

NATIONAL SECURITIES MARKET COMMISSION  
Markets Directorate-General

C/ Edison, 4  
**28006 - MADRID**

Madrid, July 25, 2018

**LETTER EXTENDING THE INFORMATION CONTAINED IN THE ANNUAL  
CORPORATE GOVERNANCE REPORT FOR THE 2017 FINANCIAL YEAR**

Dear Sir,

In response to your letter dated July 20, 2018 in relation to the Annual Corporate Governance Report for the 2017 financial year (hereinafter, “**IAGC**”) published as relevant information dated February 21, 2018, Enagás, S.A (hereinafter, “**Enagás**” or the “**Company**”) hereby proceeds to submit the following

**SUPPLEMENTARY INFORMATION TO THE IAGC**

**ONE.** With regard to the existence of mechanisms for the clawback of variable remuneration collected, as mentioned in Recommendation 63 of the Unified Good Governance Code, the Company declares that its Board of Directors approved the inclusion of a mechanism for the clawback of variable remuneration in the Regulations for Long-Term Variable Remuneration of Directors and Senior Managers. The literal wording of Section 10 of the included clause is as follows:

*“The Company may require the return of the shares or cash amount delivered under this plan or even offset such delivery against other remuneration of any kind to which the Beneficiary is entitled if, within two years after the settlement date of the plan, circumstances arise in the opinion of the Board of Directors of the Company which show that the Bonus was not settled correctly.*

*Specifically, and among other circumstances, the return of the Final bonus delivered may be required in the following cases:*

- (i) *If the Company's financial statements have to be restated for a reason other than the modification of the applicable accounting standards.*
- (ii) *If the Beneficiary is sanctioned due to serious breach of the code of conduct and other applicable internal regulations.*
- (iii) *When the Final Bonus has been totally or partially settled and paid based on information which is subsequently clearly proven to be false or seriously inaccurate.*
- (iv) *Other circumstances not foreseen or assumed by the Company, which have a material negative effect on the income statements of any of the years of the clawback period.*

*The Board shall determine, if appropriate, whether circumstances have arisen which should trigger the application of this clause and the Final Bonus which, if any, should be returned to the Company.”*

Therefore, the Company considers that the response on compliance with Recommendation 63 in the Annual Corporate Governance Report would not require rectification.

**TWO.** With regard to the attendance of Directors at meetings of the Board held during the 2017 financial year, the Company states that one (1) Director excused his attendance at two (2) of the eleven (11) meetings held by delegating his vote without specific instructions. For this reason, the Company believes that the response to comply with recommendation 27 in the Annual Corporate Governance Report should be corrected from “complies” to “partially complies”. The Company will endeavour in the future to take the necessary measures to comply with this recommendation.

I hope that this response satisfies your request. I remain yours faithfully.

Signed: Rafael Piqueras Bautista