

**PROCESS FOR VOTING AND APPOINTMENT OF PROXIES BY REMOTE COMMUNICATION FOR GENERAL SHAREHOLDERS' MEETINGS**

In conformity with the article 189 of the Spanish Capital Companies Act, article 27 of the articles of association and articles 1, 10, 11.1 B) and 11.2 B) of the Rules of the General Shareholders' Meeting, the shareholders of the Company can vote and appoint proxies by means of remote communication – specifically, by either postal or electronic communication.

For these purposes, the aforesaid articles of the Articles of Association and the Rules of the General Meeting delegate to the Board of Directors the powers necessary to develop additional rules and regulate the exercise of voting and proxy rights by means of remote communication and to decide on the specific time from which shareholders may cast a vote and appoint a proxy through these media.

By virtue of this delegation, the Board of Directors of Enagás, S.A., in its meeting of 31 January 2011, resolved that the next General Shareholders' Meeting scheduled for 24 March 2011 at 12:00 PM on first call in the Palacio Municipal de Congresos (Campo de las Naciones), Avenida de la Capital de España s/n Madrid and, if quorum of attendance as required by the Law and the Articles of Association is not reached, a second call on 25 March 2011 at 12:00 PM, also at the Palacio Municipal de Congresos (Campo de las Naciones), Avenida de la Capital de España s/n Madrid shall be governed by the following rules for voting and proxy representation by remote communication.

**1. VOTING BY MEANS OF REMOTE COMMUNICATION.**

In conformity with articles 7 of the Articles of Association and 1, 11.1 B) and 11.2 B) of the Regulations of the General Shareholder Meeting, voting on proposals included as items of business on the agenda may be exercised by postal or electronic communication in accordance with the following instructions.

**1.1. Voting by postal correspondence.**

Shareholders that wish to vote by postal correspondence must send the Company the attendance card as issued by member entities of the Manager of Systems of Registration, Clearing and Settlement of Securities (IBERCLEAR) showing the identity of the shareholder, the number of shares held, the content of the vote on each item of business on the agenda and a signature along with a photocopy of the shareholder's national identity card or passport. If the shareholder is a legal person, a further document accrediting the proxy status of the individual must also be included.

**1.2. Voting by electronic communication.**

Shareholders that wish to cast their votes electronically must do so through the website of the Company ([www.enagas.es](http://www.enagas.es)) in "Investor Relations," in the section dedicated to the General Shareholders Meeting, as per the instructions provided in each of the windows of the above website. Thus, the shareholder must accredit, with an electronic and voting certificate, his or her identity by means of a recognized electronic signature with the assurances indicated below, in addition to the number of shares owned and the content of the shareholder's vote on each of the items of business on the agenda.

In conformity with articles 27 of the Articles of Association and 11.1 B) and 11.2 B) of the Regulations of the General Shareholders Meeting, the assurance the Board of Directors considers appropriate to ensure the authenticity and identification of shareholders exercising voting rights is the electronic signature recognised pursuant to the terms of Act 59/2003 of 19 December on Electronic Signatures, provided that the signature is based on (i) the electronic user certificate issued by the Spanish Public Certification Authority (CERES) of the Spanish National Mint for which no revocation has been recorded or (ii) the recognized electronic certificate in the Spanish national identity card issued pursuant to Royal Decree 1553/2005 of 23 December, regulating the issuance of the national identity card and electronically signed certificates. The certificate shall be obtained by the shareholder at no charge to the Company and it must be valid at the time of voting.

### **1. 3. Specific rules on content of vote.**

Should a shareholder casting a vote remotely fail to cast a vote on any item of business on the agenda, it shall be understood as a vote in favour of the proposal of the Board of Directors.

## **2. PROXY APPOINTMENT REMOTE COMMUNICATION SYSTEMS.**

In conformity with articles 27 of the Articles of Association and 10 of the Regulation of the General Shareholders' Meeting, shareholders may appoint a proxy for the General Shareholders' Meeting by postal correspondence or electronic communication in accordance with the following instructions.

### **2.1. Granting representation by postal correspondence.**

Shareholders that wish to grant representation by postal correspondence must fill in the attendance card issued by the Manager of Systems of Registration, Clearing and Settlement of Securities (IBERCLEAR) in its section "Proxy Appointment" with a handwritten signature.

### **2.2. Authorizing representation by electronic communication**

Shareholders that wish to appoint a proxy by electronic communication may do so at the website ([www.enagas.es](http://www.enagas.es)), "Investor Relations," and following the instructions provided in each of the windows of the aforesaid website.

In conformity with articles 27 of the Articles of Association and 10 of the Regulations of the General Shareholders Meeting, the assurance the Board of Directors considers appropriate to ensure the authenticity and identification of shareholders appointing a proxy is the electronic signature recognized pursuant to the terms of Act 59/2003 of 19 December on Electronic Signatures, provided that the signature is based on (i) the electronic user certificate issued by the Spanish Public Certification Authority (CERES) of the Spanish National Mint for which no revocation has been recorded or (ii) the recognized electronic certificate in the Spanish national identity card issued pursuant to Royal Decree 1553/2005 of 23 December, regulating the issuance of the national identity card and electronically signed certificates. The certificate shall be obtained by the shareholder at no charge to the Company and it must be valid at the time of making the delegation.

### **2.3. Common provisions for proxy appointment by remote communication.**

A shareholder that wishes to appoint a proxy by means of remote communication is obligated to notify the proxy of the appointment. For this purpose, on the date and time of the General Shareholders' Meeting, proxies must identify themselves with their national identity card or passport and provide a printed copy of the postal or electronic delegation duly signed by the representative shareholder and the represented shareholder.

A proxy may exercise the voting rights of the shareholder represented only by personally attending the General Shareholders' Meeting.

When the Chairman or any other member of the Board of Directors is appointed as a proxy, including the Secretary or Vice-Secretary, even if they are not board members, this notice shall be deemed fulfilled upon reception by the Company of the proxy notice.

No shareholder may be represented by more than one proxy.

## **3. COMMON RULES.**

### **3.1. Period for exercise of proxy and voting rights by remote communication.**

For proxy appointments and votes cast by remote postal or electronic communications to be valid, they must be received by the Company at the Shareholder Information Office (Paseo de los Olmos, 19, Madrid) or the Company website [www.enagas.es](http://www.enagas.es), as applicable, between the date of publication of the call for the General Meeting and no later than 24 hours prior to the date and time of the scheduled first call of the General Shareholders' Meeting: that is, no later than 23 March 2011 at 12:00 PM. For the purposes of electronic communications, the Company will implement an electronic dating system based on an objective time source to record the time of reception of the electronic proxy appoint and its acceptance or refusal, if any.

After this period, only proxy appointments in writing on the attendance card as presented in the shareholder registration tables on the date and time specified for the General Shareholders' Meeting.

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

#### 3.2.1. Priority of personal attendance.

Under articles 27 of the Articles of Association and 10 and 11.2 section B) of the Regulations of the General Shareholders' Meeting, personal attendance of the General Meeting will revoke proxy appointments and votes cast by remote communication.

#### 3.2.2. Priority of remote voting over remote proxy appointment.

A vote cast by any means of remote communication shall render null and void any proxy appointment made either electronically or by printed hard copy, whether prior, which shall be deemed null and void, or subsequent, which shall be deemed non-existent.

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

In the event a shareholder validly makes more than one proxy appointment or validly casts more than one vote by different forms of remote communication, the proxy appointment or vote received last shall prevail, where those received earlier shall be rendered null and void.

### **3.3. Confirmation of remote vote or proxy appointment.**

The validity votes cast and proxy appointments by remote communication shall be subject to verification of the information provided by the shareholder in the file furnished by IBERCLEAR.

### **3.4. Joint ownership.**

In the event of joint ownership of shares, for the purposes of article 126 of the Capital Companies Act, it shall be presumed that a joint owner voting or appointing a proxy by remote communication has been appointed by the other joint owners to exercise the rights deriving from the shares.

### **3.5. Custody of electronic signature.**

Individual shareholders shall bear sole responsibility for custody of their electronic signatures to vote or appoint proxies by remote communication.

### **3.6. Legal persons and non-residents.**

Legal person shareholders and non-residents in Spain must contact the Shareholder Office regarding possible use or adaptation of the mechanisms of voting and appointment of proxies through remote communication and their specific requirements.

Further, if a shareholder is a legal person, it must notify the Secretary General and the Board of Directors of the Company of any modification or revocation of the powers vested in the proxy. The Company waives any liability until said notice has been delivered.

## **4. TECHNICAL INCIDENTS.**

The Company reserves the right to modify, cancel or restrict mechanisms for the appointment of proxies or casting of electronic votes should technical or security reasons require or counsel. Said circumstance shall be made public as quickly as possible by any means the Company deems suitable.

The Company shall not be liable for any losses and damages suffered by a shareholder owing to breakdowns, overloads, crashes, connection failures, poor operation of postal

system or any other eventuality of an identical or similar nature that are beyond the control of the Company which prevent use of the mechanisms of electronic voting or appointment of proxies.

31 January 2011