powers of the General Meeting"), 5 ("Convening the General Meeting"), 7 ("Shareholders' rights to information"), 9 ("Attendance rights"), 10 ("Representation rights"), 11 ("Voting rights"), 12 ("Organization and Constitution of the General Meeting"), 13 ("Proceedings of the General Meeting"), 14 ("Attendance and intervention of other persons"), 15 ("Minutes of Proceedings of the General Meeting").

The proposed change is intended to accommodate the new rules introduced by the new statutory provisions referred to in the rationale for the proposed alterations to the Articles of Association in the manner which the Board of Directors thinks most appropriate for the Rules and Regulations of the General Meeting. This review has provided the opportunity to propose further enhancements to the Rules and Regulations of the General Meeting in the form of a number of clarifications and stylistic improvements.

In addition, we propose to the General Meeting an amendment to article 9, titled "Right of attendance". In line with the proposed amendment to article 27 of the Articles of Association, the aim here is to eliminate the requirement of having to own at least 100 shares in order for shareholders to be able to attend and vote at General Meetings.

Finally, the changes to articles 10 and 11 pursue the additional aim of lending flexibility to the technical means made available to give proxies and vote by electronic means, having regard to the state of the art.

The Board of Directors, pursuant to article 1 of the Rules and Regulations of the General Meeting, has written a rationale that explains the nature and scope of the

proposed changes. The report is provided to shareholders as a part of these proposed resolutions.

The proposed changes are to:

1. Amendment to article 4, titled "Powers of the General Meeting", with the aim of:
 - a. Introducing the new responsibilities expressly afforded to the General Meeting of Spanish companies limited by shares in accordance with art. 160 LSC, while avoiding any reiteration of the previous drafting of this article of the Rules and Regulations.
 - b. To replace references to the LSA with updated references to the LSC.
2. Amendment to article 5, titled "Convening the General Meeting", with the aim of:
 - a. To adapt sub-section 5.1 to the wording of LSC article 168 as regards the time limit for convening and holding the General Meeting.
 - b. Introducing into section 5.2.1 the new announcement procedure through the Company's website as envisaged under art. 173 LSC, in accordance with the drafting given by RDL 13/2010, this without prejudice to the obligation to publish the notice in a daily newspaper up to the date in question, so as to ensure better awareness by shareholders, while also avoiding reiteration with the text.
 - c. To adapt sub-sections 5.2.1 and 5.2.2 to the wording of LSC article 174 as regards the content of the notice of meeting.
 - d. In sub-section 5.2.2, to replace certain references to the LSA with their updated equivalents in the LSC.
3. Amendment to article 7.2, titled "Shareholders' right to information", the aim being to change all references to articles of the LSA to articles of the LSC.
4. Introduction of section 7.4 to article 7 titled "Shareholders' right to information", the aim being to include the concept of the Electronic Shareholder Forum in accordance with art. 528 LSC, deriving from art. 117 LMV, pursuant to the drafting given by *Ley 12/2010*.
5. Amendment to article 9, titled "Right of attendance". In line with the amendment to article 27 of the Articles of Association also put before this General Meeting, the aim here is to eliminate the requirement of having to own at least 100 shares in order for shareholders to be able to attend and vote at General Meetings.
6. To alter the sub-section of article 10 headed "Proxy Rights*" in order to replace references to provisions in the LSA with their updated equivalents in the LSC and bring the wording more closely into line with the wording of those articles of the LSC. In addition, we propose changes so that proxies may be given by electronic means, having regard to the state of the art.
7. To alter sub-section 11.1, headed "Modes of Exercising Voting Rights", to correct an erratum whereby reference was mistakenly made to "conferring a

proxy" instead of "voting". A further amendment is also proposed with a view to encouraging voting via electronic channels, based on the state-of-the-art.

8. To alter sub-section 11.2, headed "Validity of Votes", so that votes may be cast by electronic means, having regard to the state of the art.
9. Amendment to article 12.1, titled "Convening the General Meeting", with the aim of:
 - a. Updating references to articles of the LSA to the corresponding articles of the LSC.
 - b. Bringing it in line with the provisions of article 194 LSC (deriving from art. 103 LSA, pursuant to the drafting given by *Ley 3/2009*) relating to qualified quorums.
10. Amendment to article 13, titled "Proceedings of the General Meeting", with the aim of:
 - a. Changing, in all sections, references to articles of the LSA to the corresponding articles of the LSC.
 - b. Bringing section 13.3 in line with the provisions of article 194 LSC (deriving from art. 103 LSA, in accordance with the drafting given by *Ley 3/2009*), in relation to the qualified quorum; and correcting certain errata (due to omission in the previous drafting) concerning the rules on how to calculate votes.
11. Amendment to article 14, titled "Attendance and intervention of other persons", the aim being to change all references to articles of the LSA to the corresponding articles of the LSC, and to reflect the drafting of art. 203 LSC in relation to the timeframe for procuring a notary to attend the General Meeting.
12. To alter article 15, "Minutes of the General Meeting", to adapt its wording to the approach taken in LSC articles 202 and 203.

We therefore propose to the General Meeting that the articles of the Rules and Regulations of the General Meeting referred to above be entirely redrafted. The proposed alterations and new wording of each article is laid before the General Meeting for deliberation and voting on a separate and independent basis.

The following proposed resolutions are laid before the Ordinary General Meeting:

6.1. To redraft article 4 ("Powers of the General Meeting") of the Rules and Regulations of the General Meeting as follows:

"4.- POWERS OF THE GENERAL MEETING

The powers of the General Meeting, pursuant to the *Ley de Sociedades de Capital* [LSC] and the Articles of Association, shall extend to the following matters:

- a) To adopt, if thought fit, the Financial Statements of Enagás, the Consolidated Financial Statements of the Enagás Group, the

performance of the Board of Directors and the proposed appropriation of profit or loss.

- b)** To appoint and remove Directors (including the ratification or revocation of Director appointments made by the Board itself by co-option), liquidators and auditors, and to institute actions for liability against any such party in the Company's name.
- c)** To alter the Articles of Association.
- d)** To effect capital increases and reductions.
- e)** To suspend or eliminate the pre-emptive subscription right.
- f)** To restructure, merge, or split the company, or fully transfer the assets and liabilities thereof, and to agree to move the registered office outside Spain.
- g)** To dissolve the Company.
- h)** To approve the final balance sheet for liquidation purposes.
- i)** Any other matters determined by law, the Articles of Association or these Rules and Regulations, in particular:
 - i.** To authorise the execution of transactions in treasury shares.
 - ii.** To resolve to issue bonds.
 - iii.** To decide on transactions involving a structural change to the Company, such as assumption of membership of entities engaging in core activities carried on by the Company; acquisition or alienation of essential operating assets, where such transaction effectively involves changing the objects of the Company; or any transaction the effect of which is equivalent to the liquidation of the Company.
 - iv.** To authorise the Board of Directors, if thought fit, to increase share capital in line with the provisions of article 297.1(1)(b) of the LSC.
 - v.** To resolve upon business laid before the General Meeting by the Board of Directors, in accordance with the law.
 - vi.** To adopt and amend the Rules and Regulations of the General Meeting.

In exercising its powers, the General Meeting shall not interfere with the powers and duties reserved for the Board or Directors."

6.2. To redraft article 5 ("Convening the General Meeting") of the Rules and Regulations of the General Meeting as follows:

"5.- CONVENING THE GENERAL MEETING

5.1.- POWER AND DUTY TO CALL A MEETING

The power to call an ordinary or extraordinary General Meeting rests with the Board of Directors, which shall draw up the agenda listing the business to be transacted by the General Meeting.

The Board must call the ordinary General Meeting within the first six months of each year.

The Board may call a General Meeting whenever it thinks fit for the benefit of the Company's affairs.

The General Meeting shall also be convened in any other event in which laws and regulations so require.

Without prejudice to the foregoing, the Board is under a duty to call an extraordinary General Meeting upon requisition by shareholders representing at least five percent of share capital, such requisition to specify the business to be addressed. In this event, the General Meeting must be summoned for a date within the month following the day on which the Board of Directors was requisitioned via a notary.

5.2.- PUBLICATION OF A NOTICE OF MEETING

5.2.1.- TIMING AND FORM OF PUBLICATION

General Meetings shall be convened by the placing of a notice in the *Boletín Oficial del Registro Mercantil* [official gazette of the registrar of companies], on the Company's website and in a daily newspaper with one of the broadest circulations in the province at least one month prior to the date scheduled for the meeting.

The Notice of Meeting shall give the name of the Company, the original date and time scheduled for the meeting on first call, as well as the agenda, listing all matters to be dealt with at the meeting.

Shareholders representing at least five per cent of share capital may request publication of a supplement to the notice convening the General Meeting that lists one or more of the items on the agenda. In order to exercise this right, shareholders must submit their request by certified notice received at the registered office of the Company within five days from the publication of the Notice of Meeting.

Any such supplement to the Notice of Meeting shall be published at least fifteen days in advance of the scheduled date of the General Meeting.

Failure to publish the supplement to the Notice of Meeting by the statutory deadline shall render the Meeting void.

Prior to its publication, the Company must file the Notice of Meeting with the CNMV, the Spanish securities market regulator, the Spanish securities exchanges and any other markets on which the Company's shares are listed for trading and inform member entities of the relevant securities registration, clearing and settlement body.

In addition to the statutory requirements set out above, in order to achieve maximum dissemination and ensure that shareholders have sufficient time to request and obtain additional information related to the items on the Agenda, the Board of Directors shall endeavour to ensure that the notice is published in advance of the statutory deadline in a number of corporate communication media exceeding the minimum requirement established by law, unless this is impracticable because of the urgency of the situation or other circumstances beyond the control of the Board. In addition, the Notice of Meeting shall be re-published on a date closer to that scheduled for the meeting by way of reminder.

5.2.2.- CONTENT OF NOTICE

The notice must state the name of the Company, the date, time and venue of the meeting, and an agenda listing all items of business to be transacted. In addition, the date shall be specified for the holding of the General Meeting if adjourned for lack of quorum. There must be an interval of at least twenty-four hours between the first and second meetings.

If a duly convened General Meeting fails to achieve quorum at the original date and time specified in the notice, and no provision was made in the notice for an adjourned meeting, the date and time of such adjourned meeting must be announced, subject to the same requirements of public disclosure as the original notice, within fifteen days following the date of the frustrated meeting and eight days in advance of the date of the adjourned meeting.

In order that shareholders may properly exercise their right to information, the Notice of Meeting must specify the opening hours and place where shareholders may inspect the documents to be laid before the General Meeting for adoption and any other reports made available, whether by virtue of a statutory requirement or of a decision of the Board, and must further mention that a shareholder is entitled to request that all such documents be sent to him free of charge, pursuant to article 7(1) of these Rules and Regulations.

In the event of a merger or division, the Notice of Meeting must contain the particulars of the merger or division plan specified in article 40 of the Spanish Structural Reform Act (Ley 3/2009) and must mention shareholders' right to inspect the documentation of the proposed transaction subject to article 39 of the Spanish Structural Reform Act.

Further to the particulars referred to above, the Notice of Meeting may contain any other particulars deemed relevant for shareholders, such as whether the meeting is expected to achieve quorum at the original date and time or be adjourned, the availability of means of transport, details of the Shareholder Information Office and the website, and any other matter of interest."

6.3. To redraft article 7 (" Shareholders' right to information") of the Rules and Regulations of the General Meeting as follows:

7. SHAREHOLDERS' RIGHT TO INFORMATION

7.1. To facilitate the exercise of information rights in connection with the business to be addressed as the ordinary General Meeting, on the date of publication of the Notice of Meeting the Shareholder Information Office shall make the following documents available to shareholders:

- a)** The full text of the notice of General Meeting, setting out the resolutions proposed for adoption, and, where appropriate and as far as practicable, reports from the Board of Directors concerning their rationale and appropriateness.
- b)** Comprehensive documentation on the Enagás Annual Accounts and the Consolidated Annual Accounts of the Enagás Group, and on the

proposed appropriation of Enagás profit or loss for the financial year in question.

- c)** Enagás Directors' Report and Consolidated Directors' Report for the financial year.
- d)** Auditors' Reports on the Consolidated Annual Accounts and Enagás Annual Accounts.
- e)** Annual Corporate Governance Report.
- f)** Any other report or information required by law or deemed appropriate by the Board of Directors.

If an extraordinary General Meeting is to be held, the Company shall make available to all shareholders any documents necessary for them to be properly informed as regards the proposed resolutions on the agenda.

Prior to the General Meeting, the Company shall make the above available to shareholders via the following channels:

- The Shareholder Information Office.
- A toll-free telephone number to be specified in the Notice of Meeting.
- The Company website.

In addition, the Company shall make the above documents available to shareholders on the occasion of the General Meeting itself.

The Shareholder Information Office shall be at shareholders' disposal to provide any information required with a view to the holding of the General Meeting.

7.2.- Up to the seventh day before the meeting is held, shareholders may request from Directors any information or clarification they deem appropriate concerning business on the agenda, or submit in writing the questions they judge relevant. Shareholders may likewise put written questions and require particulars and clarification about any publicly available information the Company may have filed since the last General Meeting with the CNMV, the Spanish securities market regulator.

The Directors shall be under a duty to supply the information requested in accordance with the foregoing paragraph, in writing, up until the day on which the General Meeting is held.

During the General Meeting, shareholders may verbally request any information or clarifications they deem appropriate concerning business on the agenda, and, if it is impracticable to meet such requests at that time, Directors must provide written answers within a period of seven days following the end of the Meeting.

The Directors are under a duty to furnish the information requested under article 197 of the LSC unless, in the view of the Chairman, publicity of the requested information would harm the Company's interests, or supply of the information is barred under the law or the Articles of Association or a judicial or administrative decision.

No such refusal may be made if the request is put forward by shareholders representing at least twenty-five percent of the Company's share capital.

The information requested under article 197 of the LSC shall be provided to the shareholder requesting it in writing, within the period running from the date of the Notice of Meeting until the date of the Meeting inclusive, provided such request conforms to the time limit for exercise and scope determined by law and the Rules and Regulations of the General Meeting. The shareholder shall set out in writing the questions he/she thinks appropriate and the particulars or clarifications he/she thinks necessary, and shall expressly request that the Company reply in writing, and for that purpose shall indicate the address where he/she desires to receive the information.

7.3. A shareholder is entitled to make a written or oral request for any information he/it thinks relevant, even beyond the time limits directed in section 7.2 of these Rules and Regulations.

The Company shall as far as practicable endeavour to ensure to reply orally in the course of the General Meeting or in writing within such time frame as it thinks appropriate.

7.4.- Insofar as envisaged by prevailing legislation, and in accordance with the technical and legal terms thereof, the Company shall create an Electronic Shareholder Forum on its website with all safeguards duly in place. This forum will be available to individual shareholders and to any voluntary associations that may be set up and is intended to facilitate communication and dialogue before the General Meeting is held. The forum will be a venue for publishing proposed resolutions to be tabled as a supplement to the agenda set out in the notice of meeting, requests for adherence to such proposed resolutions, initiatives to achieve a sufficient percentage for the exercise of a statutory minority-interest right, and offers and requests for voluntary representation by proxy. The Board of Directors of the Company shall set the rules from time to time governing the functioning of the forum made available for the General Meeting.

6.4. To redraft article 9 ("Right of attendance") of the Rules and Regulations of the General Meeting as follows:

"9. - RIGHT OF ATTENDANCE.

Under article 27 of the Articles of Association, the right to attend and vote at a General Meeting shall be subject to the ownership of shares on record in the appropriate register at least five days in advance of the meeting.

Shareholders entitled to attend must prove their entitlement by any of the following forms of evidence:

- A)** An appropriate attendance and voting card to be issued by member entities of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores [Spanish central securities clearinghouse] or such body as may replace it in future, properly filled out for the purpose.
- B)** An 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.

Shareholders entitled to attend under article 27 of the Articles of Association may attend the General Meeting held at the venue specified in the Notice of Meeting, in person or represented by proxy.

The Board of Directors may in future create a shareholder right to attend General Meetings by remote means if such manner of proceeding is permitted by the state of the art and an appropriate standard of certainty is assured as to shareholders' identity, the effectiveness of their rights and the proper conduct of the meeting.

6.5. To redraft article 10 ("Proxy rights") of the Rules and Regulations of the General Meeting as follows:

"10. – PROXY RIGHTS.

Any shareholder entitled to attend the Meeting may procure to be represented by another person, who need not be a shareholder.

Proxies must be conferred in writing, by post, a recognised electronic signature, or any of the other legally permitted electronic or remote communication methods. In all cases, the identity of the proxy must be duly guaranteed, and shall be valid only for the particular meeting in question.

The Board of Directors shall determine which electronic or remote media may be used to confer proxies for each General Meeting pursuant to the provisions of this article and having regard to the state of the art. Such means of remote communication must satisfy the security standards required to ascertain shareholders' identities and the effectiveness of their rights and the proper conduct of the meeting, as indicated by the Board in the Notice of Meeting and on the Company's website.

A proxy may be revoked at any time. If the principal attends the meeting in person, his/her proxies are automatically revoked, and he/she must inform the proxy-holder in order to ensure that such person does not attempt to exercise proxy rights he/she does not hold.

Shareholders who are natural persons disqualified from exercising their civil rights and shareholders that are juristic persons may be represented by any duly accredited legal representative. Both in cases of legal representation and delegation of attendance rights, no shareholder shall have more than one representative at the Meeting.

CALL FOR PROXIES

Calls for proxies issued by Directors, custodian entities of the share certificates, entities entrusted with the register of dematerialised shares or any other person or entity publicly making such call on its own or on a third party's behalf shall be subject to article 186 of the LSC. A call for proxies shall be deemed to have been made if one and the same person holds proxies for more than three shareholders.

In particular, the document containing the call for proxies must contain, or have attached to it, the meeting agenda, the request for instructions for the exercise of voting rights and the manner in which the proxy-holder should vote in the event that no specific instructions are given.

In the event of a proxy requested and obtained by a Director, if no instructions are extant the proxy shall be treated as demanding a vote in

favour of the motion of the Board, subject to any applicable statutory restrictions.

If Company Directors, or any other person acting on behalf of such Directors, effects a call for proxies, the Director that obtains such proxy may not exercise voting rights attaching to the shares thus represented in the events of conflict of interest specified in article 514 of the Spanish Enterprise Act (Ley de Sociedades de Capital, LSC) as to the following decisions:

- a) His/her own appointment or ratification as a Director.
- b) His/her removal, dismissal or termination as a Director.
- c) The bringing by the Company of an action for liability against him/her.
- d) The adoption or ratification, as applicable, of Company transactions with the Director in question or with companies controlled or represented by him/her or by persons acting on his/her behalf.

A call for proxies may be made electronically in accordance with the implementing regulatory provisions issued on the matter and in such manner as these Rules and Regulations shall determine."

6.6. To redraft article 11 ("Voting rights") of the Rules and Regulations of the General Meeting as follows:

"11. - VOTING RIGHTS.

11.1.- MEANS OF EXERCISING VOTING RIGHTS

A shareholder entitled to attend under article 27 of the Articles of Association and under the implementing provisions of article 9 of these Rules and Regulations shall be entitled to vote, and may do so in person or by proxy, by any of the following means:

- A)** By personally attending and voting at the General Meeting, with an attendance and voting card properly filled out and signed for the purpose.
- B)** By post, by casting votes at the Shareholder Information Office, by recognised electronic signature or any other electronic means or, in general, by any other means of remote communication permitted by law, attaching an electronic attendance and voting certificate.

The Board of Directors shall determine which electronic or remote media may be used to vote at each General Meeting pursuant to the provisions of this article and having regard to the state of the art. Such means of remote communication must satisfy the security standards required to ascertain shareholders' identities and the effectiveness of their rights and the proper conduct of the meeting, as indicated by the Board in the Notice of Meeting and on the Company's website.

The right to attend and vote using remote or electronic means, votes cast at the Shareholder Information Office or any other means of remote communication permitted in future must conform to any such statutory requirements as may be laid down and to the formalities and procedures directed by these Rules and Regulations.

11.2.- VALIDITY OF VOTES

A) Voting by personal attendance at the General Meeting

To exercise his/her voting rights, a shareholder present at the General Meeting in person must, in addition to producing proof of identity in accordance with article 9 of these Rules and Regulations, identify him/herself as follows:

If he/she is a natural person, he/she shall exhibit a national identity card or passport.

If the shareholder is a juristic person, the natural-person representative attending and voting on its behalf shall exhibit his/her national identity card or passport and a document proving his/her power of attorney.

B) Votes cast by remote means of communication

To be valid, a vote cast by any of the means of remote communication must be received by the Company at the Shareholder Information Office between the day of publication of the Notice of Meeting and no later than twenty-four hours prior to the earlier scheduled date and time of the General Meeting, subject to the Board's power to determine a shorter time limit.

A shareholder using such means of communication shall bear the burden of proof that notice was sent to the Company in due time and form.

A postal vote shall be valid provided that the shareholder sends to the registered office of the Company in a sealed envelope an attendance and voting card clearly stating the shareholder's identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature and having attached a copy of his/her national identity card or passport, if the shareholder is a natural person, and, additionally, a document accrediting power of attorney, if the shareholder is a juristic person.

If a shareholder votes by electronic or remote means, such vote shall be valid if a record is created, by an appropriate electronic attendance and voting certificate, of the shareholder's identity, by means of a recognised electronic signature or any other electronic media satisfying appropriate conditions of authenticity and identification of the shareholder thus exercising his/her voting rights, the number of shares he/she holds and his/her vote on each item on the agenda.

If a shareholder decides to cast his/her vote in person or by proxy at the Shareholder Information Office, he/she must produce an attendance and voting card clearly stating the shareholder's identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature, and shall further exhibit his/her identity card or passport, if the shareholder is a natural person, and a document accrediting proxy rights, if applicable.

11.3. A shareholder casting his/her votes remotely shall for the purposes of constitution of any General Meeting count as being present.

11.4. A vote cast by remote means may be invalidated only:

- a) if later expressly revoked by the same means used for its original issue, within the time limit for such issue; or
- b) if the shareholder casting the vote is present at the General Meeting in person.

Any sale of voting shares effected at least five days before the scheduled date of the Meeting shall render void any vote cast prior to such sale."

6.7. To redraft article 12 ("Organization and Constitution of the General Meeting") of the Rules and Regulations of the General Meeting as follows:

"12. ORGANISATION AND CONSTITUTION OF THE GENERAL MEETING

12.1.- CONVENING THE GENERAL MEETING

For the General Meeting to be properly constituted under article 193 of the LSC and article 25 of the Articles of Association, shareholders present in person or by proxy at the original date and time specified in the Notice of Meeting must represent at least twenty-five percent (25%) of subscribed voting capital. At the adjourned date and time, the General Meeting shall be properly constituted whatever the proportion of share capital present.

An ordinary or extraordinary General Meeting may validly resolve to increase or reduce capital, make any other alterations to the Memorandum and Articles of Association, issue bonds, remove or restrict the pre-emptive subscription right for new shares, and restructure, merge or split the company, transfer all the assets and liabilities thereof, or move the registered office to outside Spain, if, in accordance with article 194 of the LSC and item 26 of the Articles of Association, at the original date and time specified in the notice of meeting, there are present, in person or by proxy, shareholders representing at least fifty percent (50%) of voting subscribed capital. At an adjourned meeting, the presence of twenty-five percent (25%) of that share capital shall suffice.

12.2. CHAIRMAN AND PRESIDING PANEL

CHAIRMAN

The General Meeting shall be chaired by the Chairman of the Board of Directors, or, in his/her absence, by the shareholder elected in each case by shareholders present.

The Chairman of the General Meeting shall direct the proceedings and see to it that they are properly conducted, maintain orderly deliberations and ensure that the agenda set out in the Notice of Meeting is followed. The Chairman shall determine the order in which speakers are to take their turn, give and, if appropriate, withdraw leave to speak, set time limits for discussion before each issue is put to the vote, place a reasonable limit on the time devoted to the 'other business' item, and declare an issue to have been discussed sufficiently.

The Chairman shall be assisted by the Secretary to the Board of Directors, or, in his/her absence, by a shareholder elected by the General Meeting.

Once the meeting has started, if the Chairman or the Secretary of the General Meeting has to absent him/herself, his duties shall be taken over by the relevant person in conformity with the provisions of the preceding paragraphs and the meeting shall continue.

CONSTITUTION OF THE GENERAL MEETING PRESIDING PANEL

The Presiding Panel of the General Meeting shall comprise the Directors and, if his/her presence has been decided on, a notary summoned by the Board.

All Directors must attend General Meetings. In the event of justified absence, a Director may procure to be represented by another Director.

SCRUTINEERS

If he/she thinks fit, the Chairman may appoint one or more scrutineers from among shareholders present in person.

Scrutineer shareholders shall assist the Presiding Panel in drawing up the list of attendees and, if applicable, in counting votes."

6.8. To redraft article 13 (" Proceedings of the General Meeting") of the Rules and Regulations of the General Meeting as follows:

"13. PROCEEDINGS OF THE GENERAL MEETING

13.1.- DRAWING UP OF THE LIST OF ATTENDEES AND OPENING OF THE SESSION

Before transacting the business on the agenda, a list of attendees shall be drawn up, stating the nature or representative capacity of each of them and the number of shares held by them or third parties with which they attend. The summary of the list of attendees shall determine the number of shareholders, present in person or by proxy, and the amount of share capital held by them, specifying the amount corresponding to shareholders with voting rights. The Deputy Secretary to the Board or the person so appointed by the Chairman in his/her absence shall provide the Presiding Panel with two copies of that summary duly signed by him/her or a scrutineer shareholder, if any.

Attendance shall be considered closed for the purposes of establishing a quorum at the time stated in the Notice of Meeting for the commencement of the Meeting.

Shareholders or representatives arriving late at the Meeting venue may attend the Meeting once the admission of attendance and voting cards has been closed, but shall not be included on the attendance list nor, therefore, form part of the quorum for voting purposes.

Upon the opening of the General Meeting, the Secretary shall read out the particulars of the Notice of Meeting and of attendance, on the basis of the list of attendees drawn up by the Presiding Panel for the purpose, stating the nature or representative capacity of each of them and the number of shares held by them or third parties with which they attend.

Notwithstanding the foregoing, before the final tally of attendees has been ascertained the General Meeting may be properly constituted on the basis of a provisional quorum calculated minutes before the time of commencement of the session, provided that such quorum satisfies the statutory threshold for such purposes, and without prejudice to the Secretary's record of the final quorum, which he/she shall recite in the course of the meeting.

The list of attendees shall be drawn up on paper or using a computer file or other data carrier. The method so used shall be noted in the minutes, and an appropriate record of identification shall be written on the sealed cover of the file or data carrier, bearing the Secretary's signature and the Chairman's countersignature.

The list of attendees having been drawn up, and the presence having been verified of the quorum required under articles 193 and 194 of the LSC and 25 and 26 of the Articles of Association, the Chairman shall, if applicable, declare the General Meeting to be properly constituted.

If present, the notary engaged by the Company to draw up the minutes shall ask participants if they have any reservations or challenges to the details of shareholders and share capital read by the Chairman. Any shareholder with reservations shall show the member of the Panel his/her attendance card, and the panel shall verify and correct, as applicable, any possible errors.

Before giving his/her account of the financial period under consideration and of the proposed resolutions laid before the General Meeting, to facilitate the conduct of proceedings the Chairman shall ask shareholders wishing to take the floor to approach the officials assisting the Presiding Panel and exhibit their attendance cards for the purpose of arranging turns to speak. A shareholder who fails to express his wish to speak at this time may not subsequently exercise a right to speak.

The Chairman shall then inform the General Meeting on the salient features of the financial period and the Board's proposed resolutions; his/her account may be supplemented by persons authorised by him/her to do so.

13.2.- SHAREHOLDERS' DELIBERATIONS

Having given his/her account, the Chairman shall give leave to speak to shareholders who have so requested, and shall keep the discussion within the bounds of the agenda, except as provided in article 223 of the LSC on special cases of removal of Directors and in article 238 of the LSC on the Company's instituting an action for liability against Directors.

The Chairman shall moderate the conduct of shareholders' deliberations, and may reply to shareholders collectively or individually. The Chairman shall end this stage of proceedings when, in his/her view, the matters raised have been discussed sufficiently.

13.3.- VOTING

At the meetings, the various resolutions shall be put to the vote after being read out by the Secretary, except where the written text has been provided to shareholders in advance and, because of its length, the Chairman deems a full reading unnecessary. Reading of the resolutions may be dispensed with on the decision of the Chairman, provided that his/her decision is not opposed by shareholders representing a majority of subscribed voting capital and present at the meeting.

Issues that are essentially independent shall be put to the vote separately so that shareholders may exercise their voting preferences separately.

In order for resolutions to be adopted, in accordance with article 201 of the LSC, they must attract a vote in favour by a majority of subscribed capital with voting rights present in person or by proxy at the meeting.

Notwithstanding the above, in the case of capital increases or decreases, any other modification to the Articles of Association, bonds issues, elimination or restriction of the pre-emptive subscription right over new shares, the transformation, merger or division of the Company, the transfer of all the assets and liabilities thereof and the decision to move the registered office to outside Spain, at the adjourned meeting, and when the Meeting is attended by shareholders representing less than fifty percent of the subscribed voting capital, two-thirds of the subscribed voting capital present in person or by proxy must vote for the resolution in order for it to be adopted.

After each proposed resolution has been read out by the Secretary, the meeting shall proceed to vote. To determine the result of the vote, votes cast at the meeting by shareholders present or represented, votes cast by proxy as a result of the exercise of a call for proxies, within the terms of such delegation, and votes cast by post or by electronic means via the Shareholder Information Office or using any other remote communication media that satisfies the established prerequisites shall be included in the count.

To calculate votes for the items on the agenda at General Meetings, the Presiding Panel will include:

- As **votes against**, all votes corresponding to shares whose owners or representatives have indicated that they are voting against the resolution either by communicating or submitting their vote to the Secretary or, where applicable, the Notary, for registration in the minutes, or by indicating their opposition via remote voting means.
- As **abstentions**, all votes corresponding to shares whose owners or representatives have notified their abstention either directly to the Secretary or, where applicable, the Meeting Notary, for registration in the minutes, or via remote voting methods.
- As **votes for**, all votes corresponding to all other shares present or presented at the meeting, and votes for cast by remote voting methods.

For resolutions on items not included on the agenda, which are covered by articles 223, 224 and 238 of the LSC, the Presiding Panel shall include:

- As **votes for**, all votes corresponding to shares whose owners or representatives satisfy the prerequisites set out below and have indicated that they are voting for the resolution by communicating or submitting their vote directly to the Secretary or, where applicable the Meeting Notary, for registration in the minutes.
- As **abstentions**, all votes corresponding to shares whose owners or representatives have notified their abstention either directly to the Secretary or, where applicable, the Meeting Notary, for registration in the minutes, or via remote voting methods.
- As **votes against**, all votes corresponding to all other shares present or presented at the meeting, and votes for cast by remote voting methods, provided that the prerequisites set out below are satisfied.

Proxy votes, including those secured by calls for proxies, may not be exercised in votes on resolutions not included on the agenda and put to the vote at General Meetings by virtue of the statutory provisions set out above, unless expressly so contemplated.

If in the course of a meeting a shareholder wishes to leave the session, the shareholder in question may address the Panel and, if so desired, ask that his/her voting intentions on each item on the Agenda be recorded in the minutes. If the shareholder fails to do so, it shall be assumed that he/she is voting in favour of all items pending vote included on the agenda and against any items not included on the agenda and submitted to the vote in his/her absence.

The Meeting Secretary shall read out the results of the vote on each resolution, indicating the number of votes for, number of votes against, and number of abstentions.

The scrutineers shall prepare a note on the result of each vote, including the votes previously cast and any change that may have occurred in the course of the meeting.

Once all resolutions have been put to the vote, the Meeting Secretary shall deliver to the Notary, if the company has requested the attendance of a notary, the scrutineers' note containing data on the results of the vote on each resolution before the Chairman proceeds to close the session.

6.9. To redraft article 14 (" Attendance and intervention of other persons") of the Rules and Regulations of the General Meeting as follows:

"14.- ATTENDANCE AND INTERVENTION OF OTHER PERSONS

The Chairman of the Audit and Compliance Committee of Enagás, on behalf of the same Committee, shall be available at meetings to respond to questions from shareholders on issues within the Committee's purview.

The General Meeting must be attended by the Company's external auditor, who shall be convened for such purpose by the Board of Directors. The auditor shall intervene, whenever deemed expedient by the Chairman, to clarify questions relating to its work as the Company's external auditor.

The Board of Directors may whenever it thinks fit procure that a notary be in attendance to take the minutes of the meeting in accordance with article 203 of the LSC, and the Board shall be under a duty so to engage a notary if requested by shareholders representing at least one percent of capital at least five days ahead of the scheduled date for the General Meeting.

Endeavours shall be made for the General Meeting to be attended by the Company's senior executives.

Other persons may attend a General Meeting whenever so decided by the Chairman.

6.10. To redraft article 15 (" Minutes of Proceedings of the General Meeting") of the Rules and Regulations of the General Meeting as follows:

"15.- MINUTES OF THE GENERAL MEETING

Minutes may be adopted by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman of the meeting and two Referees, one representing the majority and the other the minority. The rules must be published on the website."

If the meeting has been held in the presence of a notary, the notarial instrument shall be taken to constitute the minutes of the meeting, which shall not therefore require adoption. A resolution therein appearing may be put into practice as from the closing date of the instrument."

PROPOSED RESOLUTION 7

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

By reason of the expiry of their terms of office under the Articles of Association it is proposed that Jesús David Álvarez Mezquíriz (Independent Director); Luis Javier Navarro Vigil (External Director); and CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE (BANCAJA), BANCAJA (Proprietary Director nominated by the shareholder Bancaja Inversiones S.A) be re-elected as Directors for the four-year term under the Articles of Association.

At the same time, a proposal is submitted to ratify the appointment of Sultan Hamed Khamis Al Burtamani, co-opted to the Board on 20 December 2010 to cover the vacancy left by Said Mohamed Abdullah Al Masoudi, who had been appointed a Director for the four-year term under the Articles of Association by a resolution of the General Meeting of 30 April 2010, and his appointment as Director for the four-year term of office prescribed by the Articles of Association. Mr Al Burtamani is a proprietary director proposed by the shareholder Oman Oil Holdings Spain, SLU.

Sultan Hamed Khamis Al Burtamani graduated in Finance from the Sultan Qaboos University (College of Commerce and Economics) of Oman, achieved a certificate in Project Valuation and Risk Management awarded by Duke University (USA) and a diploma in Islamic Finance awarded by the Islamic Finances Institute of Islamic Banking and Insurance (United Kingdom). At present, he is an Associate of the Investment Department of the Oman Oil Company (OOC), with a focus on refining and aromatic products. Mr Al Burtamani is playing an active role in the assessment and due diligence procedures surrounding potential investment opportunities in energy infrastructure, refining, petrochemicals, shipping and asset management. He has served as a director in a range of investees of Oman Oil, such as SAGGAS and Oiltanking Odfjell Terminal & Co LLC. Before joining Oman Oil, he worked as a financial analysis researcher at the Gulf Organization for Industrial Consulting (Qatar) and took part in the Oil Tanking Development Programme (Germany).

Therefore, the following proposed resolutions are laid before the General Meeting:

- 7.1.- To re-appoint Mr. Jesús David Álvarez Mezquíriz as director for the four-year term stipulated by the Articles of Association. Mr. Álvarez Mezquíriz shall serve as an independent director.
- 7.2.- To re-appoint Mr. Luis Javier Navarro Vigil as director for the four-year term stipulated by the Articles of Association. Mr. Navarro shall serve as an External Director.
- 7.3.- To re-appoint CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE (BANCAJA) as director for the four-year term stipulated by the Articles of Association. BANCAJA shall serve as proprietary director proposed by the shareholder Bancaja Inversiones, S.A.
- 7.4.- To ratify and appoint Sultan Hamed Khamis Al Burtamani for the four-year statutory period. Mr. Al Burtamani shall serve as proprietary director proposed by the shareholder Oman Oil Holdings Spain, SLU.

PROPOSED RESOLUTION 8

To approve directors' remuneration for 2011.

Item 36 of the Articles of Association stipulates that the General Meeting shall determine the total maximum remuneration to be paid to Directors, and this shall comprise a cash sum payable on an annual basis or in respect of such period as the General Meeting may determine. When setting remuneration, the 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 2011 has been approved and is the same amount as that approved in 2008, 2009 and 2010.

The following proposed resolution is laid before the General Meeting:

- "The General Meeting, in accordance with the second paragraph of article 36 of the Articles of Association, agrees to set the figure of €1,249,733 as the maximum remuneration for members of the Board of Directors for 2011, 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, actual 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 proxy.
- 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 Deputy 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 Directors, and also from the right to payment or reimbursement of expenses incurred in the course of their duties."

PROPOSED RESOLUTION 9

To authorise the Board of Directors to issue bonds or other fixed income instruments, convertible or not convertible into shares of the Company and/or exchanged for shares in the Company or in other companies, for the total amount of four thousand million euros (€4,000,000,000) within a five year period starting from the date of the resolution; to set the bases and terms for the share conversion or exchange and for any required capital increase, invalidating the resolution passed by the General Meeting on 27 March 2009.

The General Meeting of 27 March 2009 passed a resolution authorizing the Board to issue bonds on similar terms up to a quantitative limit of €3 billion. However, the Board of Directors takes the view that in the light of financial market conditions it is in the Company's interests to raise the quantitative ceiling for bond issues and other fixed-income securities. The new resolution supersedes Resolution 7 of 27 March 2009 and leaves it without effect.

The following proposed resolution is laid before the General Meeting:

- "To authorise the Board of Directors to issue either directly or through its subsidiaries, with the Company's guarantee, on one or more occasions, to a combined nominal value of up to four thousand million euros (€4,000,000,000) or the equivalent in another currency, fixed-income securities, in any of the forms permitted by law, including, inter alia, bonds, covered mortgage bonds, promissory notes and debentures, whether unsecured or secured by some form of collateral, including mortgages, and in the form of physical certificates or uncertificated book entries. The securities issued may or may not be convertible into existing or newly issued shares of the Company. In the case of convertible securities, conversion may be mandatory or voluntary, and, in the latter case, on the motion of either the holder of the securities or of the issuer. Alternatively, securities may incorporate an option to purchase Company shares. The securities may be issued in Spain or abroad, pursuant to Spanish or foreign legislation, as appropriate, and application may be made for these securities to be admitted to trading on Spanish or foreign exchanges. The Board of Directors is also

authorised to apply for admission to trading of issued securities on Spanish or foreign exchanges as thought necessary, subject to the applicable rules of admission, continued listing and, as the case may be, de-listing.

- The Board of Directors is given authority, with an ancillary ability to delegate such authority to any of its members or a third party when so resolved by the Board, freely to determine all other terms and conditions of the issue or issues, including whether they shall be perpetual or redeemable and, in the latter case, their term to redemption, always subject to compliance with legal limits and, in general, to execute, without restriction, whatever notarised or non-notarised instruments may be necessary or the Board of Directors may deem expedient for the performance of this resolution, as well as, where appropriate, to appoint the Commissioner and approve the main rules governing relations between the Issuer and the syndicate of holders of the securities issued.

The Board of Directors shall have a period of five years counting from the date on which this resolution is passed at the General Meeting in which to implement the power hereby conferred upon it, at the end of which period, the powers shall expire in respect of the unexercised portion.

Resolution 7, containing similar terms, passed at the General Meeting of 27 March 2009, is hereby rendered void.”

PROPOSED RESOLUTION 10

Presentation of the explanatory report on the items stipulated under article 116 bis of the LMV.

PROPOSED RESOLUTION 11

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

The following resolution is laid before the General 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 Meeting. The power to rectify shall encompass 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 Registro Mercantil [Spanish registrar of companies] or any other public authority with powers 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 formally to record the resolutions adopted by the General Meeting and register those so requiring, in full or in part, with powers to that end to execute all manner of notarised and non-notarised instruments, including those supplementing or rectify those resolutions.”

DIRECTORS' REPORT ON ITEMS 5 AND 6 OF THE AGENDA

This report is issued by the Board of Directors of Enagás, S.A. for the purposes of articles 286 of the Spanish Enterprise Act [*Ley de Sociedades de Capital*, LSA] and 158 of the *Reglamento del Registro Mercantil* [Spanish registrar of companies regulations], and article 1 of the *Reglamento de la Junta General de Accionistas* [Rules and Regulations of the General Meeting], on proposed amendments to the Articles of the Association and the aforementioned Rules and Regulations laid before the General Meeting to be held, if at its original date and time, on 24 March 2011, and, if adjourned, on 25 March 2011, under headings 5 and 6 of the Agenda.

Purpose of the Report

The Board of Directors of Enagás, S.A. ("the Company"), at its meeting of 31 January 2011, resolved to lay before the General Meeting, at items 5 and 6 of the Agenda, proposed resolutions to alter articles 1 ("Name"), 8 ("Shareholders' Rights"), 10 ("Usufruct of Shares"), 11 ("Pledging of Shares"), 14 ("Pre-emptive Subscription Right"), 15 ("Capital Reduction by Purchase of Treasury Shares"), 16 ("Bond Issues"), 18 ("General Meeting"), 21 ("Extraordinary General Meetings"), 22 ("Convening the General Meeting"), 23 ("Exceptional Convening of a General Meeting"), 26 ("Special Quorum"), 27 ("Attendance, Proxies and Voting at General Meetings"), 32 ("Minutes of Proceedings"), 33 ("Notarised minutes"), 34 ("Challenging General Meeting Resolutions"), 35 ("Composition of the Board"), 42 ("Challenging Resolutions"), 44 ("Audit and Compliance Committee"), 47 ("Staff"), 50 ("Appointment of Auditors"), 52 ("Appropriation of Profit or Loss") and 54 ("Restitution of Dividends") of the Articles of Association, and articles 4 ("Powers of the General Meeting"), 5 ("Convening the General Meeting"), 7 ("Shareholders' rights to information") – subsection 7.2 and a new subsection 7.4 ("Attendance rights") – 10 ("Proxy rights"), 11 ("Voting rights") – subsections 11.1 and 11.2 – 12 ("Organization and Constitution of the General Meeting") – subsection 12.1 – 13 ("Proceedings of the General Meeting"), 14 ("Attendance and intervention of other persons"), and 15 ("Minutes of Proceedings of the General Meeting") of the Rules and Regulations of the General Meeting.

This Report is issued by the Board of Directors in accordance with (i) article 286 of the Spanish Enterprise Act ("LSC"), which prescribes that if the Articles of Association of a public limited company are to be altered the directors shall draw up the full text of the proposed alterations and, furthermore, write a written rationale for the change; (ii) article 158 of the Registrar of Companies Regulations; and (iii) article 1 of the Rules and Regulations of the General Meeting, which requires that any alteration to the Rules and Regulations be explained in a report issued by the Board of Directors.

Under LSC article 287, a notice of General Meeting must clearly specify the points that are to be altered and inform shareholders of their right to inspect at the registered office the full text of the proposed alterations and its supporting rationale and to require that such documents be sent or delivered to them free of charge.

Rationale of the changes to the Articles of Association

The alterations to the Articles of Association and the Rules and Regulations of the General Meeting laid before the General Meeting for adoption are intended

to update those texts in the light of certain legislative reforms that have lately affected the law on public limited companies.

In particular, for the purposes of this Report:

- f) The *Ley 16/2007* (a statute bringing Spanish accounting law into line with international accounting standards under Community law), which amended article 204 of the LSA (now article 264 of the LSC). The new statute allows the General Meeting to re-elect the auditors for a maximum term of three years.
- g) The *Ley 3/2009*, which, among other things:
 - Amended article 103 of the LSA (now article 194 of the LSC) to bring it into line to the restructuring arrangements governed by the *Ley 3/2009*.
 - Amended articles 158 and 293 of the LSA (now articles 304 and 416 of the LSC) to bring the rules on pre-emptive subscription rights and convertible bonds into line with the decision of the European Court of Justice (First Division) of 18 December 2008.
 - Introduced a new article 50 *bis* (now article 97 of the LSC) on equal treatment of shareholders.
- h) The *Ley 12/2010* (*Ley 12/2010*, amending the *Ley 19/1988* (Audit Act), the LMV and the Restated LSA enacted by Royal Legislative Decree 1564/1989 for statutory adaptation to Community law), which:
 - Amended article 117 of the LMV (now article 528 of the LSC) to introduce, inter alia, the institution of the electronic shareholders forum.
 - Amended additional provision 18 of the LMV as regards the composition and powers of the Audit Committee.
- i) Royal Legislative Decree 1/2010 enacting the Restated LSC, which, in short, by virtue of the mandate under final provision seven of the *Ley 3/2009*, restated, consolidated, clarified and harmonized the LSA, the *Ley de Sociedades de Responsabilidad Limitada* (Limited Liability Companies Act), title X of the LMV and the items of the Commercial Code (*Código de Comercio*) on limited partnerships, so creating a need to undertake a general review of the references, terminology and overall appropriateness of the Company's Articles of Association in the light of the new statutory provisions governing its corporate form.
- j) Royal Decree-Law 13/2010 concerning the tax and labour spheres and liberalization measures to encourage investment and job creation amended the LSC to lighten the administrative burden associated with corporate acts, in particular, in connection with the manner of publication of certain notices.

The proposed change is intended to accommodate the new rules introduced by the statutory provisions referred to above in the manner which the Board of Directors thinks most appropriate for the Articles of Association and the Rules and Regulations of the General Meeting to be fully up to date, in the terms set out below.

We likewise propose to remove the requirement that a shareholder own at least 100 shares to be entitled to attend and vote at a General Meeting. The purpose of this change is to remove any distinction among Company shareholders based on the number of shares they hold and so enable all shareholders to take part in General Meetings.

Finally, this review has provided the opportunity to propose further enhancements to the Articles of Association and the Rules and Regulations of the General Meeting in the form of a number of clarifications and stylistic improvements. **Proposed amendments**

Based on the above, the following changes have been proposed:

A: Articles of Association

24. Amendment to article 1, titled "Name", the aim being to change existing references to the Spanish Public Limited Companies Act (*Ley de Sociedades Anónimas*, or LSA) to the Spanish Enterprise Act 2010 (*Ley de Sociedades de Capital*, or LSC).

As a result, the company proposes the following amendment to article 1 of the Articles of Association, with the specific changes highlighted below:

Previous drafting	Proposed new drafting
<p>ARTICLE 1. - NAME. This instrument records the incorporation of a <i>sociedad anónima</i> [Spanish company limited by shares] under the name Enagás, S.A. (hereinafter the "Company"), to be governed by this Memorandum and Articles of Association, by Royal Legislative Decree 1564/1989, of 22 December, enacting the Amended Consolidated Text of the <i>Ley de Sociedades Anónimas</i> [Companies Act], and by the rest of general statutory provisions applicable to it.</p>	<p>ARTICLE 1. - NAME. This instrument records the incorporation of a <i>sociedad anónima</i> [Spanish company limited by shares] under the name Enagás, S.A. (hereinafter the "Company"), to be governed by this Memorandum and Articles of Association, by Royal Legislative Decree 1564/1989, <u>1/2010</u>, of 22 <u>22</u> Diciembre <u>July</u>, enacting the Amended Consolidated Text of the <i>Ley de Sociedades Anónimas <u>de Capital</u></i> [Enterprise Companies Act], and by the rest of general statutory provisions applicable to it.</p>

25. Amendment to article 8, titled "Shareholders' Rights", with the aim of:

- a. Embracing the principle of equal treatment for shareholders, as envisaged in art. 97 LSC, deriving from art. 50 bis LSA and ushered in by Act 3/2009 [*Ley 3/2009*].
- b. Update the old name of "capital calls" to "outstanding payments" pursuant to the new LSC.

As a result, the company proposes the following amendment to article 8 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 8. - SHAREHOLDERS' RIGHTS. A share confers on its lawful holder the status of shareholder, and gives the following rights:</p> <p>a) The right to a share in Company earnings and in the equity resulting from liquidation of the Company. b) The right of pre-emptive subscription in the issue of new shares or bonds convertible into shares. c) The right to attend and vote at General Meetings and to challenge Company resolutions. d) The right to information.</p> <p>The right to vote may not be exercised by a shareholder in default of payment of calls upon shares. The right to vote may not be exercised by a shareholder in breach of the limitation set out at article 6a of the Memorandum and Articles of Association, but here the deprivation of rights shall apply only to shares beyond that limit. The amount of such shares shall be deducted from the Company's share capital for the purposes of computing a quorum.</p> <p>A shareholder in default of his payment obligations to the Company shall not be entitled to receive dividends or exercise pre-emptive subscription rights in respect of new shares or convertible bonds; however, after having paid the amount due for any calls upon shares together with any interest owed, that shareholder may claim any dividends not forfeited by operation of a time bar, but may not exercise pre-emptive subscription rights if the time limit for such exercise has expired.</p>	<p>ARTICLE 8. - SHAREHOLDERS' RIGHTS. A share confers on its lawful holder the status of shareholder, and gives the following rights:</p> <p>a) The right to a share in Company earnings and in the equity resulting from liquidation of the Company. d) The right of pre-emptive subscription in the issue of new shares or bonds convertible into shares. e) The right to attend and vote at General Meetings and to challenge Company resolutions. d) The right to information. <u>The company must afford equal treatment to shareholders that find themselves in the same conditions.</u></p> <p>The right to vote may not be exercised by a shareholder in default of payment of calls upon shares<u>outstanding payments</u>. The right to vote may not be exercised by a shareholder in breach of the limitation set out at article 6a of the Memorandum and Articles of Association, but here the deprivation of rights shall apply only to shares beyond that limit. The amount of such shares shall be deducted from the Company's share capital for the purposes of computing a quorum.</p> <p>A shareholder in default of his payment obligations to the Company shall not be entitled to receive dividends or exercise pre-emptive subscription rights in respect of new shares or convertible bonds; however, after having paid the amount due for any calls upon shares<u>outstanding payments</u> together with any interest owed, that shareholder may claim any dividends not forfeited by operation of a time bar, but may not exercise pre-emptive subscription rights if the time limit for such exercise has expired.</p>

26. Amendment to article 10, titled "Usufruct of Shares", with the aim of:

- a. Updating the old name of "capital calls" to "outstanding payments" pursuant to the new LSC.

- b. Updating references to Articles of the LSA to the corresponding articles of the LSC.

As a result, the company proposes the following amendment to article 10 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 10. - USUFRUCT OF SHARES. In the event of a usufruct of shares, the status of shareholder rests with the naked owner, but the usufructuary shall be entitled to any dividend declared by the Company during the usufruct. The exercise of the rest of shareholder rights shall rest with the naked owner. If a usufruct attaches to shares that have not been fully paid up, the debtor liable to the Company for payment of calls upon shares shall be the naked owner. The usufructuary may make such payment if the naked owner has not discharged such obligation five days before expiry of the relevant time limit.</p> <p>In matters relating to usufruct of shares in respect of which this article is silent, there shall apply articles 67 to 71 of the Amended Consolidated Text of the Companies Act.</p>	<p>ARTICLE 10. - USUFRUCT OF SHARES. In the event of a usufruct of shares, the status of shareholder rests with the naked owner, but the usufructuary shall be entitled to any dividend declared by the Company during the usufruct. The exercise of the rest of shareholder rights shall rest with the naked owner. If a usufruct attaches to shares that have not been fully paid up, the debtor liable to the Company for payment of calls upon shares<u>outstanding payments</u> shall be the naked owner. The usufructuary may make such payment if the naked owner has not discharged such obligation five days before expiry of the relevant time limit.</p> <p>In matters relating to usufruct of shares in respect of which this article is silent, there shall apply articles 67<u>127</u> to 71<u>131</u> of the Amended Consolidated Text of the Spanish <u>Enterprise Companies</u>-Act.</p>

27. Amendment to article 11, titled "Pledging of Shares", with the aim of updating all references to "calls upon shares" to the new name of "outstanding payments" pursuant to the LSC.

As a result, the company proposes the following amendment to article 11 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 11. - PLEDGING OF SHARES. In the event of a pledge of shares, the owner shall retain the exercise of shareholder rights. The pledgee shall be under a duty to facilitate the exercise of such rights. If the shareholder fails to discharge the obligation to make payment in response to a call on shares, the pledgee may</p>	<p>ARTICLE 11. - PLEDGING OF SHARES. In the event of a pledge of shares, the owner shall retain the exercise of shareholder rights. The pledgee shall be under a duty to facilitate the exercise of such rights. If the shareholder fails to discharge the obligation to make payment in response to an call upon shares<u>outstanding</u></p>

<p>either discharge such obligation itself or enforce the pledge. These same provisions shall apply in the event of attachment of shares, provided that they are consistent with the specifically applicable attachment regime.</p>	<p><u>payment</u>, the pledgee may either discharge such obligation itself or enforce the pledge. These same provisions shall apply in the event of attachment of shares, provided that they are consistent with the specifically applicable attachment regime.</p>
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28. Amendment to article 14, titled "Pre-emptive Subscription Right", the aim being to reflect the new drafting of art. 304 LSC, deriving from art. 158 LSA, following its enactment through Act 3/2009.

As a result, the company proposes the following amendment to article 14 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 14. - PRE-EMPTIVE SUBSCRIPTION RIGHT. Upon an increase of capital involving the issue of new shares, be they ordinary or privileged, an existing shareholder or convertible bondholder may, within the time limit allowed for such purpose by the Directors of the Company, which time limit may not be less than the threshold prescribed in current laws and regulations, exercise a right to subscribe a number of shares pro rata the nominal value of the shares already held, or, if for a convertible bondholder, of the shares that would accrue if at that time the holder were to exercise the power of conversion.</p> <p>However, the right of pre-emption may not be exercised in those circumstances in which current laws and regulations determine otherwise, or if such right is excluded by the General Meeting or, by delegation from the General Meeting, by the Board of Directors, the formalities required by current laws and regulations having been satisfied.</p> <p>Pre-emptive subscription rights shall be transferable on the same terms as the shares from which they arise. In the event of an increase of capital charged against reserves [scrip issue], these same rules shall apply to rights of gratuitous allotment of new shares.</p>	<p>ARTICLE 14. - PRE-EMPTIVE SUBSCRIPTION RIGHT. Upon an increase of capital involving the issue of new shares, be they ordinary or privileged, <u>through _____ monetary contributions</u>, an existing shareholder or convertible bondholder may, within the time limit allowed for such purpose by the Directors of the Company, which time limit may not be less than the threshold prescribed in current laws and regulations, exercise a right to subscribe a number of shares pro rata the nominal value of the shares already held or, if for a convertible bondholder, of the shares that would accrue if at that time the holder were to exercise the power of conversion.</p> <p>However, the right of pre-emption may not be exercised in those circumstances in which current laws and regulations determine otherwise, or if such right is excluded by the General Meeting or, by delegation from the General Meeting, by the Board of Directors, the formalities required by current laws and regulations having been satisfied.</p> <p>Pre-emptive subscription rights shall be transferable on the same terms as the shares from which they arise. In the event of an increase of capital charged against reserves [scrip issue], these same rules shall apply to rights of</p>

	gratuitous allotment of new shares.
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29. Amendment to article 15, titled "Capital Reduction by Purchase of Treasury Shares," the aim being to change all references to articles of the LSA to articles of the LSC instead.

As a result, the company proposes the following amendment to article 15 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 15. - CAPITAL REDUCTION BY PURCHASE OF TREASURY SHARES.</p> <p>Upon a reduction of capital by the repurchase and subsequent redemption of the Company's own shares, the purchase bid shall be addressed to all shareholders.</p> <p>If the resolution to reduce capital relates to one class of shares only, there shall apply article 148 of the Amended Consolidated Text of the Companies Act.</p> <p>If the shares offered for sale exceed the number stipulated in the Company's bid, the number of shares offered by each shareholder shall be reduced pro rata the number of shares held.</p> <p>However, unless the resolution of the General Meeting or the bid terms stipulate otherwise, if the shares offered for sale are fewer than the number stipulated in the bid, capital shall be reduced only by the amount of the shares actually acquired.</p> <p>The shares acquired by the Company must be redeemed no later than one month following the end of the time limit for acceptance of the bid.</p>	<p>ARTICLE 15. - CAPITAL REDUCTION BY PURCHASE OF TREASURY SHARES.</p> <p>Upon a reduction of capital by the repurchase and subsequent redemption of the Company's own shares, the purchase bid shall be addressed to all shareholders.</p> <p>If the resolution to reduce capital relates to one class of shares only, there shall apply article 148²⁹³ of the Amended Consolidated Text of the Enterprise Companies-Act.</p> <p>If the shares offered for sale exceed the number stipulated in the Company's bid, the number of shares offered by each shareholder shall be reduced pro rata the number of shares held.</p> <p>However, unless the resolution of the General Meeting or the bid terms stipulate otherwise, if the shares offered for sale are fewer than the number stipulated in the bid, capital shall be reduced only by the amount of the shares actually acquired.</p> <p>The shares acquired by the Company must be redeemed no later than one month following the end of the time limit for acceptance of the bid.</p>

30. Amendment to article 16, titled "Bond Issues", the aim being to reflect the new drafting of art. 416 LSC, deriving from art. 293 LSA, following its enactment through Act 3/2009.

As a result, the company proposes the following amendment to article 16 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>

<p>ARTICLE 16. - BOND ISSUES. Upon the issuance of bonds convertible into shares, Company shareholders shall have a pre-emptive right to purchase the convertible bonds.</p> <p>This same right shall rest in the holders of convertible bonds of previous issues pro rata the number of shares to be allotted to them pursuant to the terms of conversion. The right of pre-emption may be excluded in the circumstances and subject to the requirements prescribed by current laws and regulations.</p>	<p>ARTICLE 16. - BOND ISSUES. Upon the issuance of bonds convertible into shares, Company shareholders shall have a pre-emptive right to purchase the convertible bonds.</p> <p>This same right shall rest in the holders of convertible bonds of previous issues pro rata the number of shares to be allotted to them pursuant to the terms of conversion. The right of pre-emption may be excluded in the circumstances and subject to the requirements prescribed by current laws and regulations.</p>
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31. Amendment to article 18, titled "General Meeting", the aim being to introduce the host of competencies afforded to the General Meeting of Spanish companies limited by shares as ushered in by art. 160 LSC.

As a result, the company proposes the following amendment to article 18 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 18. - GENERAL MEETING. The shareholders, when constituted as a duly summoned General Meeting, shall by a majority of votes decide upon the matters that fall within the powers of the General Meeting.</p> <p>All shareholders, including those absent or dissentient, are bound by resolutions</p>	<p>ARTICLE 18. - GENERAL MEETING. The shareholders, when constituted as a duly summoned General Meeting, shall by a majority of votes decide upon the matters that fall within the powers of the General Meeting.</p> <p><u>The General Meeting is responsible for addressing and agreeing upon the following issues:</u></p> <p><u>a) Approval of the annual accounts, the appropriation of earnings, and approval of company management.</u></p> <p><u>b) The appointment and removal of directors, liquidators, or, where applicable, account auditors, and likewise the institution of liability actions against any of them.</u></p> <p><u>c) Amendments to the Articles of Association.</u></p> <p><u>d) Capital increases and reductions.</u></p> <p><u>e) The removal or limitation of the pre-emptive subscription right.</u></p> <p><u>f) The conversion, merger, spin-off or full transfer of assets and liabilities, and</u></p>

<p>of the General Meeting.</p>	<p>when the registered office is moved outside Spain.</p> <p>g) The dissolution of the company.</p> <p>h) Approval of the final balance sheet for liquidation purposes.</p> <p>i) Any other affairs prescribed by law or the Articles of Association.</p> <p>All shareholders, including those absent or dissentient, are bound by resolutions of the General Meeting.</p>
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32. Amendment to article 21, titled "Extraordinary General Meetings", the aim being to bring it in line with the wording of article 168 LSC.

As a result, the company proposes the following amendment to article 21 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 21. - EXTRAORDINARY GENERAL MEETINGS. Any General Meeting other than as stipulated in the preceding article shall be an extraordinary General Meeting. The Board of Directors may convene an extraordinary General Meeting if it thinks fit in the Company's interests, and is under a duty to call such meeting upon the requisition of shareholders holding at least 5% of capital, such requisition to specify the business to be transacted at the General Meeting. In this event, the General Meeting must be summoned for a date within the thirty days following the day on which the Board of Directors was requisitioned via a notary. The agenda must specify the business that is the subject matter of the requisition.</p>	<p>ARTICLE 21. - EXTRAORDINARY GENERAL MEETINGS. Any General Meeting other than as stipulated in the preceding article shall be an extraordinary General Meeting. The Board of Directors may convene an extraordinary General Meeting if it thinks fit in the Company's interests, and is under a duty to call such meeting upon the requisition of shareholders holding at least 5% of capital, such requisition to specify the business to be transacted at the General Meeting. In this event, the General Meeting must be summoned for a date within the thirty days month following the day on which the Board of Directors was requisitioned via a notary. The agenda must specify the business that is the subject matter of the requisition.</p>

33. Amendment to article 22, titled "Convening the General Meeting", with the aim of:

- a. Introducing the new announcement procedure through the Company's website as envisaged under art. 173 LSC, in accordance with the drafting given by RDL 13/2010, this without prejudice to the obligation to publish the announcement in a daily newspaper up to the date in question, so as to ensure better awareness by shareholders.
- b. To amend this article to incorporate the wording of article 174 LSC in relation to the contents of the announcement.

As a result, the company proposes the following amendment to article 22 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 22. - CONVENING THE GENERAL MEETING.</p> <p>Ordinary General Meetings shall be convened by the placing of a notice in the <i>Boletín Oficial del Registro Mercantil</i> [Registrar of Companies Gazette] and in a daily newspaper with one of the broadest circulations in the province at least one month prior to the date scheduled for the meeting.</p> <p>The Notice of Meeting shall give the original date and time scheduled for the meeting, and list all matters to be dealt with at the meeting. In addition, the date shall be specified for the holding of the General Meeting if adjourned for lack of quorum.</p> <p>There must be an interval of at least twenty-four hours between the first and second meetings.</p> <p>Shareholders representing at least five per cent of share capital may request publication of a supplement to the notice convening the General Meeting that lists one or more of the items on the agenda. In order to exercise this right, shareholders must submit their request by certified notice received at the registered office of the Company within five days from the publication of the Notice of Meeting.</p> <p>Any such supplement to the Notice of Meeting shall be published at least fifteen days in advance of the scheduled date of the General Meeting.</p> <p>Failure to publish the supplement to the Notice of Meeting by the statutory</p>	<p>ARTICLE 22. - CONVENING THE GENERAL MEETING.</p> <p>Ordinary General Meetings shall be convened by the placing of a notice in the <i>Boletín Oficial del Registro Mercantil</i> [Registrar of Companies Gazette], on the Company's website and in a daily newspaper with one of the broadest circulations in the province at least one month prior to the date scheduled for the meeting.</p> <p>The Notice of Meeting shall give the name of the Company, the original date and time scheduled for the meeting on first call, as well as the agenda, listing all matters to be dealt with at the meeting. In addition, the date shall be specified for the holding of the General Meeting if adjourned for lack of quorum.</p> <p>There must be an interval of at least twenty-four hours between the first and second meetings.</p> <p>Shareholders representing at least five per cent of share capital may request publication of a supplement to the notice convening the General Meeting that lists one or more of the items on the agenda. In order to exercise this right, shareholders must submit their request by certified notice received at the registered office of the Company within five days from the publication of the Notice of Meeting.</p> <p>Any such supplement to the Notice of Meeting shall be published at least fifteen days in advance of the scheduled date of the General Meeting.</p> <p>Failure to publish the supplement to the Notice of Meeting by the statutory</p>

deadline shall render the Meeting void.	deadline shall render the Meeting void.
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34. Amendment to article 23, titled "Exceptional convening of a General Meeting", the aim being to bring it in line with the wording of article 169 LSC relating to the competent court.

As a result, the company proposes the following amendment to article 23 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 23. - EXCEPTIONAL CONVENING OF A GENERAL MEETING.</p> <p>If the ordinary General Meeting is not summoned within the statutory time limit, it may be convened on the motion of shareholders, a hearing having been granted to the Board of Directors, by the court of first instance with jurisdiction at the registered office, which court shall appoint the Chairman of the General Meeting so convened.</p> <p>This same mode of summoning the General Meeting shall be carried out with respect to the extraordinary General Meeting when so demanded by shareholders holding at least 5% of capital if the time limit referred to at article 21(2) expires.</p>	<p>ARTICLE 23. - EXCEPTIONAL CONVENING OF A GENERAL MEETING.</p> <p>If the ordinary General Meeting is not summoned within the statutory time limit, it may be convened on the motion of shareholders, a hearing having been granted to the Board of Directors, by the <u>companies</u> court of first instance with jurisdiction at the registered office, which court shall appoint the Chairman of the General Meeting so convened.</p> <p>This same mode of summoning the General Meeting shall be carried out with respect to the extraordinary General Meeting when so demanded by shareholders holding at least 5% of capital if the time limit referred to at article 21(2) expires.</p>

35. Amendment to article 26, titled "Special quorum", the aim being to bring it in line with the wording of article 194 LSC (deriving from art. 103 LSA, pursuant to the drafting given by Act 3/2009) relating to qualified quorums.

As a result, the company proposes the following amendment to article 26 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 26. - SPECIAL QUORUM.</p> <p>An ordinary or extraordinary General Meeting may validly resolve to issue bonds, increase or reduce capital, reconstruct, merge or split the Company, and, in general, make alterations to the Memorandum and Articles of Association if, at the original date and time specified in the notice of meeting, there are present, in person or</p>	<p>ARTICLE 26. - SPECIAL QUORUM.</p> <p>An ordinary or extraordinary General Meeting may validly resolve to issue bonds, increase or reduce capital, reconstruct, merge or split the Company, <u>make</u>, in general, <u>make any other</u> alterations to the Memorandum and Articles of Association, <u>issue bonds,</u> remove or restrict the pre-emptive subscription right for new shares, and</p>

<p>by proxy, shareholders representing at least fifty percent of voting subscribed capital.</p> <p>At the adjourned date and time specified in the notice of meeting, the presence of twenty-five percent of voting subscribed capital shall suffice.</p>	<p><u>restructure, merge or split the company, transfer all the assets and liabilities thereof, or move the registered office to outside Spain</u>, if, at the original date and time specified in the notice of meeting, there are present, in person or by proxy, shareholders representing at least fifty percent of voting subscribed capital. At the adjourned date and time specified in the notice of meeting, the presence of twenty-five percent of voting subscribed capital shall suffice.</p>
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36. Amendment to article 27, titled "Attendance, proxies and voting at general meetings", the aim being to change all references to articles of the LSA to articles of the LSC. The company likewise proposes doing away with the requirement of having to own least 100 shares in order for shareholders to be able to attend and vote at General Meetings. The aim of this amendment is to eliminate any distinction between Company shareholders based on the number of shares they own, and to allow all of them to attend General Meetings.

As a result, the company proposes the following amendment to article 27 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 27. - ATTENDANCE, PROXIES AND VOTING AT GENERAL MEETINGS.</p> <p>Shareholders owning 100 shares, registered at least five days prior to the date scheduled for the General Meeting with the corresponding registers of any of the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores [securities clearing and settlement entity], or the entity replacing it, may attend and vote at General Meetings. Shareholders who do not hold the aforementioned number of shares are entitled to pool their votes and delegate another shareholder to represent them; for this purpose, the shares corresponding to each person in his/her own right and by proxy shall be cumulative.</p> <p>Any shareholder having attendance and voting rights under this article may exercise such rights to vote on motions on the business on the agenda at any class of General Meeting by attending such meeting and voting in person or by post, by recognised electronic signature</p>	<p>ARTICLE 27. - ATTENDANCE, PROXIES AND VOTING AT GENERAL MEETINGS.</p> <p>Shareholders owning 100 shares registered at least five days prior to the date scheduled for the General Meeting with the corresponding registers of any of the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores [securities clearing and settlement entity], or the entity replacing it, may attend and vote at General Meetings. Shareholders who do not hold the aforementioned number of shares are entitled to pool their votes and delegate another shareholder to represent them; for this purpose, the shares corresponding to each person in his/her own right and by proxy shall be cumulative.</p> <p>Any shareholder having attendance and voting rights under this article may exercise such rights to vote on motions on the business on the agenda at any class of General Meeting by attending such meeting and voting in person or by post, by recognised electronic signature</p>

<p>or other electronic means, or by any other medium of remote communication satisfying the requirements prescribed by laws and regulations, provided that the identity of the person exercising voting rights is properly assured.</p> <p>A shareholder having attendance rights may have himself represented by proxy at a General Meeting by another person, who need not be a shareholder. Proxies must be conferred in writing, by post, a recognised electronic signature, or any of the other legally permitted electronic or remote communication methods. The identity of the representative must be duly guaranteed, and shall be valid only for the particular meeting in question.</p> <p>In the event of a call for proxies, there shall apply article 107 of the Companies Act.</p> <p>A granted proxy shall always be revocable, and personal attendance at a General Meeting by the principal shall operate as a revocation.</p> <p>The Rules and Regulations of the General Meeting shall implement the means and requirements for the proper exercise of rights of attendance, voting and representation by proxy and the procedures in place for those purposes.</p> <p>Subject to the relevant provisions of the rules and regulations of the General Meeting, and at all events in fulfilment of statutory requirements, the Board of Directors shall be competent to determine the time as from which shareholders may cast their votes or grant proxies by electronic or other remote communication means, having regard to the state of the art of the technical means required.</p> <p>A shareholder casting his/her votes remotely shall for the purposes of constitution of any General Meeting count as being present.</p>	<p>or other electronic means, or by any other medium of remote communication satisfying the requirements prescribed by laws and regulations, provided that the identity of the person exercising voting rights is properly assured.</p> <p>A shareholder having attendance rights may have himself represented by proxy at a General Meeting by another person, who need not be a shareholder. Proxies must be conferred in writing, by post, a recognised electronic signature, or any of the other legally permitted electronic or remote communication methods. The identity of the representative must be duly guaranteed, and shall be valid only for the particular meeting in question.</p> <p>In the event of a call for proxies, there shall apply article 186articles 186 and 514 of the Enterprise CompaniesEnterprise Companies-Act.</p> <p>A granted proxy shall always be revocable, and personal attendance at a General Meeting by the principal shall operate as a revocation.</p> <p>The Rules and Regulations of the General Meeting shall implement the means and requirements for the proper exercise of rights of attendance, voting and representation by proxy and the procedures in place for those purposes.</p> <p>Subject to the relevant provisions of the rules and regulations of the General Meeting, and at all events in fulfilment of statutory requirements, the Board of Directors shall be competent to determine the time as from which shareholders may cast their votes or grant proxies by electronic or other remote communication means, having regard to the state of the art of the technical means required.</p> <p>A shareholder casting his/her votes remotely shall for the purposes of constitution of any General Meeting count as being present.</p>
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37. Amendment to article 32, titled "Minutes of proceedings", with the aim of:

a. Bringing it in line with the amendments made to art. 22 of the Articles of Association, pursuant to art. 173 LSC (reflecting the new drafting given by RDL 13/2010), relating to the publication of the Notice of Meeting on the Company’s website.

b. Amend the wording relating to the enforceability of corporate resolutions to mirror the provisions of art. 202 LSC.

As a result, the company proposes the following amendment to article 32 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 32. - MINUTES OF PROCEEDINGS. The General Meeting shall adopt its resolutions by a majority of votes. Each share carries one vote. For each session of the General Meeting the respective minutes shall be written in the book of proceedings, stating the following particulars: date and venue of the meeting; date and manner in which the notice of meeting was given, except in the case of a universal General Meeting, and citation of the <i>Boletín Oficial del Registro Mercantil</i> [registrar of companies gazette] and the daily newspaper(s) in which the notice of meeting was published; full text of the notice of meeting, or, if the General Meeting is universal, the items of business accepted on the agenda for the session; the shareholders present at the meeting, in the manner set forth in article 30, and, if the General Meeting is universal, the names of those present, followed by the signature of each; a summary of the matters discussed and of the speeches for which a record was requested; the content of any resolutions passed, stating the outcome of any voting procedure, specifying the majority by which each resolution was carried, and noting the opposition to a Company resolution if so requested by the dissentients.</p> <p>Minutes may be adopted by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman and two Referees, one representing the majority and the other the minority.</p> <p>The minutes of the General Meeting, adopted by either of the two procedures</p>	<p>ARTICLE 32. - MINUTES OF PROCEEDINGS. The General Meeting shall adopt its resolutions by a majority of votes. Each share carries one vote. For each session of the General Meeting the respective minutes shall be written in the book of proceedings, stating the following particulars: date and venue of the meeting; date and manner in which the notice of meeting was given, except in the case of a universal General Meeting, and citation of the <i>Boletín Oficial del Registro Mercantil</i> [registrar of companies gazette] and the daily newspaper(s) in which the notice of meeting was published, <u>and confirmation of publication on the Company’s website</u>; full text of the notice of meeting, or, if the General Meeting is universal, the items of business accepted on the agenda for the session; the shareholders present at the meeting, in the manner set forth in article 30, and, if the General Meeting is universal, the names of those present, followed by the signature of each; a summary of the matters discussed and of the speeches for which a record was requested; the content of any resolutions passed, stating the outcome of any voting procedure, specifying the majority by which each resolution was carried, and noting the opposition to a Company resolution if so requested by the dissentients.</p> <p>Minutes may be adopted by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman and two Referees, one representing the majority and the other the minority.</p> <p>The minutes of the General Meeting,</p>

set out above, shall be enforceable as from the date of adoption.	adopted by either of the two procedures set out above, shall be enforceable <u>Corporate resolutions will be enforceable as from the date on which the minutes containing them are approved.</u>
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38. Amendment to article 33, titled "Notarised minutes", the aim being to adjust the wording to reflect the provisions of art. 203 LSC.

As a result, the company proposes the following amendment to article 33 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 33. NOTARISED MINUTES. The Board of Directors may procure that a notary be in attendance to take the minutes of the meeting, and the Board of Directors shall be under a duty so to engage a notary if at least five days in advance of the intended date of the Meeting notarisation is requested by shareholders representing at least 1% of capital. The notary's fees shall be to the account of the Company.</p> <p>The notarised minutes shall be effective as the minutes of the General Meeting and, as such, shall be transcribed in the respective book of minutes of the Company.</p>	<p>ARTICLE 33. NOTARISED MINUTES. The Board of Directors may procure that a notary be in attendance to take the minutes of the meeting, and the Board of Directors shall be under a duty so to engage a notary if at least five days in advance of the intended date of the Meeting notarisation is requested by shareholders representing at least 1% of capital. <u>In such case, resolutions will only be effective if consigned in notarised minutes.</u> The notary's fees shall be to the account of the Company. The notarised minutes <u>shall not be subject to approval</u>, shall be effective as the minutes of the General Meeting and, as such, shall be transcribed in the respective book of minutes of the Company.</p> <p><u>Resolutions consigned to the notarised minutes may be enforced from their corresponding closing date.</u></p>

39. Amendment to article 34, titled "Challenging resolutions of the General Meeting", the aim being to change all references to articles of the LSA to articles of the LSC.

As a result, the company proposes the following amendment to article 34 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
ARTICLE 34. CHALLENGING RESOLUTIONS OF THE GENERAL MEETING.	ARTICLE 34. CHALLENGING RESOLUTIONS OF THE GENERAL MEETING.

<p>A resolution of the General Meeting may be challenged in the manner prescribed in the Second Section of Chapter V of the Amended Consolidated Text of the Companies Act.</p>	<p>A resolution of the General Meeting may be challenged in the manner prescribed in the Second Section of Chapter IX of <u>Title V</u> of the Amended Consolidated Text of the <u>Enterprise Companies</u> Act.</p>
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40. Amendment to article 35, titled "Composition of the Board", the aim being to change all references to articles of the LSA to articles of the LSC.

As a result, the company proposes the following amendment to article 35 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 35. - COMPOSITION OF THE BOARD.</p> <p>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 Company's objects.</p> <p>The Board of Directors shall be composed of a minimum of six members and a maximum of seventeen, appointed by the General Meeting.</p> <p>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.</p> <p>A director need not be a shareholder, may give up office, may have his appointment revoked, and may be re-elected on one or more occasions.</p> <p>Appointment as director shall take effect upon acceptance of the post.</p> <p>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.</p>	<p>ARTICLE 35. - COMPOSITION OF THE BOARD.</p> <p>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 Company's objects.</p> <p>The Board of Directors shall be composed of a minimum of six members and a maximum of seventeen, appointed by the General Meeting.</p> <p>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.</p> <p>A director need not be a shareholder, may give up office, may have his appointment revoked, and may be re-elected on one or more occasions.</p> <p>Appointment as director shall take effect upon acceptance of the post.</p> <p>Any person in any of the situations referred to under article 124<u>213</u> of the revised text of the Spanish <u>Enterprise Companies</u> Act may not serve as</p>

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41. Amendment to article 42, titled "Challenging resolutions", the aim being to change all references to articles of the LSA to articles of the LSC.

As a result, the company proposes the following amendment to article 42 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 42. - CHALLENGING RESOLUTIONS.</p> <p>The Directors may challenge a void or voidable resolution of the Board of Directors within a period of thirty days from its adoption. Furthermore, such resolution may be challenged by shareholders representing 5% of capital within thirty days from such resolution becoming known to them, provided that one year has not elapsed since its adoption.</p> <p>A challenge to a resolution shall follow the procedure prescribed in the Second Section of Chapter V of the Amended Consolidated Text of the Companies Act.</p>	<p>ARTICLE 42. - CHALLENGING RESOLUTIONS.</p> <p>The Directors may challenge a void or voidable resolution of the Board of Directors within a period of thirty days from its adoption. Furthermore, such resolution may be challenged by shareholders representing 5% of capital within thirty days from such resolution becoming known to them, provided that one year has not elapsed since its adoption.</p> <p>A challenge to a resolution shall follow the procedure prescribed in Chapter IV of the Second Section of Chapter V of the Amended Consolidated Text of the Enterprise Companies Act.</p>

42. Amendment to article 44, titled "Audit and Compliance Committee", in order to introduce a number of statutory changes relating to its composition and responsibilities stemming from Additional Provision Eighteen of the Securities Market Act (LMV), pursuant to the wording given to such provision by Act 12/2010 [Ley 12/2010]. Intended as a technical improvement, the provision now expressly dictates that the Chairman must be replaced every four years, but may be re-elected once the term of one year has elapsed from his or her removal, in accordance with the aforementioned Additional Provision Eighteen of the LMV.

As a result, the company proposes the following amendment to article 44 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 44. - AUDIT AND COMPLIANCE COMMITTEE.</p> <p>The Board of Directors shall appoint from among its members an Audit and Compliance Committee that shall comprise a</p>	<p>ARTICLE 44. - AUDIT AND COMPLIANCE COMMITTEE.</p> <p>The Board of Directors shall appoint from among its members an Audit and Compliance Committee that shall comprise a minimum of three and a</p>

<p>minimum of three and a maximum of five Directors. No Executive Directors may be included among the members of the Committee.</p> <p>The Board of Directors shall elect a Chairman from amongst the Committee members, but the Chairman shall not have the casting vote.</p> <p>The Audit and Compliance Committee shall have powers and responsibilities in respect of the following matters:</p> <ul style="list-style-type: none"> ▪ Providing information at General Meetings on issues raised by shareholders that fall within the scope of its powers. ▪ Proposing to the Board of Directors, for submission to the General Meeting, the appointment of the external accounts auditor, in accordance with article 204 of the Companies Act, and the fees payable to the auditor. ▪ Supervising the company's internal audit services and overseeing the financial reporting process and internal control systems, in order to achieve optimum monitoring of the execution of the annual audit. ▪ Liaising closely with the external auditors to obtain information on any issues that could compromise the latter's independence or any other matters established in legislation and in the technical audit regulations, and serving as a channel for communications between the auditors and the Board of Directors, 	<p>maximum of five Directors. No Executive Directors may be included among the members of the Committee. <u>At least one member of the Committee must be independent and will be appointed in light of his knowledge and track record in matters of accountancy, auditing, or both.</u></p> <p>The Board of Directors shall elect a Chairman from amongst the Committee members, but the Chairman shall not have the casting vote. <u>The Chairman must be replaced every four years, but may be re-elected once the term of one year has elapsed from his removal.</u></p> <p>The Audit and Compliance Committee shall have powers and responsibilities in respect of the following matters:</p> <ul style="list-style-type: none"> ▪ Providing information at General Meetings on issues raised by shareholders that fall within the scope of its powers. ▪ <u>Overseeing effective internal control of the Company, the internal audit function, where applicable, and the risk management systems, and discussing with the financial auditors any significant weaknesses in the internal control system detected over the course of the audit process.</u> ▪ <u>Overseeing the process of compiling and presenting financial information subject to regulation.</u> ▪ Proposing to the Board of Directors, for submission to the General Meeting, the appointment of the external accounts auditor, in accordance with article 204264 of the <u>Enterprise Companies</u>-Act, and the fees payable to the auditor. □ Supervising the company's internal audit services and overseeing the financial reporting process and internal control systems, in order to achieve optimum monitoring of the execution of the annual audit. ▪ <u>Liaising closely</u> Establishing a suitable relationship with the external auditors to obtain information on any issues that could<u>may</u> compromise the latter's independence, <u>for examination by the Committee, or any other matters related with the process of conducting the financial audit, and any other communications</u>
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<p>thereby ensuring maximum objectivity in evaluating the results of each audit.</p> <ul style="list-style-type: none"> ▪ Examining the information on the company's activities and results that is produced regularly in compliance with securities market regulations, and ensuring that such information is transparent and accurate, and that the Internal Code of Conduct and Rules and Regulations of the Board Of Directors are respected by those persons subject to the same. <p>Committee meetings shall be called by the Chairman and shall take place at least four times a year. The company's external auditor may attend Committee meetings and the Finance Director, head of the Enagás Internal Audit Unit or any other Director that the Committee deems appropriate, may also be asked to give account at meetings. The Committee may obtain support and assistance from the aforesaid executives</p>	<p>envisaged in financial auditing legislation and in the audit regulations, and serving as a channel for communications between the auditors and the Board of Directors, thereby ensuring maximum objectivity in evaluating the results of each audit. <u>In all cases, the Committee must receive yearly written confirmation from the auditors that they remain independent in relation to the Company or directly or indirectly related parties, and also information on any kind of additional services rendered to such entities by the aforementioned auditors, or by individuals or entities related to the auditors in accordance with the terms of the Spanish Financial Auditors Act 19/1988 [Ley 19/1988], of 12 July.</u></p> <ul style="list-style-type: none"> ▪ <u>Issuing a yearly report containing an opinion regarding the independence of the auditors or audit firms. This report must be issued before the audit report is issued. This report must invariably address the rendering of any additional services as discussed in the preceding section.</u> ▪ Examining the information on the company's activities and results that is produced regularly in compliance with securities market regulations, and ensuring that such information is transparent and accurate, and that the Internal Code of Conduct and Rules and Regulations of the Board Of Directors are respected by those persons subject to the same. <p>Committee meetings shall be called by the Chairman and shall take place at least four times a year. The company's external auditor may attend Committee meetings and the Finance Director, head of the Enagás Internal Audit Unit or any other Director that the Committee deems appropriate, may also be asked to give account at meetings. The Committee may obtain support and assistance from the aforesaid executives in the execution of its duties.</p>
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in the execution of its duties.	
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43. Amendment to article 47, titled "Employees", the aim being to change all references to the LSA to the LSC.

As a result, the company proposes the following amendment to article 47 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 47. - EMPLOYEES. The Board of Directors may use incentive schemes consisting of the transfer of Company shares, options over Company shares, other securities entitling the holder to obtain shares, or schemes tied to the share price quoted on a public exchange, to reward Company employees, or some such employees, as the Board sees fit, provided that the requirements are satisfied of the Companies Act, the <i>Ley del Mercado de Valores</i> [Securities Market Act] and the rest of applicable laws and regulations, in particular, prior approval by the General Meeting wherever mandatory.</p>	<p>ARTICLE 47. - EMPLOYEES. The Board of Directors may use incentive schemes consisting of the transfer of Company shares, options over Company shares, other securities entitling the holder to obtain shares, or schemes tied to the share price quoted on a public exchange, to reward Company employees, or some such employees, as the Board sees fit, provided that the requirements are satisfied of the <u>Enterprise Companies</u> Act, the <i>Ley del Mercado de Valores</i> [Securities Market Act] and the rest of applicable laws and regulations, in particular, prior approval by the General Meeting wherever mandatory.</p>

44. Amendment to article 50, titled "Appointment of auditors", with the aim of:

- a. Amending the wording to reflect the provisions of art. 264 LSC, deriving from art. 204 LSA (in accordance with the drafting given by Act 16/2007), in relation to the term for re-electing auditors.
- b. Changing the wording to reflect the provisions of art. 266 LSC in relation to competent court and, in general, to bring the wording in line with the provisions of such article.

As a result, the company proposes the following amendment to article 50 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 50. - APPOINTMENT OF AUDITORS. The financial statements and Directors' report must be reviewed by accounts auditors appointed by the General Meeting before the end of the financial period to be audited, for a defined</p>	<p>ARTICLE 50. - APPOINTMENT OF AUDITORS. The financial statements and Directors' report must be reviewed by accounts auditors appointed by the General Meeting before the end of the financial period to be audited, for a defined</p>

<p>period of engagement not shorter than three or longer than nine years from the first day of the first financial period to be audited. Accounts auditors may be re-elected by the General Meeting on an annual basis after the end of the original period of engagement.</p> <p>The General Meeting may appoint as auditors one or more natural or juristic persons, who shall act jointly. If the appointed auditor(s) is(are) (a) natural person(s), the General Meeting must appoint a substitute auditor for each incumbent auditor.</p> <p>The General Meeting may not revoke an auditor's appointment before the end of the period for which he was appointed except on justified grounds.</p> <p>If the General Meeting fails to abide by the provisions of this article where such provisions are mandatory, or if the appointees do not accept office or are unable to perform their functions, the Board of Directors, the trustee [comisario] acting for the syndicate of bondholders, or any shareholder may apply to the registrar of companies with jurisdiction at the registered office to appoint one or more persons to conduct the audit, in pursuance of the <i>Reglamento del Registro Mercantil</i> [registrar of companies regulations].</p> <p>If there are justified grounds to revoke the appointment of an auditor, such revocation and the appointment of a replacement auditor shall be sought from the court of first instance with jurisdiction at the registered office.</p>	<p>period of engagement not shorter than three or longer than nine years from the first day of the first financial period to be audited. Accounts auditors may be re-elected by the General Meeting on an annual basis <u>for maximum terms of three years</u> after the end of the original period of engagement.</p> <p>The General Meeting may appoint as auditors one or more natural or juristic persons, who shall act jointly. If the appointed auditor(s) is(are) (a) natural person(s), the General Meeting must appoint a substitute auditor for each incumbent auditor.</p> <p>The General meeting may not revoke an auditor's appointment before the end of the period for which he was appointed, <u>or before the end of each of the jobs for which he was engaged once the initial period has expired</u>, except on justified grounds.</p> <p>If the General Meeting fails to abide by the provisions of this article where such provisions are mandatory, or if the appointees do not accept office or are unable to perform their functions, the Board of Directors, the trustee [comisario] acting for the syndicate of bondholders, or any shareholder may apply to the registrar of companies with jurisdiction at the registered office to appoint one or more persons to conduct the audit, in pursuance of the <i>Reglamento del Registro Mercantil</i> [registrar of companies regulations].</p> <p>If there are justified grounds to revoke the appointment of an auditor, <u>Company Directors and those individuals authorised to request the appointment of auditors may petition the court to revoke the auditor appointed by the General Meeting or by the registrar of companies</u>, and <u>to</u> appoint <u>ment of a replacement auditor shall be sought from the court of first instance with jurisdiction at the registered office</u> <u>another</u>.</p>
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45. Amendment to article 52, titled "Appropriation of profit or loss", the aim being to change all references to the LSA to the LSC.

As a result, the company proposes the following amendment to article 52 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 52. -APPROPRIATION OF PROFIT OR LOSS.</p> <p>The General Meeting shall decide upon the appropriation of the profit or loss for the year as shown by the adopted financial statements.</p> <p>Dividends shall be apportioned to ordinary shareholders pro rata the capital they have paid up, at such time and by such means as the General Meeting shall determine, and, in the absence of such determination, dividends shall be paid at the registered office as from the day after the date of the resolution.</p> <p>Dividends may be paid out of profits for the year or unrestricted reserves if the book value of equity would not fall below the value of capital as a result of such payment out.</p> <p>If losses carried forward from previous years operate to bring the value of the Company's net equity below the value of capital, profits shall first be allocated to set off such losses.</p> <p>Moreover, no profits may be distributed until start-up costs, research and development costs and goodwill appearing on the asset side of the balance sheet have been fully amortised, unless the amount of disposable reserves is at least equal to the amount of non-amortised costs.</p> <p>In addition, a figure equal to 10% of profit for the year shall be allocated to the legal reserve until such reserve reaches at least 20% of capital. Until that threshold is exceeded, the legal reserve may be used only to offset losses in the absence of disposable reserves sufficient for the purpose. The foregoing is subject to the provisions of article 157 of the Amended Consolidated Text of the Companies Act.</p> <p>Finally, the General Meeting may allocate out of profits for the year such sum as it sees fit to voluntary reserves and provisions for new construction and investments and contingent liabilities.</p> <p>The above requirements having been satisfied and the rest of allocations required by law having been covered, a resolution may be passed to pay dividends out of profits for the year or unrestricted reserves in such amount as</p>	<p>ARTICLE 52. -APPROPRIATION OF PROFIT OR LOSS.</p> <p>The General Meeting shall decide upon the appropriation of the profit or loss for the year as shown by the adopted financial statements.</p> <p>Dividends shall be apportioned to ordinary shareholders pro rata the capital they have paid up, at such time and by such means as the General Meeting shall determine, and, in the absence of such determination, dividends shall be paid at the registered office as from the day after the date of the resolution.</p> <p>Dividends may be paid out of profits for the year or unrestricted reserves if the book value of equity would not fall below the value of capital as a result of such payment out.</p> <p>If losses carried forward from previous years operate to bring the value of the Company's net equity below the value of capital, profits shall first be allocated to set off such losses.</p> <p>Moreover, no profits may be distributed until start-up costs, research and development costs and goodwill appearing on the asset side of the balance sheet have been fully amortised, unless the amount of disposable reserves is at least equal to the amount of non-amortised costs.</p> <p>In addition, a figure equal to 10% of profit for the year shall be allocated to the legal reserve until such reserve reaches at least 20% of capital. Until that threshold is exceeded, the legal reserve may be used only to offset losses in the absence of disposable reserves sufficient for the purpose. The foregoing is subject to the provisions of article 157303 of the Amended Consolidated Text of the Enterprise Companies-Act.</p> <p>Finally, the General Meeting may allocate out of profits for the year such sum as it sees fit to voluntary reserves and provisions for new construction and investments and contingent liabilities.</p> <p>The above requirements having been satisfied and the rest of allocations required by law having been covered, a resolution may be passed to pay dividends out of profits for the year or</p>

the General Meeting may determine; any remainder of profit shall be carried forward to the following year.	unrestricted reserves in such amount as the General Meeting may determine; any remainder of profit shall be carried forward to the following year.
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46. Amendment to article 54, titled "Restitution of dividends", the aim being to change all references to the LSA to the LSC.

As a result, the company proposes the following amendment to article 54 of the Articles of Association, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>ARTICLE 54. - RESTITUTION OF DIVIDENDS. Any payment of dividends or interim dividends contrary to the Amended Consolidated Text of the Companies Act must be disgorged by shareholders in receipt of such payment, together with appropriate interest at the statutory rate, provided that the Company proves that the recipients knew, or, having regard to all the circumstances, ought to have known, that such distribution was unlawful.</p>	<p>ARTICLE 54. - RESTITUTION OF DIVIDENDS. Any payment of dividends or interim dividends contrary to the Amended Consolidated Text of the Enterprise Companies Act must be disgorged by shareholders in receipt of such payment, together with appropriate interest at the statutory rate, provided that the Company proves that the recipients knew, or, having regard to all the circumstances, ought to have known, that such distribution was unlawful.</p>

B: Rules and Regulations of the General Meeting

13. Amendment to article 4, titled "Powers of the General Meeting", with the aim of:

- a. Introducing the new responsibilities expressly afforded to the General Meeting of Spanish companies limited by shares in accordance with art. 160 LSC, while avoiding any reiteration of the previous drafting of this article of the Rules and Regulations.
- b. Ensuring that references to the LSA are instead made to the LSC.

As a result, the company proposes the following amendment to article 4 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>4.- POWERS OF THE GENERAL MEETING The powers of the General Meeting, pursuant to the <i>Ley de Sociedades Anónimas</i> [Companies Act] and the Articles of Association, shall extend to</p>	<p>4.- POWERS OF THE GENERAL MEETING The powers of the General Meeting, pursuant to the <i>Ley de Sociedades de Capital Anónimas</i> [Enterprise Companies Act] and the Articles of</p>

<p>the following matters:</p> <p>a) To adopt, if thought fit, the Financial Statements of Enagás, the Consolidated Financial Statements of the Enagás Group, the performance of the Board of Directors and the proposed appropriation of profit or loss.</p> <p>b) To appoint and remove Directors, and ratify or revoke the appointments of Directors co-opted to the Board.</p> <p>c) To appoint and re-elect the financial auditors.</p> <p>d) To authorise the execution of transactions in treasury shares.</p> <p>e) To resolve upon bond issues, capital increases or reductions, reconstruction, merger, division or dissolution of the Company and, in general, any modification of the Articles of Association, and any other transactions that alter the structure of the Company, including the incorporation within subsidiaries</p>	<p>Association, shall extend to the following matters:</p> <p>a) To adopt, if thought fit, the Financial Statements of Enagás, the Consolidated Financial Statements of the Enagás Group, the performance of the Board of Directors and the proposed appropriation of profit or loss.</p> <p>b) To appoint and remove Directors, and ratify or revoke (including the ratification or revocation of the appointments of Directors co-opted to the Board), liquidators and financial auditors, and to institute actions for liability against any of such parties.</p> <p>c) To appoint and re-elect the financial auditors <u>To resolve to amend the Articles of Association.</u></p> <p><u>d) To effect capital increases and reductions.</u></p> <p><u>e) To suspend or eliminate the preemptive subscription right.</u></p> <p><u>f) To restructure, merge, or split the company, or fully transfer the assets and liabilities thereof, and to agree to move the registered office outside Spain.</u></p> <p><u>g) To dissolve the Company.</u></p> <p><u>h) To approve the final balance sheet for liquidation purposes.</u></p> <p><u>i) Any others responsibilities</u></p>
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<p>of core activities previously performed by the Company and the acquisition or disposal of core operating assets, when this entails a change to the Company's objects, or transactions that have an effect equivalent to liquidation of the Company.</p> <p>f) To authorise the Board of Directors, if thought fit, to increase share capital in line with the provisions of article 153(1)(b) of the Companies Act.</p> <p>g) To resolve upon business laid before the General Meeting by the Board of Directors, in accordance with the law.</p> <p>h) To adopt and amend the Rules Regulations of the General Meeting.</p> <p>i) To make any other decisions ascribed to the General Meeting by laws and regulations. In exercising its powers, the General Meeting shall not interfere with the powers and duties reserved for the Board or Directors.</p>	<p><u>prescribed by law, the Articles of Association or these Rules and Regulations, particularly:</u></p> <p><u>(i)</u> d)To authorise the execution of transactions in treasury shares.</p> <p><u>(ii)</u> e)To agree to issue debt instruments capital increases or reductions, debenture issues, changes in the legal form, or the merger, spin-off or dissolution, of the company and, in general, any amendment to the Articles of Association.</p> <p><u>(iii)</u> <u>To agree upon</u> transactions that alter the structure of the Company, including the incorporation within subsidiaries of core activities previously performed by the Company and the acquisition or disposal of core operating assets, when this entails a change to the Company's objects, or transactions that have an effect equivalent to liquidation of the Company.</p> <p><u>(iv)</u> f)To authorise the Board of Directors, if thought fit, to increase share capital in line with the provisions of article 153.1.297.1(b) of the</p>
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	<p><u>Enterprise Companies</u> Act.</p> <p>(v) g)To resolve upon business laid before the General Meeting by the Board of Directors, in accordance with the law.</p> <p>(vi) h)To adopt and amend Rules and Regulations of General Meeting.</p> <p>i) To make any other decisions ascribed to the General Meeting by laws and regulations.</p> <p>In exercising its powers, the General Meeting shall not interfere with the powers and duties reserved for the Board or Directors.</p>
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14. Amendment to article 5, titled "Convening the General Meeting", with the aim of:

- a. Amending section 5.1 to reflect the wording of article 168 LSC in relation to the timeframes for announcing and holding General Meetings.
- b. Introducing into section 5.2.1 the new announcement procedure through the Company's website as envisaged under art. 173 LSC, in accordance with the drafting given by RDL 13/2010, this without prejudice to the obligation to publish the notice in a daily newspaper up to the date in question, so as to ensure better awareness by shareholders, while also avoiding reiteration with the text.
- c. Amending sections 5.2.1 and 5.2.2 to reflect the wording of article 174 LSC in relation to the information that the notice must contain.
- d. Updating certain references to the LSA in section 5.2.2 to reflect their current position within Act 3/2009.

As a result, the company proposes the following amendment to article 5 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

Previous drafting	Proposed new drafting
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<p>5.- CONVENING THE GENERAL MEETING</p> <p>5.1.- POWER AND DUTY TO CALL A MEETING</p> <p>The power to call an ordinary or extraordinary General Meeting rests with the Board of Directors, which shall draw up the agenda listing the business to be transacted by the General Meeting.</p> <p>The Board must call the ordinary General Meeting within the first six months of each year.</p> <p>The Board may call a General Meeting whenever it thinks fit for the benefit of the Company's affairs.</p> <p>The General Meeting shall also be convened in any other event in which laws and regulations so require.</p> <p>Without prejudice to the foregoing, the Board is under a duty to call an extraordinary General Meeting upon requisition by shareholders representing at least five percent of share capital, such requisition to specify the business to be addressed. In this event, the General Meeting must be summoned for a date within the thirty days following the day on which the Board of Directors was requisitioned via a notary.</p>	<p>5.- CONVENING THE GENERAL MEETING</p> <p>5.1.- POWER AND DUTY TO CALL A MEETING</p> <p>The power to call an ordinary or extraordinary General Meeting rests with the Board of Directors, which shall draw up the agenda listing the business to be transacted by the General Meeting.</p> <p>The Board must call the ordinary General Meeting within the first six months of each year.</p> <p>The Board may call a General Meeting whenever it thinks fit for the benefit of the Company's affairs.</p> <p>The General Meeting shall also be convened in any other event in which laws and regulations so require.</p> <p>Without prejudice to the foregoing, the Board is under a duty to call an extraordinary General Meeting upon requisition by shareholders representing at least five percent of share capital, such requisition to specify the business to be addressed. In this event, the General Meeting must be summoned for a date within the thirty daysmonth following the day on which the Board of Directors was requisitioned via notary.</p>
<p>5.2.- PUBLICATION OF A NOTICE OF MEETING</p> <p>5.2.1.- TIMING AND FORM OF PUBLICATION</p> <p>General Meetings shall be convened by the placing of a notice in the <i>Boletín Oficial del Registro Mercantil</i> [official gazette of the registrar of companies] and in a daily newspaper with one of the broadest circulations in the province at least one month prior to the date scheduled for the meeting.</p> <p>The Notice of Meeting shall give the original date and time scheduled for the meeting, and list all matters to be dealt with at the meeting.</p> <p>Shareholders representing at least five</p>	<p>5.2.- PUBLICATION OF A NOTICE OF MEETING</p> <p>5.2.1.- TIMING AND FORM OF PUBLICATION</p> <p>General Meetings shall be convened by the placing of a notice in the <i>Boletín Oficial del Registro Mercantil</i> [official gazette of the registrar of companies], on the Company's website and in a daily newspaper with one of the broadest circulations in the province at least one month prior to the date scheduled for the meeting.</p> <p>The Notice of Meeting shall give the name of the Company, the original date and time scheduled for the meeting on first call, as well as the agenda, listing all matters to be dealt with at the meeting.</p>

<p>per cent of share capital may request publication of a supplement to the notice convening the General Meeting that lists one of more of the items on the agenda. In order to exercise this right, shareholders must submit their request by certified notice received at the registered office of the Company within five days from the publication of the Notice of Meeting.</p> <p>Any such supplement to the Notice of Meeting shall be published at least fifteen days in advance of the scheduled date of the General Meeting.</p> <p>Failure to publish the supplement to the Notice of Meeting by the statutory deadline shall render the Meeting void.</p> <p>Prior to its publication, the Company must file the Notice of Meeting with the CNMV, the Spanish securities market regulator, the Spanish securities exchanges and any other markets on which the Company's shares are listed for trading and inform member entities of the relevant securities registration, clearing and settlement body.</p> <p>The text of the notice shall also be available for consultation on the Company's website.</p> <p>In addition to the statutory requirements set out above, in order to achieve maximum dissemination and ensure that shareholders have sufficient time to request and obtain additional information related to the items on the Agenda, the Board of Directors shall endeavour to ensure that the notice is published in advance of the statutory deadline in a number of corporate communication media exceeding the minimum requirement established by law, unless this is impracticable because of the urgency of the situation or other circumstances beyond the control of the Board. In addition, the Notice of Meeting shall be re-published on a date closer to that scheduled for the meeting by way of reminder.</p>	<p>Shareholders representing at least five per cent of share capital may request publication of a supplement to the notice convening the General Meeting that lists one of more of the items on the agenda. In order to exercise this right, shareholders must submit their request by certified notice received at the registered office of the Company within five days from the publication of the Notice of Meeting.</p> <p>Any such supplement to the Notice of Meeting shall be published at least fifteen days in advance of the scheduled date of the General Meeting.</p> <p>Failure to publish the supplement to the Notice of Meeting by the statutory deadline shall render the Meeting void.</p> <p>Prior to its publication, the Company must file the Notice of Meeting with the CNMV, the Spanish securities market regulator, the Spanish securities exchanges and any other markets on which the Company's shares are listed for trading and inform member entities of the relevant securities registration, clearing and settlement body.</p> <p>The text of the notice shall also be available for consultation on the Company's website.</p> <p>In addition to the statutory requirements set out above, in order to achieve maximum dissemination and ensure that shareholders have sufficient time to request and obtain additional information related to the items on the Agenda, the Board of Directors shall endeavour to ensure that the notice is published in advance of the statutory deadline in a number of corporate communication media exceeding the minimum requirement established by law, unless this is impracticable because of the urgency of the situation or other circumstances beyond the control of the Board. In addition, the Notice of Meeting shall be re-published on a date closer to that scheduled for the meeting by way of reminder.</p>
<p>5.2.2.- CONTENT OF NOTICE</p>	<p>5.2.2.- CONTENT OF NOTICE</p>

The Notice of Meeting shall specify the original date and time, and the venue scheduled for the meeting and list all matters on the agenda to be dealt with at the meeting. In addition, the date shall be specified for the holding of the General Meeting if adjourned for lack of quorum. There must be an interval of at least twenty-four hours between the first and second meetings.

If a duly convened General Meeting fails to achieve quorum at the original date and time specified in the notice, and no provision was made in the notice for an adjourned meeting, the date and time of such adjourned meeting must be announced, subject to the same requirements of public disclosure as the original notice, within fifteen days following the date of the frustrated meeting and eight days in advance of the date of the adjourned meeting.

In order that shareholders may properly exercise their right to information, the Notice of Meeting must specify the opening hours and place where shareholders may inspect the documents to be laid before the General Meeting for adoption and any other reports made available, whether by virtue of a statutory requirement or of a decision of the Board, and must further mention that a shareholder is entitled to request that all such documents be sent to him free of charge, pursuant to article 7(1) of these Rules and Regulations.

In the event of a merger or division, the Notice of Meeting must contain the particulars of the merger or division plan specified in article 240 of the Companies Act and must mention shareholders' right to inspect the documentation of the proposed transaction subject to article 238 of the same Act.

Further to the particulars referred to above, the Notice of Meeting may contain any other particulars deemed relevant for shareholders, such as whether the meeting is expected to

The Notice of Meeting shall specify [the name of the Company](#), the original date and time, and the venue scheduled for the meeting, [as well as the agenda](#), [listing](#) all matters ~~on the agenda~~ to be dealt with at the meeting. In addition, the date shall be specified for the holding of the General Meeting if adjourned for lack of quorum. There must be an interval of at least twenty-four hours between the first and second meetings.

If a duly convened General Meeting fails to achieve quorum at the original date and time specified in the notice, and no provision was made in the notice for an adjourned meeting, the date and time of such adjourned meeting must be announced, subject to the same requirements of public disclosure as the original notice, within fifteen days following the date of the frustrated meeting and eight days in advance of the date of the adjourned meeting.

In order that shareholders may properly exercise their right to information, the Notice of Meeting must specify the opening hours and place where shareholders may inspect the documents to be laid before the General Meeting for adoption and any other reports made available, whether by virtue of a statutory requirement or of a decision of the Board, and must further mention that a shareholder is entitled to request that all such documents be sent to him free of charge, pursuant to article 7(1) of these Rules and Regulations.

In the event of a merger or division, the Notice of Meeting must contain the particulars of the merger or division plan specified in article ~~240 of the Companies Act~~ [the Spanish Structural Reform Act \[Ley 3/2009\]](#), and must mention shareholders' right to inspect the documentation of the proposed transaction subject to article ~~238 of the same Act~~ [39 of the Spanish Structural Reform Act](#).

Further to the particulars referred to above, the Notice of Meeting may

achieve quorum at the original date and time or be adjourned, the availability of means of transport, details of the Shareholder Information Office and the website, and any other matter of interest.	contain any other particulars deemed relevant for shareholders, such as whether the meeting is expected to achieve quorum at the original date and time or be adjourned, the availability of means of transport, details of the Shareholder Information Office and the website, and any other matter of interest.
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15. Amendment to article 7.2, titled "Shareholders' right to information", the aim being to change all references to articles of the LSA to articles of the LSC.

As a result, the company proposes the following amendment to the aforementioned article 7.2 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>7.2.- Up to the seventh day before the meeting is held, shareholders may request from Directors any information or clarification they deem appropriate concerning business on the agenda, or submit in writing the questions they judge relevant. Shareholders may likewise put written questions and require particulars and clarification about any publicly available information the Company may have filed since the last General Meeting with the CNMV, the Spanish securities market regulator.</p> <p>The Directors shall be under a duty to supply the information requested in accordance with the foregoing paragraph, in writing, up until the day on which the General Meeting is held.</p> <p>During the General Meeting, shareholders may verbally request any information or clarifications they deem appropriate concerning business on the agenda, and, if it is impracticable to meet such requests at that time, Directors must provide written answers within a period of seven days following the end of the Meeting.</p> <p>The Directors are under a duty to furnish the information requested under article 112 of the Companies Act unless, in the view of the Chairman, publicity of the requested information would harm the Company's interests, or supply of the</p>	<p>7.2.- Up to the seventh day before the meeting is held, shareholders may request from Directors any information or clarification they deem appropriate concerning business on the agenda, or submit in writing the questions they judge relevant. Shareholders may likewise put written questions and require particulars and clarification about any publicly available information the Company may have filed since the last General Meeting with the CNMV, the Spanish securities market regulator.</p> <p>The Directors shall be under a duty to supply the information requested in accordance with the foregoing paragraph, in writing, up until the day on which the General Meeting is held.</p> <p>During the General Meeting, shareholders may verbally request any information or clarifications they deem appropriate concerning business on the agenda, and, if it is impracticable to meet such requests at that time, Directors must provide written answers within a period of seven days following the end of the Meeting.</p> <p>The Directors are under a duty to furnish the information requested under article 112¹⁹⁷ of the Companies^{Enterprise Companies}-Act unless, in the view of the Chairman, publicity of the requested information would harm the Company's interests, or</p>

<p>information is barred under the law or the Articles of Association or a judicial or administrative decision.</p> <p>No such refusal may be made if the request is put forward by shareholders representing at least twenty-five percent of the Company's share capital.</p> <p>The information requested under article 112 of the Companies Act shall be provided to the shareholder requesting it in writing, within the period running from the date of the Notice of Meeting until the date of the Meeting inclusive, provided such request conforms to the time limit for exercise and scope determined by law and the Rules and Regulations of the General Meeting. The shareholder shall set out in writing the questions he/she thinks appropriate and the particulars or clarifications he/she thinks necessary, and shall expressly request that the Company reply in writing, and for that purpose shall indicate the address where he/she desires to receive the information.</p>	<p>supply of the information is barred under the law or the Articles of Association or a judicial or administrative decision.</p> <p>No such refusal may be made if the request is put forward by shareholders representing at least twenty-five percent of the Company's share capital. The information requested under article 112197 of the Enterprise Companies-Act shall be provided to the shareholder requesting it in writing, within the period running from the date of the Notice of Meeting until the date of the Meeting inclusive, provided such request conforms to the time limit for exercise and scope determined by law and the Rules and Regulations of the General Meeting. The shareholder shall set out in writing the questions he/she thinks appropriate and the particulars or clarifications he/she thinks necessary, and shall expressly request that the Company reply in writing, and for that purpose shall indicate the address where he/she desires to receive the information.</p>
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16. Introduction of section 7.4 to article 7 titled "Shareholders' right to information", the aim being to include the concept of the Electronic Shareholder Forum in accordance with art. 528 LSC, deriving from art. 117 LMV, pursuant to the drafting given by Act 12/2010 [Ley 12/2010].

As a result, the company proposes the introduction of a new section 7.4, which will read as follows, into the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
	<p><u>7.4.- Insofar as envisaged by prevailing legislation, and in accordance with the technical and legal terms thereof, the Company shall create an Electronic Shareholder Forum on its website with all safeguards duly in place. This forum will be available to individual shareholders and to any voluntary associations that may be set up and is intended to facilitate communication and dialogue before the General Meeting is held. The Forum may be used to propose and publish further business not included on the agenda announced in the Notice of Meeting; provide standard forms for accepting such proposals;</u></p>

	<u>raising suggestions on how to reach the percentage required to exercise a minority right envisaged at law, and making offers and requests for voluntary representation. The Company's Board of Directors shall determine the rules that are to govern at all times the functioning of the Electronic Shareholder Forum, and shall post these on its website.</u>
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17. Amendment to article 9, titled "Right of attendance". In line with the amendment to article 27 of the Articles of Association also put before this General Meeting, the aim here is to eliminate the requirement of having to own at least 100 shares in order for shareholders to be able to attend and vote at General Meetings.

As a result, the company proposes the following amendment to article 9 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>9. - RIGHT OF ATTENDANCE.</p> <p>Under article 27 of the Articles of Association, the right to attend and vote at a General Meeting shall be subject to the ownership of at least 100 shares on record in the appropriate register at least five days in advance of the meeting.</p> <p>Shareholders that do not hold that number of shares may pool their shares for the purposes of attendance, appointing a single shareholder to represent them.</p> <p>Shareholders entitled to attend must prove their entitlement by any of the following forms of evidence:</p> <p>C) An appropriate attendance and voting card to be issued by member entities of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores [Spanish central securities clearinghouse] or such body as may replace it in future, properly filled out for the purpose.</p> <p>D) An electronic attendance and voting certificate issued by the entity entrusted with the register</p>	<p>9. - RIGHT OF ATTENDANCE.</p> <p>Under article 27 of the Articles of Association, the right to attend and vote at a General Meeting shall be subject to the ownership of at least 100 shares on record in the appropriate register at least five days in advance of the meeting.</p> <p>Shareholders that do not hold that number of shares may pool their shares for the purposes of attendance, appointing a single shareholder to represent them.</p> <p>Shareholders entitled to attend must prove their entitlement by any of the following forms of evidence:</p> <p>E) An appropriate attendance and voting card to be issued by member entities of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores [Spanish central securities clearinghouse] or such body as may replace it in future, properly filled out for the purpose.</p> <p>F) An electronic attendance and voting certificate issued by the entity entrusted with the register</p>

<p>of dematerialised shares or the authorised share certificates depository entity, properly filled out for the purpose.</p> <p>Shareholders entitled to attend under article 27 of the Articles of Association may attend the General Meeting held at the venue specified in the Notice of Meeting, in person or represented by proxy.</p> <p>The Board of Directors may in future create a shareholder right to attend General Meetings by remote means if such manner of proceeding is permitted by the state of the art and an appropriate standard of certainty is assured as to shareholders' identity, the effectiveness of their rights and the proper conduct of the meeting.</p>	<p>of dematerialised shares or the authorised share certificates depository entity, properly filled out for the purpose.</p> <p>Shareholders entitled to attend under article 27 of the Articles of Association may attend the General Meeting held at the venue specified in the Notice of Meeting, in person or represented by proxy.</p> <p>The Board of Directors may in future create a shareholder right to attend General Meetings by remote means if such manner of proceeding is permitted by the state of the art and an appropriate standard of certainty is assured as to shareholders' identity, the effectiveness of their rights and the proper conduct of the meeting.</p>
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18. Amendment to article 10, titled "Proxy rights", the aim being to update all references to LSA articles to the corresponding articles of the LSC and to ensure that the article reflects the wording of the aforementioned LSC articles. A number of further amendments have been made to enable proxies to be granted electronically based on the state-of-the-art.

As a result, the company proposes the following amendment to article 10 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>10. – PROXY RIGHTS.</p> <p>Any shareholder entitled to attend the Meeting may procure to be represented by another person, who need not be a shareholder.</p> <p>Proxies must be conferred in writing, by post, a recognised electronic signature, or any of the other legally permitted electronic or remote communication methods. In all cases, the identity of the proxy must be duly guaranteed, and shall be valid only for the particular meeting in question.</p> <p>The Board of Directors shall determine which electronic or remote media may</p>	<p>10. – PROXY RIGHTS.</p> <p>Any shareholder entitled to attend the Meeting may procure to be represented by another person, who need not be a shareholder.</p> <p>Proxies must be conferred in writing, by post, a recognised electronic signature, or any of the other legally permitted electronic or remote communication methods. In all cases, the identity of the proxy must be duly guaranteed, and shall be valid only for the particular meeting in question.</p> <p>The Board of Directors shall determine which electronic or remote media may</p>

be used to confer proxies for each General Meeting pursuant to the provisions of this article and having regard to the state of the art. Such means of remote communication must satisfy the security standards required to ascertain shareholders' identities by the use of a recognised electronic signature, and the effectiveness of their rights and the proper conduct of the meeting, as indicated by the Board in the Notice of Meeting and on the Company's website.

A proxy may be revoked at any time. If the principal attends the meeting in person, his/her proxies are automatically revoked, and he/she must inform the proxy-holder in order to ensure that such person does not attempt to exercise proxy rights he/she does not hold.

Shareholders who are natural persons disqualified from exercising their civil rights and shareholders that are juristic persons may be represented by any duly accredited legal representative. Both in cases of legal representation and delegation of attendance rights, no shareholder shall have more than one representative at the Meeting.

CALL FOR PROXIES

Calls for proxies issued by Directors, entities entrusted with the register of dematerialised shares or any other person or entity publicly making such call on its own or on a third party's behalf shall be subject to article 107 of the Companies Act. A call for proxies shall be deemed to have been made if one and the same person holds proxies for more than three shareholders.

In particular, the document containing the call for proxies must contain, or have attached to it, the meeting agenda, the request for instructions for the exercise of voting rights and the manner in which the proxy-holder should vote in the event that no specific instructions are given.

In the event of a proxy requested and obtained by a Director, if no instructions

be used to confer proxies for each General Meeting pursuant to the provisions of this article and having regard to the state of the art. Such means of remote communication must satisfy the security standards required to ascertain shareholders' identities ~~by the use of a recognised electronic signature~~, and the effectiveness of their rights and the proper conduct of the meeting, as indicated by the Board in the Notice of Meeting and on the Company's website.

A proxy may be revoked at any time. If the principal attends the meeting in person, his/her proxies are automatically revoked, and he/she must inform the proxy-holder in order to ensure that such person does not attempt to exercise proxy rights he/she does not hold.

Shareholders who are natural persons disqualified from exercising their civil rights and shareholders that are juristic persons may be represented by any duly accredited legal representative. Both in cases of legal representation and delegation of attendance rights, no shareholder shall have more than one representative at the Meeting.

CALL FOR PROXIES

Calls for proxies issued by Directors, custodian entities of the share certificates, entities entrusted with the register of dematerialised shares or any other person or entity publicly making such call on its own or on a third party's behalf shall be subject to article ~~107~~186 of the Enterprise Companies-Act. A call for proxies shall be deemed to have been made if one and the same person holds proxies for more than three shareholders.

In particular, the document containing the call for proxies must contain, or have attached to it, the meeting agenda, the request for instructions for the exercise of voting rights and the manner in which the proxy-holder should vote in the event that no specific instructions are given.

In the event of a proxy requested and

<p>are extant the proxy shall be treated as demanding a vote in favour of the motion of the Board, subject to any applicable statutory restrictions.</p> <p>A Director obtaining proxies by means of a call for proxies may not exercise voting rights attaching to the shares thus represented in the events of conflict of interest specified in article 114 of the <i>Ley del Mercado de Valores</i> [Securities Market Act] as to the following decisions:</p> <ul style="list-style-type: none"> a) His/her own appointment or ratification as a Director. b) His/her removal, dismissal or termination as a Director. c) The bringing by the Company of an action for liability against him/her. d) The adoption or ratification, as applicable, of Company transactions with the Director in question or with companies controlled or represented by him/her or by persons acting on his/her behalf. <p>A call for proxies may be made electronically in accordance with the implementing regulatory provisions issued on the matter and in such manner as these Rules and Regulations shall determine.</p>	<p>obtained by a Director, if no instructions are extant the proxy shall be treated as demanding a vote in favour of the motion of the Board, subject to any applicable statutory restrictions.</p> <p>A Director obtaining <u>If Company Directors, or any other person acting on behalf of such Directors, effects</u> a call for proxies, <u>the Director that obtains such proxy</u> may not exercise voting rights attaching to the shares thus represented in the events of conflict of interest specified in article 114<u>514</u> of the Ley del Mercado de Valores de <u>Sociedades de Capital</u> [Securities Market<u>Enterprise</u> Act] as to the following decisions:</p> <ul style="list-style-type: none"> a) His/her own appointment or ratification as a Director. b) His/her removal, dismissal or termination as a Director. c) The bringing by the Company of an action for liability against him/her. d) The adoption or ratification, as applicable, of Company transactions with the Director in question or with companies controlled or represented by him/her or by persons acting on his/her behalf. <p>A call for proxies may be made electronically in accordance with the implementing regulatory provisions issued on the matter and in such manner as these Rules and Regulations shall determine.</p>
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19. Amendment to article 11.1, titled "Modes of exercising voting rights", the aim being to correct an erratum, in that the offending section referred to "confer proxies", when it should read "vote". A further amendment is also proposed with a view to encouraging voting via electronic channels, based on the state-of-the-art.

As a result, the company proposes the following amendment to article 11.1 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>11.1.- MODES OF EXERCISING VOTING RIGHTS</p> <p>A shareholder entitled to attend under article 27 of the Articles of Association and under the implementing provisions of article 9 of these Rules and Regulations shall be entitled to vote, and may do so in person or by proxy, by any of the following means:</p> <p>A) By personally attending and voting at the General Meeting, with an attendance and voting card properly filled out and signed for the purpose.</p> <p>B) By post, by casting votes at the Shareholder Information Office, by recognised electronic signature or any other electronic means or, in general, by any other means of remote communication permitted by law, attaching an electronic attendance and voting certificate.</p> <p>The Board of Directors shall determine which electronic or remote media may be used to confer proxies for each General Meeting pursuant to the provisions of this article and having regard to the state of the art. Such means of remote communication must satisfy the security standards required to ascertain shareholders' identities by the use of a recognised electronic signature, and the effectiveness of their rights and the proper conduct of the meeting, as indicated by the Board in the Notice of Meeting and on the Company's website.</p> <p>The right to attend and vote using remote or electronic means, votes cast at the Shareholder Information Office or any other means of remote communication permitted in future must conform to any such statutory requirements as may be laid down and to the formalities and procedures directed by these Rules and Regulations.</p> <p>A postal vote shall be valid provided that the shareholder sends to the registered</p>	<p>11.1.- MODES OF EXERCISING VOTING RIGHTS</p> <p>A shareholder entitled to attend under article 27 of the Articles of Association and under the implementing provisions of article 9 of these Rules and Regulations shall be entitled to vote, and may do so in person or by proxy, by any of the following means:</p> <p>A) By personally attending and voting at the General Meeting, with an attendance and voting card properly filled out and signed for the purpose.</p> <p>B) By post, by casting votes at the Shareholder Information Office, by recognised electronic signature or any other electronic means or, in general, by any other means of remote communication permitted by law, attaching an electronic attendance and voting certificate.</p> <p>The Board of Directors shall determine which electronic or remote media may be used to confer proxies vote for each General Meeting pursuant to the provisions of this article and having regard to the state of the art. Such means of remote communication must satisfy the security standards required to ascertain shareholders' identities by the use of a recognised electronic signature, and the effectiveness of their rights and the proper conduct of the meeting, as indicated by the Board in the Notice of Meeting and on the Company's website.</p> <p>The right to attend and vote using remote or electronic means, votes cast at the Shareholder Information Office or any other means of remote communication permitted in future must conform to any such statutory requirements as may be laid down and to the formalities and procedures directed by these Rules and Regulations.</p> <p>A postal vote shall be valid provided that the shareholder sends to the registered</p>

<p>office of the Company in a sealed envelope an attendance and voting card clearly stating the shareholder’s identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature and having attached a copy of his/her national identity card or passport, if the shareholder is a natural person, and, additionally, a document accrediting power of attorney, if the shareholder is a juristic person.</p> <p>If a shareholder votes by electronic or remote means, such vote shall be valid if a record is created, by an appropriate electronic attendance and voting certificate, of the shareholder's identity, by means of a recognised electronic signature satisfying appropriate conditions of authenticity and identification of the shareholder thus exercising his/her voting rights, the number of shares he/she holds and his/her vote on each item on the agenda.</p> <p>If a shareholder decides to cast his/her vote in person or by proxy at the Shareholder Information Office, he/she must produce an attendance and voting card clearly stating the shareholder’s identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature, and shall further exhibit his/her identity card or passport, if the shareholder is a natural person, and a document accrediting proxy rights, if applicable.</p>	<p>office of the Company in a sealed envelope an attendance and voting card clearly stating the shareholder’s identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature and having attached a copy of his/her national identity card or passport, if the shareholder is a natural person, and, additionally, a document accrediting power of attorney, if the shareholder is a juristic person.</p> <p>If a shareholder votes by electronic or remote means, such vote shall be valid if a record is created, by an appropriate electronic attendance and voting certificate, of the shareholder's identity, by means of a recognised electronic signature <u>or any other electronic media</u> satisfying appropriate conditions of authenticity and identification of the shareholder thus exercising his/her voting rights, the number of shares he/she holds and his/her vote on each item on the agenda.</p> <p>If a shareholder decides to cast his/her vote in person or by proxy at the Shareholder Information Office, he/she must produce an attendance and voting card clearly stating the shareholder’s identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature, and shall further exhibit his/her identity card or passport, if the shareholder is a natural person, and a document accrediting proxy rights, if applicable.</p>
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20. Amendment to article 11.2, titled “Validity of votes”, the aim being to encourage voting via electronic channels, based on the state-of-the-art.

As a result, the company proposes the following amendment to article 11.2 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>11.2.- VALIDITY OF VOTES</p> <p>A) Voting by personal attendance at the General Meeting</p>	<p>11.2.- VALIDITY OF VOTES</p> <p>A) Voting by personal attendance at the General Meeting</p>

<p>To exercise his/her voting rights, a shareholder present at the General Meeting in person must, in addition to producing proof of identity in accordance with article 9 of these Rules and Regulations, identify him/herself as follows:</p> <p>If he/she is a natural person, he/she shall exhibit a national identity card or passport.</p> <p>If the shareholder is a juristic person, the natural-person representative attending and voting on its behalf shall exhibit his/her national identity card or passport and a document proving his/her power of attorney.</p> <p>B) Votes cast by remote means of communication</p> <p>To be valid, a vote cast by any of the means of remote communication must be received by the Company at the Shareholder Information Office between the day of publication of the Notice of Meeting and no later than twenty-four hours prior to the earlier scheduled date and time of the General Meeting, subject to the Board's power to determine a shorter time limit.</p> <p>A shareholder using such means of communication shall bear the burden of proof that notice was sent to the Company in due time and form.</p> <p>A postal vote shall be valid provided that the shareholder sends to the registered office of the Company in a sealed envelope an attendance and voting card clearly stating the shareholder's identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature and having attached a copy of his/her national identity card or passport, if the shareholder is a natural person, and, additionally, a document accrediting power of attorney, if the shareholder is a juristic person.</p> <p>If a shareholder votes by electronic or remote means, such vote shall be valid if a record is created, by an appropriate</p>	<p>To exercise his/her voting rights, a shareholder present at the General Meeting in person must, in addition to producing proof of identity in accordance with article 9 of these Rules and Regulations, identify him/herself as follows:</p> <p>If he/she is a natural person, he/she shall exhibit a national identity card or passport.</p> <p>If the shareholder is a juristic person, the natural-person representative attending and voting on its behalf shall exhibit his/her national identity card or passport and a document proving his/her power of attorney.</p> <p>B) Votes cast by remote means of communication</p> <p>To be valid, a vote cast by any of the means of remote communication must be received by the Company at the Shareholder Information Office between the day of publication of the Notice of Meeting and no later than twenty-four hours prior to the earlier scheduled date and time of the General Meeting, subject to the Board's power to determine a shorter time limit.</p> <p>A shareholder using such means of communication shall bear the burden of proof that notice was sent to the Company in due time and form.</p> <p>A postal vote shall be valid provided that the shareholder sends to the registered office of the Company in a sealed envelope an attendance and voting card clearly stating the shareholder's identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature and having attached a copy of his/her national identity card or passport, if the shareholder is a natural person, and, additionally, a document accrediting power of attorney, if the shareholder is a juristic person.</p> <p>If a shareholder votes by electronic or remote means, such vote shall be valid if a record is created, by an appropriate</p>
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<p>electronic attendance and voting certificate, of the shareholder's identity, by means of a recognised electronic signature satisfying appropriate conditions of authenticity and identification of the shareholder thus exercising his/her voting rights, the number of shares he/she holds and his/her vote on each item on the agenda.</p> <p>If a shareholder decides to cast his/her vote in person or by proxy at the Shareholder Information Office, he/she must produce an attendance and voting card clearly stating the shareholder's identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature, and shall further exhibit his/her identity card or passport, if the shareholder is a natural person, and a document accrediting proxy rights, if applicable.</p>	<p>electronic attendance and voting certificate, of the shareholder's identity, by means of a recognised electronic signature <u>or any other electronic media</u> satisfying appropriate conditions of authenticity and identification of the shareholder thus exercising his/her voting rights, the number of shares he/she holds and his/her vote on each item on the agenda.</p> <p>If a shareholder decides to cast his/her vote in person or by proxy at the Shareholder Information Office, he/she must produce an attendance and voting card clearly stating the shareholder's identity, number of shares held and his/her vote on each item of the agenda, bearing his/her handwritten signature, and shall further exhibit his/her identity card or passport, if the shareholder is a natural person, and a document accrediting proxy rights, if applicable.</p>
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21. Amendment to article 12.1, titled "Convening the General Meeting", with the aim of:

- a. Updating references to articles of the LSA to the corresponding articles of the LSC.
- b. Bringing it in line with the provisions of article 194 LSC (deriving from art. 103 LSA, pursuant to the drafting given by Act 3/2009) relating to qualified quorums.

As a result, the company proposes the following amendment to article 12.1 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>12.1.- CONVENING THE GENERAL MEETING</p> <p>For the General Meeting to be properly constituted under article 102 of the Companies Act and article 25 of the Articles of Association, shareholders present in person or by proxy at the original date and time specified in the Notice of Meeting must represent at least twenty-five percent (25%) of subscribed voting capital. At the adjourned date and time, the General Meeting shall be properly constituted whatever the proportion of share capital</p>	<p>12.1.- CONVENING THE GENERAL MEETING</p> <p>For the General Meeting to be properly constituted under article 102<u>193</u> of the Enterprise Companies Act and article 25 of the Articles of Association, shareholders present in person or by proxy at the original date and time specified in the Notice of Meeting must represent at least twenty-five percent (25%) of subscribed voting capital. At the adjourned date and time, the General Meeting shall be properly constituted whatever the proportion of</p>

<p>present.</p> <p>An ordinary or extraordinary General Meeting may validly resolve to issue bonds, increase or reduce capital, reconstruct, merge, split or dissolve the Company, and, in general, make alterations to the Memorandum and Articles of Association in accordance with article 103 of the Companies Act and article 26 of the Articles of Association, if, at the original date and time specified in the Notice of Meeting, there are present, in person or by proxy, shareholders representing at least fifty percent (50%) of voting subscribed capital. At an adjourned meeting, the presence of twenty-five percent (25%) of that share capital shall suffice.</p>	<p>share capital present.</p> <p>An ordinary or extraordinary General Meeting may validly resolve to issue bonds, increase or reduce capital, reconstruct, merge, or dissolve the Company, <u>make,</u> in general, make any other alterations to the Memorandum and Articles of Association, <u>issue bonds, remove or restrict the pre-emptive subscription right for new shares, restructure, merge or split the company, transfer all the assets and liabilities thereof, or move the registered office to outside Spain,</u> if, in accordance with article 103<u>194</u> of the <u>Enterprise Companies</u>-Act and article 26 of the Articles of Association, at the original date and time specified in the notice of meeting, there are present, in person or by proxy, shareholders representing at least fifty percent of voting subscribed capital. At an adjourned meeting, the presence of twenty-five percent (25%) of that share capital shall suffice.</p>
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22. Amendment to article 13, titled "Proceedings of the General Meeting", with the aim of:

- a. Changing, in all sections, references to articles of the LSA to the corresponding articles of the LSC.
- b. Bringing section 13.3 in line with the provisions of article 194 LSC (deriving from art. 103 LSA, in accordance with the drafting given by Ley 3/2009), in relation to the qualified quorum; and correcting certain errata (due to omission in the previous drafting) concerning the rules on how to calculate votes.

As a result, the company proposes the following amendment to article 13 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>13. PROCEEDINGS OF THE GENERAL MEETING</p> <p>13.1.- DRAWING UP OF THE LIST OF ATTENDEES AND OPENING OF THE SESSION</p> <p>Before transacting the business on the agenda, a list of attendees shall be drawn up, stating the nature or representative capacity of each of them</p>	<p>13. PROCEEDINGS OF THE GENERAL MEETING</p> <p>13.1.- DRAWING UP OF THE LIST OF ATTENDEES AND OPENING OF THE SESSION</p> <p>Before transacting the business on the agenda, a list of attendees shall be drawn up, stating the nature or representative capacity of each of them</p>

<p>and the number of shares held by them or third parties with which they attend. The summary of the list of attendees shall determine the number of shareholders, present in person or by proxy, and the amount of share capital held by them, specifying the amount corresponding to shareholders with voting rights. The Deputy Secretary to the Board or the person so appointed by the Chairman in his/her absence shall provide the Presiding Panel with two copies of that summary duly signed by him/her or a scrutineer shareholder, if any.</p> <p>Attendance shall be considered closed for the purposes of establishing a quorum at the time stated in the Notice of Meeting for the commencement of the Meeting.</p> <p>Shareholders or representatives arriving late at the Meeting venue may attend the Meeting once the admission of attendance and voting cards has been closed, but shall not be included on the attendance list nor, therefore, form part of the quorum for voting purposes.</p> <p>Upon the opening of the General Meeting, the Secretary shall read out the particulars of the Notice of Meeting and of attendance, on the basis of the list of attendees drawn up by the Presiding Panel for the purpose, stating the nature or representative capacity of each of them and the number of shares held by them or third parties with which they attend.</p> <p>Notwithstanding the foregoing, before the final tally of attendees has been ascertained the General Meeting may be properly constituted on the basis of a provisional quorum calculated minutes before the time of commencement of the session, provided that such quorum satisfies the statutory threshold for such purposes, and without prejudice to the Secretary's record of the final quorum, which he/she shall recite in the course of the meeting.</p> <p>The list of attendees shall be drawn up on paper or using a computer file or</p>	<p>and the number of shares held by them or third parties with which they attend. The summary of the list of attendees shall determine the number of shareholders, present in person or by proxy, and the amount of share capital held by them, specifying the amount corresponding to shareholders with voting rights. The Deputy Secretary to the Board or the person so appointed by the Chairman in his/her absence shall provide the Presiding Panel with two copies of that summary duly signed by him/her or a scrutineer shareholder, if any.</p> <p>Attendance shall be considered closed for the purposes of establishing a quorum at the time stated in the Notice of Meeting for the commencement of the Meeting.</p> <p>Shareholders or representatives arriving late at the Meeting venue may attend the Meeting once the admission of attendance and voting cards has been closed, but shall not be included on the attendance list nor, therefore, form part of the quorum for voting purposes.</p> <p>Upon the opening of the General Meeting, the Secretary shall read out the particulars of the Notice of Meeting and of attendance, on the basis of the list of attendees drawn up by the Presiding Panel for the purpose, stating the nature or representative capacity of each of them and the number of shares held by them or third parties with which they attend.</p> <p>Notwithstanding the foregoing, before the final tally of attendees has been ascertained the General Meeting may be properly constituted on the basis of a provisional quorum calculated minutes before the time of commencement of the session, provided that such quorum satisfies the statutory threshold for such purposes, and without prejudice to the Secretary's record of the final quorum, which he/she shall recite in the course of the meeting.</p> <p>The list of attendees shall be drawn up on paper or using a computer file or</p>
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<p>other data carrier. The method so used shall be noted in the minutes, and an appropriate record of identification shall be written on the sealed cover of the file or data carrier, bearing the Secretary's signature and the Chairman's countersignature.</p> <p>The list of attendees having been drawn up, and the presence having been verified of the quorum required under articles 102 and 103 of the Companies Act and 25 and 26 of the Articles of Association, the Chairman shall, if applicable, declare the General Meeting to be properly constituted.</p> <p>If present, the notary engaged by the Company to draw up the minutes shall ask participants if they have any reservations or challenges to the details of shareholders and share capital read by the Chairman. Any shareholder with reservations shall show the member of the Panel his/her attendance card, and the panel shall verify and correct, as applicable, any possible errors.</p> <p>Before giving his/her account of the financial period under consideration and of the proposed resolutions laid before the General Meeting, to facilitate the conduct of proceedings the Chairman shall ask shareholders wishing to take the floor to approach the officials assisting the Presiding Panel and exhibit their attendance cards for the purpose of arranging turns to speak. A shareholder who fails to express his wish to speak at this time may not subsequently exercise a right to speak.</p> <p>The Chairman shall then inform the General Meeting on the salient features of the financial period and the Board's proposed resolutions; his/her account may be supplemented by persons authorised by him/her to do so.</p>	<p>other data carrier. The method so used shall be noted in the minutes, and an appropriate record of identification shall be written on the sealed cover of the file or data carrier, bearing the Secretary's signature and the Chairman's countersignature.</p> <p>The list of attendees having been drawn up, and the presence having been verified of the quorum required under articles 102<u>193</u> and 103<u>194</u> of the Enterprise Companies Act and 25 and 26 of the Articles of Association, the Chairman shall, if applicable, declare the General Meeting to be properly constituted.</p> <p>If present, the notary engaged by the Company to draw up the minutes shall ask participants if they have any reservations or challenges to the details of shareholders and share capital read by the Chairman. Any shareholder with reservations shall show the member of the Panel his/her attendance card, and the panel shall verify and correct, as applicable, any possible errors.</p> <p>Before giving his/her account of the financial period under consideration and of the proposed resolutions laid before the General Meeting, to facilitate the conduct of proceedings the Chairman shall ask shareholders wishing to take the floor to approach the officials assisting the Presiding Panel and exhibit their attendance cards for the purpose of arranging turns to speak. A shareholder who fails to express his wish to speak at this time may not subsequently exercise a right to speak.</p> <p>The Chairman shall then inform the General Meeting on the salient features of the financial period and the Board's proposed resolutions; his/her account may be supplemented by persons authorised by him/her to do so.</p>
<p>13.2.- SHAREHOLDERS' DELIBERATIONS</p>	<p>13.2.- SHAREHOLDERS' DELIBERATIONS</p>

<p>Having given his/her account, the Chairman shall give leave to speak to shareholders who have so requested, and shall keep the discussion within the bounds of the agenda, except as provided in article 131 of the Companies Act on special cases of removal of Directors and in article 134 of the Companies Act on the Company's instituting an action for liability against Directors.</p> <p>The Chairman shall moderate the conduct of shareholders' deliberations, and may reply to shareholders collectively or individually. The Chairman shall end this stage of proceedings when, in his/her view, the matters raised have been discussed sufficiently.</p>	<p>Having given his/her account, the Chairman shall give leave to speak to shareholders who have so requested, and shall keep the discussion within the bounds of the agenda, except as provided in article 131²²³ of the Enterprise Companies-Act on special cases of removal of Directors and in article 238¹³⁴ of the Enterprise Companies-Act on the Company's instituting an action for liability against Directors.</p> <p>The Chairman shall moderate the conduct of shareholders' deliberations, and may reply to shareholders collectively or individually. The Chairman shall end this stage of proceedings when, in his/her view, the matters raised have been discussed sufficiently.</p>
<p>13.3.- VOTING</p> <p>At the meetings, the various resolutions shall be put to the vote after being read out by the Secretary, except where the written text has been provided to shareholders in advance and, because of its length, the Chairman deems a full reading unnecessary. Reading of the resolutions may be dispensed with on the decision of the Chairman, provided that his/her decision is not opposed by shareholders representing a majority of subscribed voting capital and present at the meeting.</p> <p>Issues that are essentially independent shall be put to the vote separately so that shareholders may exercise their voting preferences separately.</p> <p>In order for resolutions to be adopted, in accordance with article 93 of the Companies Act, they must attract a vote in favour by a majority of subscribed capital with voting rights present in person or by proxy at the meeting.</p> <p>Notwithstanding the above, in the case of bond issues, capital increases or decreases, transformation, merger or division of the Company and, in general, any amendment of the Company Articles of Association, at the adjourned</p>	<p>13.3.- VOTING</p> <p>At the meetings, the various resolutions shall be put to the vote after being read out by the Secretary, except where the written text has been provided to shareholders in advance and, because of its length, the Chairman deems a full reading unnecessary. Reading of the resolutions may be dispensed with on the decision of the Chairman, provided that his/her decision is not opposed by shareholders representing a majority of subscribed voting capital and present at the meeting.</p> <p>Issues that are essentially independent shall be put to the vote separately so that shareholders may exercise their voting preferences separately.</p> <p>In order for resolutions to be adopted, in accordance with article 93²⁰¹ of the Enterprise Companies-Act, they must attract a vote in favour by a majority of subscribed capital with voting rights present in person or by proxy at the meeting.</p> <p>Notwithstanding the above, in the case of bond issues, capital increases or decreases, <u>any other modification to the Articles of Association, bonds issues, elimination or restriction of the pre-emptive subscription right over new shares</u>, and the transformation, merger</p>

meeting, and when the Meeting is attended by shareholders representing less than fifty percent of the subscribed voting capital, two-thirds of the subscribed voting capital present in person or by proxy must vote for the resolution in order for it to be adopted.

After each proposed resolution has been read out by the Secretary, the meeting shall proceed to vote. To determine the result of the vote, votes cast at the meeting by shareholders present or represented, votes cast by proxy as a result of the exercise of a call for proxies, within the terms of such delegation, and votes cast by post or by electronic means via the Shareholder Information Office or using any other remote communication media that satisfies the established prerequisites shall be included in the count.

To calculate votes for the items on the agenda at General Meetings, the Presiding Panel will include:

- As **votes against**, all votes corresponding to shares whose owners or representatives have indicated that they are voting against the resolution either by communicating or submitting their vote to the Meeting Notary, for registration in the minutes, or by indicating their opposition via remote voting means.
- As **abstentions**, all votes corresponding to shares whose owners or representatives have notified their abstention either directly to the Meeting Notary, for registration in the minutes, or via remote voting methods.
- As **votes for**, all votes corresponding to shares present or presented at the meeting, and votes for cast by remote voting

or division of the Company, [the transfer of all the assets and liabilities thereof and the decision to move the registered office to outside Spain](#) and, in general, ~~any amendment of the Company Articles of Association~~, at the adjourned meeting, and when the Meeting is attended by shareholders representing less than fifty percent of the subscribed voting capital, two-thirds of the subscribed voting capital present in person or by proxy must vote for the resolution in order for it to be adopted.

After each proposed resolution has been read out by the Secretary, the meeting shall proceed to vote. To determine the result of the vote, votes cast at the meeting by shareholders present or represented, votes cast by proxy as a result of the exercise of a call for proxies, within the terms of such delegation, and votes cast by post or by electronic means via the Shareholder Information Office or using any other remote communication media that satisfies the established prerequisites shall be included in the count.

To calculate votes for the items on the agenda at General Meetings, the Presiding Panel will include:

- As **votes against**, all votes corresponding to shares whose owners or representatives have indicated that they are voting against the resolution either by communicating or submitting their vote to the [Secretary or, where applicable](#), the Notary, for registration in the minutes, or by indicating their opposition via remote voting means.
- As **abstentions**, all votes corresponding to shares whose owners or representatives have notified their abstention either directly to the [Secretary or, where applicable](#), the Meeting Notary, for registration in the minutes, or via remote voting methods.
- As **votes for**, all votes corresponding to all [other](#) shares present or presented at the

<p>methods.</p> <p>For resolutions on items not included on the agenda, which are covered by articles 131, 132 and 134 of the Companies Act, the Presiding Panel shall include:</p> <ul style="list-style-type: none"> ➤ As votes for, all votes corresponding to shares whose owners or representatives satisfy the prerequisites set out below and have indicated that they are voting for the resolution by communicating or submitting their vote directly to the Meeting Notary, for registration in the minutes. ➤ As abstentions, all votes corresponding to shares whose owners or representatives have notified their abstention either directly to the Meeting Notary, for registration in the minutes, or via remote voting methods. ➤ As votes against, all votes corresponding to shares present or presented at the meeting, and votes for cast by remote voting methods, provided that the prerequisites set out below are satisfied. <p>Proxy votes, including those secured by calls for proxies, may not be exercised in votes on resolutions not included on the agenda and put to the vote at General Meetings by virtue of the statutory provisions set out above, unless expressly so contemplated.</p> <p>If in the course of a meeting a shareholder wishes to leave the session, the shareholder in question may address the Panel and, if so desired, ask that his/her voting intentions on each item on the Agenda be recorded in the minutes. If the shareholder fails to do so, it shall be assumed that he/she is voting in favour of all items pending</p>	<p>meeting, and votes for cast by remote voting methods.</p> <p>For resolutions on items not included on the agenda, which are covered by articles 131, 132223, 224 and 134238 of the Enterprise Companies Act, the Presiding Panel shall include:</p> <ul style="list-style-type: none"> ➤ As votes for, all votes corresponding to shares whose owners or representatives satisfy the prerequisites set out below and have indicated that they are voting for the resolution by communicating or submitting their vote directly to the Secretary or, where applicable the Meeting Notary, for registration in the minutes. ➤ As abstentions, all votes corresponding to shares whose owners or representatives have notified their abstention either directly to the Secretary or, where applicable, the Meeting Notary, for registration in the minutes, or via remote voting methods. ➤ As votes against, all votes corresponding to all other shares present or presented at the meeting, and votes for cast by remote voting methods, provided that the prerequisites set out below are satisfied. <p>Proxy votes, including those secured by calls for proxies, may not be exercised in votes on resolutions not included on the agenda and put to the vote at General Meetings by virtue of the statutory provisions set out above, unless expressly so contemplated.</p> <p>If in the course of a meeting a shareholder wishes to leave the session, the shareholder in question may address the Panel and, if so desired, ask that his/her voting intentions on each item on the Agenda be recorded in the minutes. If the shareholder fails to do so, it shall be assumed that he/she is voting in favour of all items pending</p>
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<p>vote included on the agenda and against any items not included on the agenda and submitted to the vote in his/her absence.</p> <p>The Meeting Secretary shall read out the results of the vote on each resolution, indicating the number of votes for, number of votes against, and number of abstentions.</p> <p>The scrutineers shall prepare a note on the result of each vote, including the votes previously cast and any change that may have occurred in the course of the meeting.</p> <p>Once all resolutions have been put to the vote, the Meeting Secretary shall deliver to the Notary, if the Company has requested the attendance of a notary, the scrutineers' note containing data on the results of the vote on each resolution before the Chairman proceeds to close the session.</p>	<p>vote included on the agenda and against any items not included on the agenda and submitted to the vote in his/her absence.</p> <p>The Meeting Secretary shall read out the results of the vote on each resolution, indicating the number of votes for, number of votes against, and number of abstentions.</p> <p>The scrutineers shall prepare a note on the result of each vote, including the votes previously cast and any change that may have occurred in the course of the meeting.</p> <p>Once all resolutions have been put to the vote, the Meeting Secretary shall deliver to the Notary, if the Company has requested the attendance of a notary, the scrutineers' note containing data on the results of the vote on each resolution before the Chairman proceeds to close the session.</p>
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23. Amendment to article 14, titled "Attendance and intervention of other persons", the aim being to change all references to articles of the LSA to the corresponding articles of the LSC, and to reflect the drafting of art. 203 LSC in relation to the timeframe for procuring a notary to attend the general meeting.

As a result, the company proposes the following amendment to article 14 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>14.- ATTENDANCE AND INTERVENTION OF OTHER PERSONS</p> <p>The Chairman of the Audit and Compliance Committee of Enagás, on behalf of the same Committee, shall be available at meetings to respond to questions from shareholders on issues within the Committee's purview.</p> <p>The General Meeting must be attended by the Company's external auditor, who shall be convened for such purpose by the Board of Directors. The auditor shall</p>	<p>14.- ATTENDANCE AND INTERVENTION OF OTHER PERSONS</p> <p>The Chairman of the Audit and Compliance Committee of Enagás, on behalf of the same Committee, shall be available at meetings to respond to questions from shareholders on issues within the Committee's purview.</p> <p>The General Meeting must be attended by the Company's external auditor, who shall be convened for such purpose by the Board of Directors. The auditor shall</p>

<p>intervene, whenever deemed expedient by the Chairman, to clarify questions relating to its work as the Company's external auditor.</p> <p>The Board of Directors may whenever it thinks fit procure that a notary be in attendance to take the minutes of the meeting in accordance with article 114 of the Companies Act, and the Board shall be under a duty so to engage a notary if requested by shareholders representing at least one percent of capital.</p> <p>Endeavours shall be made for the General Meeting to be attended by the Company's senior executives.</p> <p>Other persons may attend a General Meeting whenever so decided by the Chairman.</p>	<p>intervene, whenever deemed expedient by the Chairman, to clarify questions relating to its work as the Company's external auditor.</p> <p>The Board of Directors may whenever it thinks fit procure that a notary be in attendance to take the minutes of the meeting in accordance with article 114<u>203</u> of the <u>Enterprise Companies</u> Act, and the Board shall be under a duty so to engage a notary if requested by shareholders representing at least one percent of capital <u>at least five days ahead of the scheduled date for the General Meeting</u>.</p> <p>Endeavours shall be made for the General Meeting to be attended by the Company's senior executives.</p> <p>Other persons may attend a General Meeting whenever so decided by the Chairman.</p>
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24. Amendment to article 15, titled "Minutes of the General Meeting", the aim being to adjust the wording to reflect the provisions of articles 202 and 203 LSC.

As a result, the company proposes the following amendment to article 15 of the Rules and Regulations of the General Meeting, with the specific changes highlighted below:

<i>Previous drafting</i>	<i>Proposed new drafting</i>
<p>15.- MINUTES OF THE GENERAL MEETING</p> <p>Minutes may be adopted by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman of the meeting and two Referees, one representing the majority and the other the minority. The minutes of the General Meeting, adopted by either of the two procedures set out above, shall be enforceable as from the date of adoption.</p> <p>If the meeting has been held in the presence of a notary, the notarial instrument shall be taken to constitute the minutes of the meeting, which shall not therefore require adoption.</p>	<p>15.- MINUTES OF THE GENERAL MEETING</p> <p>Minutes may be adopted by the General Meeting itself after the session or, failing this, within fifteen days thereafter by the Chairman of the meeting and two Referees, one representing the majority and the other the minority. The minutes of the General Meeting, adopted by either of the two procedures set out above, shall be enforceable<u>Corporate resolutions will be</u> enforceable as from the date <u>on which the minutes containing them are approved</u>.</p> <p>If the meeting has been held in the presence of a notary, the notarial instrument shall be taken to constitute the minutes of the meeting, which shall not therefore require adoption.</p>

	<u>Resolutions recorded within the notarised minutes may be enforced from their corresponding closing date.</u>
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Signing of the Report

In light of the above, and in accordance with the provisions of articles 286 of the *Ley de Sociedades de Capital* (Spanish Enterprise Act) and 158 of the *Reglamento del Registro Mercantil* [Spanish registrar of companies regulations], and article 1 of the *Reglamento de la Junta General de Accionistas* [Rules and Regulations of the General Meeting], the Board of Directors issues this report on amendments to the Articles of the Association and the aforementioned Rules and Regulations.

In Madrid, on 31 January 2011

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

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

IX.-Additional Information

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

Share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
03-05-02	358,101,390.00	238,734,260	238,734,260

All shares belong to a single class.

- b) Restrictions on the transferability of shares.**

No restrictions on the transferability of shares exist.

- c) Significant shareholdings, both direct and indirect.**

Personal or corporate name of the shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
OMAN OIL COMPANY, S.A.O.C.	0	11,936,702	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:

Personal or corporate name of the shareholder	Number of direct voting rights	% of total voting rights
OMAN OIL HOLDINGS ESPAÑA, S.L.U.	11,936,702	5.000
SAGANE INVERSIONES, S.L.	11,936,714	5.000
CANTÁBRICA DE INVERSIONES DE CARTERA, S.L.	11,937,395	5.000
Total:	35,810,811	15.000

Personal or corporate name of the shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
DON ANTONIO LLARDÉN CARRATALÁ	48,116	0	0.020
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
DOÑA TERESA GARCÍA MILÁ LLOVERAS	1,500	0	0.001
DON DIONISIO MARTÍNEZ MARTÍNEZ	2,010	0	0.001
DON LUIS JAVIER NAVARRO VIGIL	10	3,986	0.002
DON MARTÍ PARELLADA SABATA	910	0	0.000
DON RAMÓN PÉREZ SIMARRO	100	0	0.000
SAGANE INVERSIONES, S.L.	11,936,714	0	5.000
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	11,936,713	0	5.000

(*) Through:

Personal or corporate name of the 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) Restrictions on voting rights.

Article 6a ("Limitation of interest in share capital and of the exercise of voting rights") of the Company Articles of Association was amended at the Extraordinary General Shareholders' Meeting held on 31 October 2007 to bring it in line with the provisions of Act 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 a new drafting for Additional Provision Twenty of the Hydrocarbons Industry Act, which vests in Enagás, S.A. the capacity of "technical gas system operator" and sets ceilings on shareholdings in the Company. The wording of Additional Provision Twenty now stands as follows:

"Additional Provision Twenty. 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 gas system when such interest represents more than 5% of the share capital, or otherwise exercise more than 3% of its voting rights. Such shares may under no circumstances be 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 held by public sector enterprises. 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, and in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined by article 4 of the Spanish Securities Market Act 24/1988, dated 28 July, 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, members of the Board of Directors of a body corporate shall be deemed to 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 the Spanish Securities Market Act 24/1988, dated 28 July.

In all cases, both the actual ownership of the shares and other securities and also 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 will constitute an extremely serious breach in accordance with the provisions of 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 system of penalties set out in the Act."

Transitional Provision Six of Act 12/2007 of 2 July provides that within four months of its coming into force, Enagás, S.A. shall bring its Memorandum and Articles of Association in line with Additional Provision Twenty of Act 34/1998 of 7 October, including Transitional Provision Two of Act 12/2007 of 2 July:

"Transitional Provision Two. Technical gas 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 Additional Provision Twenty 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 institute the necessary legal proceedings 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 Articles of Association 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.

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 holdings in the Company's share capital, the provisions of Additional Provision Twenty of the Spanish Hydrocarbons Industry Act 34/1998 [*Ley 34/1998*] of 7 October 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 governing body and modification of the Company's Articles of Association.

Provisions of the Articles of Association affecting the appointment and replacement of members of the governing 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 Company's objects.

The Board of Directors shall be composed of a minimum of six members and a maximum of seventeen, appointed by the General 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.

A director need not be a shareholder, may step down from office, may have his appointment revoked, and may be re-elected on one or more occasions.

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

Any person that falls within in any of the situations envisaged under article 124 of the Consolidated Text of the Spanish Companies Act [*Ley de Sociedades Anónimas*] 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 act as Chairman.

The appointment of a Secretary is also incumbent on the Board of Directors, which may appoint, in addition, 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 junior director in age shall act as 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 Articles of Association, and without prejudice to the powers of proposal enjoyed by shareholders, the Board of Directors shall submit to the General Meeting such Board membership size as it deems appropriate in the interests of the Company at the given time. The General Meeting shall decide on the final number.
- 2.- The Board of Directors shall be composed of Directors classified into the categories specified 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 Rules and Regulations.
No more than 20% of the total number of Directors may belong to this category.
 - f) External or Non-Executive Directors: these Directors shall in turn fall into three categories:
 - b1) Proprietary Directors: directors holding an interest equal to or greater than that which qualifies as significant under the law or have been appointed on account of their status as shareholders even if their interest is less than that amount, and Directors representing such shareholders.
 - b2) Independent Directors: directors of acknowledged professional reputation able to contribute their experience and expertise to corporate governance and, while not falling within either of the two preceding categories, satisfy the conditions set forth under article 9 of these Rules and Regulations. Independent Directors shall represent at least one third of the total number of directors.
 - b3) Other Non-Executive Directors: non-Executive Directors who, though not proprietary Directors, cannot be classified as Independent Directors pursuant to article 9 of these Rules and Regulations.

In exercising its powers of co-optation and proposal to the General 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 Non-Executive Directors the ratio of Proprietary to Independent Directors reflects the existing ratio of share capital represented by Proprietary Directors to all other capital.

ARTICLE 8. APPOINTMENT OF DIRECTORS.

1.- Directors shall be appointed by the General Meeting or by the Board of Directors in conformity with the provisions of the *Ley de Sociedades Anónimas* [Companies Act] and the Company's Articles of Association.

2.- In order to be considered for appointment, candidates must have a solid reputation and possess the professional know-how and experience required to discharge their duties, in addition to complying with all requirements associated with the post imposed by law and the Articles of Association.

Any nomination for a Directorship which the Board lays before the General Meeting and any appointment made by the Board in the exercise of its statutory powers of co-option must be preceded by an appropriate proposal from the Nomination and Remuneration Committee. When the Board of Directors departs from the Committee's recommendations, it must explain the reasons for this, and such reasons must be duly recorded in the minutes.

3.- Selection procedures must be free of any implied bias against women candidates. The Company shall seek out and include women with the target profile among candidates for Board places.

ARTICLE 9. APPOINTMENT OF INDEPENDENT DIRECTORS.

Independent Directors are defined as those who, appointed based on their personal and professional aptitudes, 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 elapsed since the termination of that relationship.
- b) Persons who receive any sum or benefit other than Director's remuneration from the Company or its Group, unless such benefit is negligible. 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 accrual 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 that 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 a non-executive director.
- e) Persons who maintain, or have maintained in the past 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 such 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) Persons 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 or trustees 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 Nomination 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 proprietary directors at 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 office for a period of four years, and may be re-elected. Directors who are co-opted shall hold office until the date of the first subsequent General Meeting.

ARTICLE 11. RE-ELECTION OF DIRECTORS.

The Nomination and Remuneration Committee, responsible for evaluating the quality of work and dedication to their offices 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 Meeting.

As a general rule, an appropriate rotation of Independent Directors shall 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, the Articles of Association and these Rules and Regulations.

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

- a) When they are involved in any of the statutory circumstances of incompatibility or prohibition.

- b) When they are in serious breach of their duties 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 offences stated in article 124 of the Companies Act, the Board shall 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 shall be called on to resign.
- d) When the reason for which they were appointed as Directors no longer holds.
- e) When Independent Directors cease to meet the conditions required under article 9.
- f) When the shareholder represented by a Proprietary Director sells its entire interest. They shall also do so, in the appropriate number, when that shareholder reduces its stake to a level requiring a reduction in the number of its Proprietary Directors.

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

3.- The Board of Directors shall not propose the removal of Independent Directors before the expiry of their tenure as mandated by the Articles of Association, except where just cause is found by the Board, based on a proposal from the Nomination 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 duty or the duration of the duty is shortened by the Board of Directors.

Provisions of the Articles of Association affecting modifications to the Articles of Association:

ARTICLE 26. - SPECIAL QUORUM.

An ordinary or extraordinary General Meeting may validly resolve to issue bonds, increase or reduce capital, reconstruct, merge or split the Company, and, in general, make alterations to the Memorandum and Articles of Association if, at the original date and time specified in the notice of meeting, there are present, in person or by proxy, shareholders representing at least fifty percent of voting subscribed capital.

At the adjourned date and time specified in the notice of meeting, the presence of twenty-five percent of voting subscribed capital shall suffice.

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, Mr. Antonio Llardén Carratalá. The Board of Directors granted him the powers that appear in the official legal record prepared on 9 February 2007 before the Notary of Madrid Mr. Pedro de la Herrán Matorras under number 324 of his notarial record book and as recorded in the Commercial Registry

of Madrid, Volume 20,090, Book 0, Folio 172, Section 8, Page M-6113, Entry 668. Although said powers encompass broad powers of representation, they do not include the ability to issue or buy back shares of the Company.

Notwithstanding the above, resolution 10 adopted by the General Shareholders' Meeting held on 11 May 2007 is now in effect under the following terms:

"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 this General Meeting, by a maximum amount of €179 million through the issuance of new shares, with or without voting rights or issue premium, and with consideration for such new shares being monetary contributions. The Board is entitled to set the terms and conditions of the capital increase and the characteristics of the shares; 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's Articles of Association governing share capital. The Board of Directors is also empowered to exclude the pre-emptive subscription right under the terms of article 159 of the Spanish Companies Act."

h) Significant agreements signed 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 would be 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) 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 Executive Chairman and seven of its managers that include express severance pay clauses.

In all cases, these clauses will take effect in the event of termination of the employment relationship initiated by the Company, unfair disciplinary dismissal, dismissal on objective grounds pursuant to art. 52 of the *Estatuto de los Trabajadores* [Spanish Worker's Statute], or following a decision to such effect by the manager in question based on any of the reasons envisaged under art. 50 of the Spanish Workers' Statute, and insofar as the termination is deemed justified through conciliation proceedings between the parties, court ruling, arbitral award or decision of the competent administrative body. The clauses 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.

31 January 2011